



JEFFREY M. HARP  
President  
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August 8, 2014

Dear Shareholders

The first half of 2014 is history, and the results were good. Net Income for the first quarter of 2014 was up 12.7% over the first quarter of 2013. For the second quarter, Net Income increased 15.3% over the same period in 2013. As I mentioned in the Press Release (a copy of which is attached for your review), loan volume was up 18% and we are finally able to reinvest maturing securities at higher rates.

### **SECURITIES PORTFOLIO**

In looking back, I don't think I have ever spent any time with you discussing our investment philosophy. I should have, because securities make up 30-40% of our earnings assets. So here is a summary of our thinking on investments.

First, they have to be safe. Then, we have to be able to earn a decent return. The investment options for most banks consist of U.S. Treasury securities, Federal Agency securities (FNMA, FHLB, FHLMC, etc), corporate bonds issued by major companies (not a lot of banks invest in this area), and tax-exempt securities issued by states, municipalities, and school districts.

The hierarchy has always been that Treasuries are the safest, followed by Agency securities, then corporate bonds and tax-exempt securities. Theoretically, Treasuries and Agencies all have about the same level of risk. Risk in corporate and tax-exempt bonds varies widely, and purchase of these securities involves careful risk analysis.

As you would expect, the investment return is lower for the safest and goes up for the other types of investments. From the inception of Trinity Bank in 2003 until 2007 our investment portfolio consisted of a few Treasuries and lots of Agencies.

Parenthetically, let me add here that I have been a commercial lender my whole career. The first thirty plus years of my career, I spent hustling deposits to fund the loans I had made previously. However, as I have told you in numerous shareholder letters over the years, since we opened Trinity we have struggled to generate sufficient loan volume. Therefore, I have been forced to rely more on the investment portfolio to generate returns on your investment. Sometimes, I felt like I was running a leveraged bond fund instead of a bank, and I had neither the training nor the experience. With the recent increase in economic activity and loan demand, hopefully we will see less reliance on the investment portfolio to produce returns.

Now, back to the investment portfolio. In 2007, it appeared to my simple self that the Treasuries and Federal Agencies were not as strong as they appeared to most investment professionals. Therefore, we sold all of these investments and began purchasing corporate bonds and tax-exempt municipal securities. We do a pre-purchase analysis on all of these securities. We do not rely on the rating agencies such as Moody's or Standard & Poor's. The returns on these investments were higher than on Treasuries and Agencies, and I felt they were safer. (Most investment bankers and brokerage firms will tell you that Mr. Harp doesn't know what he is talking about – Treasuries and Agencies are backed by the full faith and credit of the U.S. Government. I don't have enough faith. I try to think for myself, and I'm a shareholder just like you.)

This philosophy – corporate and tax-exempt investments instead of Treasuries and Agencies – worked fine for several years. After five years of artificially suppressed interest rates (by the actions of the Federal Reserve), the investment world turned to investing more and more in corporate bonds. The spread between what a Treasury /Agency would pay and what a corporate bond earned became less and less. At the same time, the returns on tax-exempt securities remained attractive.

So we began selling the corporate securities and reinvesting in the tax-exempt sector. In the last few years, we have sold all of the corporate securities – the last group being sold in May of this year. I have repeated a chart from page 8 of the press release with some numbers highlighted. For the first half of 2013, Trinity had an average of \$24,115,000 in investment securities (corporate bonds) earning 3.20%. For the First half of 2014, the average investment in corporate bonds was down to \$4,562,000 (and the last of those sold in May 2014). The proceeds of those sales were reinvested in tax-free securities (earning 3.44% tax-equivalent) and in loans.

3 Months Ending									
June 30, 2014					June 30, 2013				
YIELD ANALYSIS	Average Balance	Interest	Yield	T/E Yield	Average Balance	Interest	Yield	T/E Yield	
Interest Earning Assets:									
Short term investment	\$ 12,010	18	0.60%	0.60%	\$ 15,843	21	0.53%	0.53%	
Investment securities	<b>4,562</b>	41	3.59%	3.59%	<b>24,115</b>	193	3.20%	<b>3.20%</b>	
Tax Free securities	54,846	327	2.38%	<b>3.44%</b>	42,264	209	1.98%	2.85%	
Loans	107,290	1,372	5.12%	<b>5.12%</b>	91,227	1,160	5.09%	5.09%	
<b>Total Interest Earning Assets</b>	<b>178,708</b>	<b>1,758</b>	<b>3.93%</b>	<b>4.26%</b>	<b>173,449</b>	<b>1,583</b>	<b>3.65%</b>	<b>3.86%</b>	

The implications are as follows;

- 1) we have sold all of the corporate securities over the last several years and have booked a gain over our cost basis of \$1,366,000;
- 2) we used this gain to replenish our Loan Loss Reserve and contribute to making our budgeted net income in 2012 and 2013;
- 3) the investment in tax-exempt securities has increased our returns and lowered our tax rate and increased the quality (safety) of our portfolio; and
- 4) having sold all the corporate bonds, gains on sale of securities will be minimal in future years.

Today, 100% of our investment portfolio consists of tax-exempt securities. This has increased our income through a lower tax rate. About 80% of those securities are issued by Texas school districts and guaranteed by the Permanent School Fund. They are rightfully rated AAA for safety (the highest rating available). The other 20% are issued by the State of Texas or by Texas counties and cities. For this last group, we do have a pre-purchase analysis program to ensure that we know the credit-worthiness of the issuer.

I apologize for the long-winded explanation, but this is an important topic, and I believe that the shareholders should know what we are doing and how we think. To repeat my earlier comment, we are in the business of lending money. But when we can't find loan volume with an acceptable risk/reward ratio, the excess funds go into our securities portfolio. You need to know our philosophy on investing.

To close this letter, let me give you a couple of firsts.

### **FORECLOSED REAL ESTATE**

After 11 years, we have our first foreclosed real estate (shown as other Real Estate Owned). The one non-performing loan we had finally entered bankruptcy proceedings and we were able to foreclose on April 1, 2014. We wrote the value down to \$300,000 and expect (hope) to recover at least that amount this year.

### **STOCK PRICE**

We finally had a stock trade at \$40.00 per share. My original goal was for the stock price to reach \$40.00 within 10 years from inception – May 2003. We missed it by a little over a year, but at least we are finally there and the return from the original price of \$10.00 per share is still pretty good considering the environment we have been through.

Going forward, you can do the math. If we can continue to earn at least 12% Return on Equity (14.36% in 2Q 2014) annually, then we should double again in 6 years. The attorneys and accountants will have heart failure over that last sentence. But I strongly believe that we owe you, the investor, a target and we ought to be held accountable for the results.

I apologize again if this has put you to sleep. I know most of you are not investment professionals and are not familiar with all of the fixed-income investment options. But, I want you to know how we go about attempting to produce a satisfactory return on your investment.

Thank you for your investment in and support of Trinity Bank. If you have any questions, suggestions, or topics that you would like for me to address, please contact me. I am available by email, phone, or in person.

Sincerely,



Jeffrey M. Harp  
President

***For Immediate Release***

TRINITY BANK 2014 2<sup>ND</sup> QUARTER NET INCOME UP 15.3%

2<sup>ND</sup> QUARTER EARNINGS PER SHARE UP 16.4%

39<sup>TH</sup> CONSECUTIVE QUARTER OF PROFIT IMPROVEMENT

FORT WORTH, Texas, July 29, 2014 – Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced operating results for the second quarter and the six months ending June 30, 2014.

**Results of Operation**

For the second quarter 2014, Trinity Bank, N.A. reported Net Income after Taxes of \$807,000, an increase of 15.3% over second quarter 2013 earnings of \$700,000. Earnings per diluted common share for the second quarter 2014 amounted to \$0.71, an increase of 16.4% over second quarter 2013 results of \$0.61 per diluted common share.

For the first six months of 2014, Net Income after Taxes was \$1,578,000, an increase of 14.0% over the first half of 2013 results of \$1,384,000. Earnings per diluted common share for the first half of 2014 were \$1.39, an increase of 14.9% over the first half of 2013 results of \$1.21 per diluted common share.

President Jeffrey M. Harp stated, “Second quarter results were good due to:

- 1) Loan volume was up 18% - there is more economic activity so we are seeing some new opportunities plus more of our existing customers are experiencing increased demand.
- 2) Net Interest Margin increased from 3.63% for the second quarter of 2013 to 4.05% for the second quarter of 2014.
- 3) Core operating earnings (income before tax and loan loss provision) are up 17.5% over the second quarter of last year.
- 4) Operating expense control and asset quality remain excellent.
- 5) Return on Assets of 1.76% and Return on Equity of 14.36% represent new highs for Trinity Bank.

I think it is also noteworthy to report that Trinity’s Return on Equity of 14.36% is calculated based upon a Capital Ratio of 12.38%. There are banks that are earning a higher ROE, but few if any are doing it with 12% Capital.”

*Page 2 – Trinity Bank second quarter 2014 earnings*

***Actual for Quarter***

(in 000's)	3 Months		3 Months	%
	<u>06/30/2014</u>		<u>06/30/2013</u>	
Net Interest Income	\$	1,663	\$ 1,483	12.1%
Non-Interest Income		121	113	7.1%
Non-Interest Expense		(785)	(746)	5.2%
Pretax Preprovision Income		999	850	17.5%
Gains on Sale of Securities and Foreclosed Assets		153	113	35.4%
Loan Loss Provision		(75)	0	N/M
Pretax Income		1,077	963	11.8%
Income Tax		(270)	(263)	2.7%
Net Income	\$	807	\$ 700	15.3%
Diluted Weighted Average Shares		1,136	1,143	
Earnings Per Share		.71	.61	16.4%

***Actual for 6 months***

(in 000's)	6 Months		6 Months	%
	<u>06/30/2014</u>		<u>06/30/2013</u>	
Net Interest Income	\$	3,276	\$ 2,913	12.5%
Non-Interest Income		239	222	7.7%
Non-Interest Expense		(1,513)	(1,453)	4.1%
Pretax Preprovision Income		2,002	1,682	19.0%
Gains on Sale of Securities and Foreclosed Assets		258	338	(23.7%)
Gains on Sale of Foreclosed Assets		24	52	N/M
Loan Loss Provision		(150)	(172)	(12.8%)
Pretax Income		2,134	1,900	12.3%
Income Tax		(556)	(516)	7.8%
Net Income	\$	1,578	\$ 1,384	14.0%
Diluted Weighted Average Shares		1,136	1,142	
Earnings Per Share		1.39	1.21	14.9%

Trinity Bank, N.A. is a commercial bank that began operations May 28, 2003. For a full financial statement, visit Trinity Bank's website: [www.trinitybk.com](http://www.trinitybk.com) Regulatory reporting format is also available at [www.fdic.gov](http://www.fdic.gov).

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This Press Release may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future financial conditions, results of operations and the Bank's business operations. Such forward-looking statements involve risks, uncertainties and assumptions, including, but not limited to, monetary policy and general economic conditions in Texas and the greater Dallas-Fort Worth metropolitan area, the risks of changes in interest rates on the level and composition of deposits, loan demand and the values of loan collateral, securities and interest rate protection agreements, the actions of competitors and customers, the success of the Bank in implementing its strategic plan, the failure of the assumptions underlying the reserves for loan losses and the estimations of values of collateral and various financial assets and liabilities, that the costs of technological changes are more difficult or expensive than anticipated, the effects of regulatory restrictions imposed on banks generally, any changes in fiscal, monetary or regulatory policies and other uncertainties as discussed in the Bank's Registration Statement on Form SB-1 filed with the Office of the Comptroller of the Currency. Should one or more of these risks or uncertainties materialize, or should these underlying assumptions prove incorrect, actual outcomes may vary materially from outcomes expected or anticipated by the Bank. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. The Bank believes it has chosen these assumptions or bases in good faith and that they are reasonable. However, the Bank cautions you that assumptions or bases almost always vary from actual results, and the differences between assumptions or bases and actual results can be material. The Bank undertakes no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless the securities laws require the Bank to do so.

TRINITY BANK N.A.  
(Unaudited)  
(Dollars in thousands, except per share data)

EARNINGS SUMMARY	Quarter Ended June 30			Six Months Ended June 30		
	2014	2013	% Change	2014	2013	% Change
Interest income	\$1,758	\$1,583	11.1%	\$3,467	\$3,119	11.2%
Interest expense	95	100	-5.0%	191	206	-7.3%
<b>Net Interest Income</b>	<b>1,663</b>	<b>1,483</b>	<b>12.1%</b>	<b>3,276</b>	<b>2,913</b>	<b>12.5%</b>
Service charges on deposits	39	41	-4.9%	81	80	1.3%
Other income	82	72	13.9%	158	142	11.3%
<b>Total Non Interest Income</b>	<b>121</b>	<b>113</b>	<b>7.1%</b>	<b>239</b>	<b>222</b>	<b>7.7%</b>
Salaries and benefits expense	377	365	3.3%	754	738	2.2%
Occupancy and equipment expense	69	77	-10.4%	141	158	-10.8%
Other expense	339	304	11.5%	618	557	11.0%
<b>Total Non Interest Expense</b>	<b>785</b>	<b>746</b>	<b>5.2%</b>	<b>1,513</b>	<b>1,453</b>	<b>4.1%</b>
<b>Pretax pre-provision income</b>	<b>999</b>	<b>850</b>	<b>17.5%</b>	<b>2,002</b>	<b>1,682</b>	<b>19.0%</b>
Gain on sale of securities	153	113	35.4%	258	338	-23.7%
Gain on sale of foreclosed assets	0	0	N/M	24	52	N/M
<b>Provision for Loan Losses</b>	<b>75</b>	<b>0</b>	<b>N/M</b>	<b>150</b>	<b>172</b>	<b>-12.8%</b>
Earnings before income taxes	1,077	963	11.8%	2,134	1,900	12.3%
Provision for income taxes	270	263	2.7%	556	516	7.8%
<b>Net Earnings</b>	<b>\$807</b>	<b>\$700</b>	<b>15.3%</b>	<b>\$1,578</b>	<b>\$1,384</b>	<b>14.0%</b>
Basic earnings per share	0.72	0.62	16.1%	1.40	1.22	14.8%
Basic weighted average shares outstanding	1,125	1,132		1,125	1,131	
Diluted earnings per share	0.71	0.61	16.4%	1.39	1.21	14.9%
Diluted weighted average shares outstanding	1,136	1,143		1,136	1,142	

BALANCE SHEET SUMMARY	Average for Quarter June 30			Average for Six Months June 30		
	2014	2013	% Change	2014	2013	% Change
Total loans	\$107,290	\$91,227	17.6%	\$106,021	\$89,808	18.1%
Total short term investments	12,010	15,843	-24.2%	11,256	20,553	-45.2%
Total investment securities	59,408	66,379	-10.5%	59,986	65,677	-8.7%
<b>Earning assets</b>	<b>178,708</b>	<b>173,449</b>	<b>3.0%</b>	<b>177,263</b>	<b>176,038</b>	<b>0.7%</b>
<b>Total assets</b>	<b>183,720</b>	<b>179,392</b>	<b>2.4%</b>	<b>182,113</b>	<b>182,273</b>	<b>-0.1%</b>
Noninterest bearing deposits	47,495	38,087	24.7%	46,219	37,400	23.6%
Interest bearing deposits	112,580	119,269	-5.6%	112,642	122,799	-8.3%
<b>Total deposits</b>	<b>160,075</b>	<b>157,356</b>	<b>1.7%</b>	<b>158,861</b>	<b>160,199</b>	<b>-0.8%</b>
Fed Funds Purchased and Repurchase Agreements	429	229	87.3%	436	386	13.0%
<b>Shareholders' equity</b>	<b>\$22,746</b>	<b>\$21,281</b>	<b>6.9%</b>	<b>\$22,451</b>	<b>\$21,135</b>	<b>6.2%</b>

TRINITY BANK N.A.  
(Unaudited)  
(Dollars in thousands, except per share data)

BALANCE SHEET SUMMARY	Average for Quarter Ending				
	June 30, 2014	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013
Total loans	\$107,290	\$104,737	\$100,220	\$94,567	\$91,227
Total short term investments	12,010	10,122	12,966	14,693	15,843
Total investment securities	59,408	60,942	63,937	65,064	66,379
<b>Earning assets</b>	<b>178,708</b>	<b>175,801</b>	<b>177,123</b>	<b>174,324</b>	<b>173,449</b>
<b>Total assets</b>	<b>183,720</b>	<b>180,487</b>	<b>181,884</b>	<b>179,452</b>	<b>179,392</b>
Noninterest bearing deposits	47,495	42,918	43,454	42,308	38,087
Interest bearing deposits	112,580	114,715	116,510	116,055	119,269
<b>Total deposits</b>	<b>160,075</b>	<b>157,633</b>	<b>159,964</b>	<b>158,363</b>	<b>157,356</b>
Fed Funds Purchased and Repurchase Agreements	429	442	267	229	229
<b>Shareholders' equity</b>	<b>\$22,746</b>	<b>\$22,154</b>	<b>\$21,301</b>	<b>\$20,548</b>	<b>\$21,281</b>

  

HISTORICAL EARNINGS SUMMARY	Quarter Ended				
	June 30, 2014	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013
Interest income	\$1,758	\$1,709	\$1,677	\$1,616	\$1,583
Interest expense	95	96	100	98	100
<b>Net Interest Income</b>	<b>1,663</b>	<b>1,613</b>	<b>1,577</b>	<b>1,518</b>	<b>1,483</b>
Service charges on deposits	39	42	43	43	41
Other income	82	76	66	67	72
<b>Total Non Interest Income</b>	<b>121</b>	<b>118</b>	<b>109</b>	<b>110</b>	<b>113</b>
Salaries and benefits expense	377	377	478	385	365
Occupancy and equipment expense	69	72	73	75	77
Other expense	339	279	135	177	304
<b>Total Non Interest Expense</b>	<b>785</b>	<b>728</b>	<b>686</b>	<b>637</b>	<b>746</b>
<b>Pretax pre-provision income</b>	<b>999</b>	<b>1,003</b>	<b>1,000</b>	<b>991</b>	<b>850</b>
Gain on sale of securities	153	105	51	21	113
Gain on sale of foreclosed assets	0	24	0	0	0
Gain on sale of assets	0	0	18	0	0
<b>Provision for Loan Losses</b>	<b>75</b>	<b>75</b>	<b>50</b>	<b>20</b>	<b>0</b>
Earnings before income taxes	1,077	1,057	1,019	992	963
Provision for income taxes	270	286	263	271	263
<b>Net Earnings</b>	<b>\$807</b>	<b>\$771</b>	<b>\$756</b>	<b>\$721</b>	<b>\$700</b>
Diluted earnings per share	\$ 0.71	\$ 0.68	\$ 0.66	\$ 0.63	\$ 0.61

TRINITY BANK N.A.  
(Unaudited)  
(Dollars in thousands, except per share data)

	Ending Balance				
<b>HISTORICAL BALANCE SHEET</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>	<b>Dec 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>June 30, 2013</b>
Total loans	\$108,648	\$103,762	\$109,505	\$93,934	\$94,432
Total short term investments	11,507	19,981	2,534	18,404	7,895
Total investment securities	58,067	59,669	63,495	63,966	67,506
<b>Total earning assets</b>	<b>178,222</b>	<b>183,412</b>	<b>175,534</b>	<b>176,304</b>	<b>169,833</b>
Allowance for loan losses	(1,371)	(1,396)	(1,321)	(1,271)	(1,249)
Premises and equipment	1,281	1,306	1,275	1,232	1,264
Other Assets	6,446	5,590	6,444	7,175	4,885
<b>Total assets</b>	<b>184,578</b>	<b>188,912</b>	<b>181,932</b>	<b>183,440</b>	<b>174,733</b>
Noninterest bearing deposits	50,548	46,896	45,813	44,398	37,823
Interest bearing deposits	110,131	118,861	113,839	117,411	115,922
<b>Total deposits</b>	<b>160,679</b>	<b>165,757</b>	<b>159,652</b>	<b>161,809</b>	<b>153,745</b>
Fed Funds Purchased and Repurchase Agreements	429	429	429	229	229
Other Liabilities	403	587	670	590	277
<b>Total liabilities</b>	<b>161,511</b>	<b>166,773</b>	<b>160,751</b>	<b>162,628</b>	<b>154,251</b>
Shareholders' Equity Actual	22,835	22,054	21,844	21,052	20,656
Unrealized Gain - AFS	231	85	(233)	(240)	(174)
<b>Total Equity</b>	<b>\$23,066</b>	<b>\$22,139</b>	<b>\$21,611</b>	<b>\$20,812</b>	<b>\$20,482</b>

  

	Quarter Ending				
<b>NONPERFORMING ASSETS</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>	<b>Dec 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>June 30, 2013</b>
Nonaccrual loans	\$0	\$402	\$402	\$402	\$429
Restructured loans	\$0	\$0	\$0	\$0	\$0
Other real estate & foreclosed assets	\$300	\$0	\$0	\$0	\$0
Accruing loans past due 90 days or more	\$0	\$0	\$0	\$0	\$0
<b>Total nonperforming assets</b>	<b>\$300</b>	<b>\$402</b>	<b>\$402</b>	<b>\$402</b>	<b>\$429</b>
Accruing loans past due 30-89 days	\$0	\$0	\$0	\$0	\$1,097
Total nonperforming assets as a percentage of loans and foreclosed assets	0.28%	0.39%	0.39%	0.37%	0.45%

TRINITY BANK N.A.  
(Unaudited)  
(Dollars in thousands, except per share data)

ALLOWANCE FOR LOAN LOSSES	Quarter Ending				
	June 30, 2014	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013
Balance at beginning of period	\$1,396	\$1,321	\$1,271	\$1,249	\$1,245
Loans charged off	102	0	0	0	0
Loan recoveries	2	0	0	2	4
Net (charge-offs) recoveries	(100)	0	0	2	4
Provision for loan losses	75	75	50	20	0
Balance at end of period	\$1,371	\$1,396	\$1,321	\$1,271	\$1,249
Allowance for loan losses as a percentage of total loans	1.26%	1.35%	1.27%	1.16%	1.32%
Allowance for loan losses as a percentage of nonperforming loans	N/A	347%	329%	316%	311%
Net charge-offs (recoveries) as a percentage of average loans	N/A	N/A	N/A	N/A	N/A
Provision for loan losses as a percentage of average loans	0.07%	0.07%	0.05%	0.02%	N/A
SELECTED RATIOS	Quarter Ending				
	June 30, 2014	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013
Return on average assets (annualized)	1.76%	1.71%	1.66%	1.61%	1.56%
Return on average equity (annualized)	14.19%	13.92%	14.20%	14.04%	13.16%
Return on average equity (excluding unrealized gain on investments)	14.36%	13.95%	14.10%	13.74%	13.76%
Average shareholders' equity to average assets	12.38%	12.27%	11.71%	11.45%	11.86%
Yield on earning assets (tax equivalent)	4.26%	4.14%	4.00%	3.92%	3.86%
Cost of interest bearing funds	0.34%	0.33%	0.34%	0.34%	0.34%
Net interest margin (tax equivalent)	4.05%	3.92%	3.78%	3.69%	3.63%
Efficiency ratio (tax equivalent)	40.7%	39.5%	38.5%	36.9%	44.1%
End of period book value per common share	\$20.50	\$19.68	\$19.09	\$18.40	\$18.09
End of period book value (excluding unrealized gain on investments)	\$20.30	\$19.60	\$19.30	\$18.61	\$18.25
End of period common shares outstanding (in 000's)	1,125	1,125	1,132	1,131	1,132

TRINITY BANK N.A.  
(Unaudited)  
(Dollars in thousands, except per share data)

	3 Months Ending							
	June 30, 2014				June 30, 2013			
YIELD ANALYSIS	Average Balance	Interest	Yield	Tax Equivalent Yield	Average Balance	Interest	Yield	Tax Equivalent Yield
Interest Earning Assets:								
Short term investment	\$ 12,010	18	0.60%	0.60%	\$ 15,843	21	0.53%	0.53%
Investment securities	4,562	41	3.59%	3.59%	24,115	193	3.20%	3.20%
Tax Free securities	54,846	327	2.38%	3.44%	42,264	209	1.98%	2.85%
Loans	107,290	1,372	5.12%	5.12%	91,227	1,160	5.09%	5.09%
<b>Total Interest Earning Assets</b>	<b>178,708</b>	<b>1,758</b>	<b>3.93%</b>	<b>4.26%</b>	<b>173,449</b>	<b>1,583</b>	<b>3.65%</b>	<b>3.86%</b>
Noninterest Earning Assets:								
Cash and due from banks	3,516				3,358			
Other assets	2,843				3,883			
Allowance for loan losses	(1,347)				(1,247)			
<b>Total Noninterest Earning Assets</b>	<b>5,012</b>				<b>5,994</b>			
<b>Total Assets</b>	<b>\$183,720</b>				<b>\$179,443</b>			
Interest Bearing Liabilities:								
Transaction and Money Market accounts	87,464	59	0.27%	0.27%	94,633	66	0.28%	0.28%
Certificates and other time deposits	25,116	36	0.57%	0.57%	24,636	34	0.55%	0.55%
Other borrowings	429	0	0.25%	0.25%	229	0	0.25%	0.25%
<b>Total Interest Bearing Liabilities</b>	<b>113,009</b>	<b>95</b>	<b>0.34%</b>	<b>0.34%</b>	<b>119,498</b>	<b>100</b>	<b>0.34%</b>	<b>0.34%</b>
Noninterest Bearing Liabilities								
Demand deposits	47,495				38,087			
Other liabilities	470				526			
Shareholders' Equity	22,746				21,281			
<b>Total Liabilities and Shareholders Equity</b>	<b>\$183,720</b>				<b>\$179,392</b>			
<b>Net Interest Income and Spread</b>		<b>1,663</b>	<b>3.59%</b>	<b>3.92%</b>		<b>1,483</b>	<b>3.32%</b>	<b>3.53%</b>
<b>Net Interest Margin</b>			<b>3.72%</b>	<b>4.05%</b>			<b>3.42%</b>	<b>3.63%</b>

TRINITY BANK N.A.  
(Unaudited)  
(Dollars in thousands, except per share data)

	June 30 2014	%	June 30 2013	%
<b>LOAN PORTFOLIO</b>				
Commercial and industrial	\$58,814	54.13%	\$51,813	54.87%
Real estate:				
Commercial	18,412	16.95%	15,562	16.48%
Residential	21,075	19.40%	17,096	18.11%
Construction and development	7,873	7.25%	7,487	7.93%
Consumer	2,473	2.28%	2,466	2.61%
<b>Total loans (gross)</b>	<b>108,647</b>	<b>100.00%</b>	<b>94,424</b>	<b>100.00%</b>
Unearned discounts	0	0.00%	0	0.00%
<b>Total loans (net)</b>	<b>\$108,647</b>	<b>100.00%</b>	<b>\$94,424</b>	<b>100.00%</b>
	<b>June 30 2014</b>		<b>June 30 2013</b>	
<b>REGULATORY CAPITAL DATA</b>				
Tier 1 Capital	\$22,835		\$20,656	
Total Capital (Tier 1 + Tier 2)	\$24,206		\$21,905	
Total Risk-Adjusted Assets	\$115,772		\$123,388	
Tier 1 Risk-Based Capital Ratio	19.72%		16.74%	
Total Risk-Based Capital Ratio	20.91%		17.75%	
Tier 1 Leverage Ratio	12.43%		11.51%	
<b>OTHER DATA</b>				
Full Time Equivalent Employees (FTE's)	15		14	
<b>Stock Price Range</b>				
(For the Three Months Ended):				
High	\$38.00		\$36.50	
Low	\$37.50		\$32.50	
Close	\$38.00		\$32.50	