



JEFFREY M. HARP
President
jharp@TrinityBk.com

February 3, 2014

Dear Shareholders:

2013 represents the 10th full year of operations for Trinity Bank. 10 years! Wow! That sounds like a long time, but it sure seemed to pass in a hurry. We've been very fortunate over the past decade, and we hope that good fortune remains in our future as well.

One of the questions I am asked most frequently is, "How is the bank doing?" I struggle with how to communicate how Trinity Bank is doing. Does the answer lie with growth in Earnings Per Share, or growth in Book Value, or Return on Assets, or Return on Equity, etc.? So in this letter, I am going to attempt to answer the question, "How is Trinity Bank doing?"

Listed below is our record of producing a profit since inception.

<u>Period</u>	<u>Net Income</u>
5-28-03 to 12-31-03*	\$ (939,000)
2004	\$ (277,000)
2005	\$ 463,000
2006	\$ 888,000
2007	\$ 1,037,000
2008	\$ 1,393,000
2009	\$ 1,636,000
2010	\$ 2,005,000
2011	\$ 2,282,000
2012	\$ 2,581,000
2013	\$ 2,862,000

*Includes start-up expense prior to May 28th opening.

A consistent growth in Net Income is not the only way to measure results, but it is pretty high up on the list of important factors. And we are confident that our past performance is good on any kind of comparative basis. But the main question is, "Are we increasing Shareholder Value?"

SHAREHOLDER VALUE

In 2007, your Board and management adopted the Economic Value Added (EVA) financial system developed by Stern Stewart & Co. We believe it is superior to any of the metrics mentioned on the first page – growth in earnings per share or book value, etc. The premise is:

“What truly determines Shareholder Value (evidenced by stock price) is the cash, adjusted for time and risk, which an investor can expect to get back over the life of the business.”

Managing Trinity Bank to produce sustained increases in Economic Value Added is the best way to create shareholder wealth. The market value of Trinity is easy to calculate, but market value by itself is meaningless if it does not include the vital matter of how much capital the company invested to achieve that value. And this is where the EVA system differs from all of the other measurement metrics.

The Stern Stewart system requires one to calculate and focus on two numbers and the formulae for calculating those numbers are below:

1) MARKET VALUE ADDED (MVA)

$$MVA = \text{market value} - \text{total capital}$$

2) ECONOMIC VALUE ADDED (EVA)

	Sales	
-	Operating Costs	
-	<u>Capital Costs *</u>	
=	EVA	

*The key concept is adding the Cost of Capital (the return an investor requires to invest in your company) to Operating Costs.

MARKET VALUE ADDED (MVA)

If we are producing Shareholder Value, we are adding to the market value of your investment. Market Value is determined simply by multiplying the stock price by the number of shares outstanding. However market value says nothing about “wealth creation”. It tells you the value of your company, but it ignores how much capital the company invested to achieve that value. Wealth creation is determined by the difference between market value and the capital that investors have committed to the company. Each dollar of capital that a company (your bank) invests (with money raised from the initial offering plus retained earnings) must produce more than a dollar of market value.

Please examine the following chart to review the performance of Trinity Bank. This is consistent with Warren Buffett’s (arguably the best investor of all time) philosophy of, “For every dollar retained by the business, make sure the company produced at least one dollar of value”.

Market Value of Trinity Bank

Stock Price	X	Shares Outstanding	=	
\$37.00		1,132,106		\$41,887,922

Shareholder Investment

Original Capital Investment	\$11,033,070
Earnings Since Inception	\$13,929,948
Capital from Exercise of Stock Options	\$ 1,242,335
Capital Returned to Shareholders through Dividends/Stock Repurchases	<u>(\$ 4,361,113)</u>
Total Shareholder Investment	\$21,844,239
Market Value ÷ Shareholder Investment	= \$1.91

For each dollar invested and retained in Trinity, we have produced \$1.91 in value.

ECONOMIC VALUE ADDED (EVA)

The second part of the Stern Stewart system involves determining the economic profit that creates Market Value Added. Their term for this economic profit is Economic Value Added or EVA. One takes total revenue and subtracts expenses as well as a charge for the “cost of capital.”

So what is Trinity Bank’s Cost of Capital? The accepted definition of Cost of Capital is somewhere between 1% and 7% over the risk-free rate of return. The accepted risk-free rate of return has always been the 30 year Treasury rate. (Whether the U.S. Treasury rate is a risk-free return is the subject for another letter.) The current 30 year Treasury rate is 3.66% – giving Cost of Capital a rate between 4.66% and 10.66%.

I have generated the following chart based upon Trinity Bank’s Cost of Capital at the 9.5% level – somewhere in between 4.66% and 10.66%.

<u>(in 000's)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Proj. 2014</u>
Revenues	\$6,418	\$6,752	\$7,333	\$7,585
Operating Costs	(4,136)	(4,172)	(4,472)	(4,375)
Cost of Capital	(1,537)	(1,712)	(1,857)	(2,075)
Economic Value Added	\$ 745	\$ 868	\$ 1,004	\$1,135

Therefore, EVA is positive and the trend is in the right direction.

Based upon the Market Value Added and the Economic Value Added, Trinity Bank is making progress.

If you have any desire to pursue further understanding of Stern Stewart's system, the best book I've seen is EVA The Real Key to Creating Wealth by Al Ehrbar. It is not a difficult read.

LOOKING BACK ON 2013

2013 was a decent year – not great but not bad. Some of the positives are listed below.

1. We continue to make progress in Return on Equity and Return on Assets. (In spite of telling you that these are not as important as the EVA system, I'll give them to you anyway.)

	For year ending						
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Return on Assets	1.58%	1.51%	1.46%	1.30%	1.12%	1.11%	0.96%
Return on Equity (excluding unrealized gain on securities)	13.83%	13.21%	13.22%	12.57%	11.33%	10.80%	8.88%

2. We were finally able to see a decent increase in Loan Demand and Loan Volume – average loans for 2013 were up 12% over 2012 and a large part of that came in the second half of the year.
3. We continue to operate very efficiently.
4. We continue to have excellent asset quality.
5. We paid our third and fourth cash dividends to shareholders - \$.25 per share in April 2013 and \$.28 in October 2013.

The major negative issues we faced in 2013 were:

1. Continued struggle with securities maturing at yields that could not be replaced in the low rate environment that existed in the early part of the year (approximately 20% of our investment portfolio matured in 2013)
2. Rebuilding our Loan Loss Reserve after our first (and to date only) loan losses in 2012.

We look forward to producing good results in 2014. Thank you for your investment in and support of Trinity Bank. And thanks for giving us the freedom to do things the way we think they ought to be done. We are willing to be held accountable for the results.

As always, let me know if you have any questions or comments or if you have any topics you would like for me to address. And please take note of the highlighted paragraph below.

Best wishes for a good 2014.

YOU WILL SOON BE RECEIVING THE NOTICE OF ANNUAL MEETING AND THE PROXY STATEMENT FOR TRINITY BANK. PLEASE SEND YOUR PROXY VOTE BACK. WE CONTINUE TO STRUGGLE WITH GETTING A QUORUM FOR THE ANNUAL MEETING (REQUIRES AT LEAST 66.6% OF THE SHAREHOLDERS).

Sincerely,

A handwritten signature in cursive script that reads "Jeff Harp".

Jeffrey M. Harp
President

For Immediate Release

TRINITY BANK REPORTS 10TH CONSECUTIVE YEAR OF INCREASED PROFITS

- 4th quarter 2013 Net Income increased 13.7% over 4th Quarter 2012
- 2013 Net Income increased 10.9% over 2012 results
- Strong equity to assets ratio of 11.71%
- Return on Assets (1.58%) and Return on Equity (13.83%) reached all-time highs

FORT WORTH, Texas, January 30, 2014 – Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced financial and operating results for the fourth quarter and for the twelve months ended December 31, 2013.

Trinity Bank, N.A. reported Net Income after Taxes for the fourth quarter of \$756,415, or \$.66 per diluted common share, compared to \$664,894, or \$.59 per diluted common share for the fourth quarter of 2012, an increase of 11.9%

For the year 2013, Net Income After Taxes amount to \$2,861,649, or \$2.51 per diluted common share, compared to \$2,580,715, or \$2.36 per diluted common share for 2012, an increase of 6.4%.

Jeffrey M. Harp, President, stated, “Operating results for 2013 represent our 10th consecutive year of improved profitability. We are pleased to be able to report growth in earnings and assets, improved asset quality, and exceptional efficiency. Return on Assets and Return on Equity are well above peer bank performance at the local, state, and national level. The level of economic activity in our market improved in the second half of 2013. Businesses are cautiously beginning to grow again, but confidence is still guarded. Trinity Bank remains focused on improving performance in all economic conditions.”

	<u>For Year Ending</u>					
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Return on Assets	1.58%	1.51%	1.46%	1.30%	1.12%	1.11%
Return on Equity (excluding unrealized gain on securities)	13.83%	13.21%	13.22%	12.57%	11.33%	10.80%

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 Regulatory reporting format is also available at www.fdic.gov.

###

For information contact:

Richard Burt

Executive Vice President

Trinity Bank

817-763-9966

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			Twelve Months Ended		
	December 30 2013	2012	% Change	December 30 2013	2012	% Change
Interest income	1,677	1,542	8.8%	6,412	6,138	4.5%
Interest expense	100	110	-9.1%	404	556	-27.3%
Net Interest Income	1,577	1,432	10.1%	6,008	5,582	7.6%
Service charges on deposits	43	41	4.9%	165	152	8.6%
Other income	66	64	3.1%	276	242	14.0%
Total Non Interest Income	109	105	3.8%	441	394	11.9%
Salaries and benefits expense	478	512	-6.6%	1,600	1,494	7.1%
Occupancy and equipment expense	73	84	-13.1%	306	307	-0.3%
Other expense	135	122	10.7%	870	803	8.3%
Total Non Interest Expense	686	718	-4.5%	2,776	2,604	6.6%
Pretax pre-provision income	1,000	819	22.1%	3,673	3,372	8.9%
Gain on sale of securities	51	116	-56.0%	410	286	43.4%
Gain on sale of foreclosed assets	0	0	N/M	52	0	N/M
Gain on sale of assets	18	0	N/M	18	0	N/M
Provision for Loan Losses	50	45	11.1%	242	195	24.1%
Earnings before income taxes	1,019	890	14.5%	3,911	3,463	12.9%
Provision for income taxes	263	225	16.9%	1,049	882	18.9%
Net Earnings	756	665	13.7%	2,862	2,581	10.9%
Basic earnings per share	0.67	0.59	13.6%	2.53	2.38	6.3%
Basic weighted average shares outstanding	1,132	1,123		1,131	1,084	
Diluted earnings per share	0.66	0.59	11.9%	2.51	2.36	6.4%
Diluted weighted average shares outstanding	1,143	1,134		1,142	1,095	

BALANCE SHEET SUMMARY	Average for Quarter			Twelve Months Ended		
	December 30 2013	2012	% Change	December 30 2013	2012	% Change
Total loans	\$100,220	\$85,853	16.7%	\$93,605	\$83,486	12.1%
Total short term investments	12,966	25,057	-48.3%	17,163	21,982	-21.9%
Total investment securities	63,937	59,626	7.2%	65,815	58,512	12.5%
Earning assets	177,123	170,536	3.9%	176,583	163,980	7.7%
Total assets	181,884	177,855	2.3%	181,501	170,882	6.2%
Noninterest bearing deposits	43,454	38,481	12.9%	40,160	33,866	18.6%
Interest bearing deposits	116,510	116,937	-0.4%	119,517	115,491	3.5%
Total deposits	159,964	155,418	2.9%	159,677	149,357	6.9%
Fed Funds Purchased and Repurchase Agreements	267	451	-40.8%	317	387	-18.1%
Shareholders' equity	21,301	20,529	3.8%	21,029	20,134	4.4%

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

BALANCE SHEET SUMMARY	Dec 31, 2013	Average for Quarter Ending			Dec 31, 2012
		Sept. 30, 2013	June 30, 2013	March 31, 2013	
Total loans	\$100,220	\$94,567	\$91,227	\$88,373	\$85,853
Total short term investments	12,966	14,693	15,843	25,315	25,057
Total investment securities	63,937	65,064	66,379	64,969	59,626
Earning assets	177,123	174,324	173,449	178,657	170,536
Total assets	181,884	179,452	179,392	185,352	177,855
Noninterest bearing deposits	43,454	42,308	38,087	36,699	38,481
Interest bearing deposits	116,510	116,055	119,269	126,375	116,937
Total deposits	159,964	158,363	157,356	163,074	155,418
Fed Funds Purchased and Repurchase Agreements	267	229	229	545	451
Shareholders' equity	21,301	20,548	21,281	20,988	20,529
HISTORICAL EARNINGS SUMMARY	Dec 31, 2013	Quarter Ended			Dec 31, 2012
		Sept. 30, 2013	June 30, 2013	March 31, 2013	
Interest income	1,677	1,616	1,583	1,537	1,542
Interest expense	100	98	100	106	110
Net Interest Income	1,577	1,518	1,483	1,431	1,432
Service charges on deposits	43	43	41	39	41
Other income	66	67	72	69	64
Total Non Interest Income	109	110	113	108	105
Salaries and benefits expense	478	385	365	373	512
Occupancy and equipment expense	73	75	77	81	84
Other expense	135	177	304	254	122
Total Non Interest Expense	686	637	746	708	718
Pretax pre-provision income	1,000	991	850	831	819
Gain on sale of securities	51	21	113	226	116
Gain on sale of foreclosed assets	0	0	0	52	0
Gain on sale of assets	18	0	0	0	0
Provision for Loan Losses	50	20	0	172	45
Earnings before income taxes	1,019	992	963	937	890
Provision for income taxes	263	271	263	253	225
Net Earnings	756	721	700	684	665
Diluted earnings per share	0.66	0.63	0.61	0.60	0.59

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

HISTORICAL BALANCE SHEET	Ending Balance				
	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012
Total loans	\$109,505	\$93,934	\$94,432	\$87,926	\$93,523
Total short term investments	2,534	18,404	7,895	32,274	34,511
Total investment securities	63,495	63,966	67,506	62,908	65,031
Total earning assets	175,534	176,304	169,833	183,108	193,065
Allowance for loan losses	(1,321)	(1,271)	(1,249)	(1,245)	(1,073)
Premises and equipment	1,275	1,232	1,264	1,250	1,287
Other Assets	6,444	7,175	4,885	6,002	6,474
Total assets	181,932	183,440	174,733	189,115	199,753
Noninterest bearing deposits	45,813	44,398	37,823	38,673	49,403
Interest bearing deposits	113,839	117,411	115,922	128,345	128,491
Total deposits	159,652	161,809	153,745	167,018	177,894
Fed Funds Purchased and Repurchase Agreements	429	229	229	228	559
Other Liabilities	670	590	277	965	725
Total liabilities	160,751	162,628	154,251	168,211	179,178
Shareholders' Equity Actual	21,844	21,052	20,656	19,996	19,546
Unrealized Gain - AFS	(233)	(240)	(174)	908	1,029
Total Equity	21,611	20,812	20,482	20,904	20,575
NONPERFORMING ASSETS	Quarter Ending				
	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012
Nonaccrual loans	\$402	\$402	\$429	\$0	\$0
Restructured loans	\$0	\$0	\$0	\$0	\$0
Other real estate & foreclosed assets	\$0	\$0	\$0	\$0	\$35
Accruing loans past due 90 days or more	\$0	\$0	\$0	\$0	\$0
Total nonperforming assets	\$402	\$402	\$429	\$0	\$35
Accruing loans past due 30-89 days	\$0	\$0	\$1,097	\$0	\$0
Total nonperforming assets as a percentage of loans and foreclosed assets	0.37%	0.43%	0.45%	0.00%	0.04%

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

ALLOWANCE FOR LOAN LOSSES	Quarter Ending				Dec 31, 2012
	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	
Balance at beginning of period	\$1,271	\$1,249	\$1,245	\$1,073	\$1,026
Loans charged off	0	0	0	0	0
Loan recoveries	0	2	4	0	2
Net (charge-offs) recoveries	0	2	4	0	2
Provision for loan losses	50	20	0	172	45
Balance at end of period	\$1,321	\$1,271	\$1,249	\$1,245	\$1,073
Allowance for loan losses as a percentage of total loans	1.21%	1.35%	1.32%	1.42%	1.15%
Allowance for loan losses as a percentage of nonperforming loans	329%	316%	291%	N/A	3066%
Net charge-offs (recoveries) as a percentage of average loans	N/A	N/A	N/A	N/A	0.00%
Provision for loan losses as a percentage of average loans	0.05%	0.02%	N/A	0.19%	0.05%

SELECTED RATIOS	Quarter Ending				Dec 31, 2012
	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	
Return on average assets (annualized)	1.66%	1.61%	1.56%	1.48%	1.50%
Return on average equity (annualized)	14.20%	14.04%	13.16%	13.04%	12.96%
Return on average equity (excluding unrealized gain on investments)	14.10%	13.74%	13.76%	13.70%	13.79%
Average shareholders' equity to average assets	11.71%	11.45%	11.86%	11.32%	11.54%
Yield on earning assets (tax equivalent)	4.00%	3.92%	3.87%	3.65%	3.84%
Cost of interest bearing funds	0.34%	0.34%	0.34%	0.33%	0.37%
Net interest margin (tax equivalent)	3.78%	3.69%	3.63%	3.41%	3.58%
Efficiency ratio (tax equivalent)	38.52	36.99	44.14	42.04	43.97
End of period book value per common share	19.09	18.40	18.09	18.47	18.26
End of period book value (excluding unrealized gain on investments)	19.30	18.61	18.25	17.66	17.34
End of period common shares outstanding	1,132	1,131	1,132	1,132	1,127

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

YIELD ANALYSIS	12 Months Ending							
	December 31, 2013				December 31, 2012			
	Average Balance	Interest	Yield	Tax Equivalent Yield	Average Balance	Interest	Yield	Tax Equivalent Yield
Interest Earning Assets:								
Short term investment	17,163	85	0.50%	0.50%	21,982	131	0.60%	0.60%
Investment securities	23,628	743	3.14%	3.14%	18,786	681	3.63%	3.63%
Tax Free securities	42,187	849	2.01%	2.90%	39,726	930	2.34%	3.37%
Loans	93,605	4,735	5.06%	5.06%	83,486	4,396	5.27%	5.27%
Total Interest Earning Assets	176,583	6,412	3.63%	3.84%	163,980	6,138	3.74%	3.99%
Noninterest Earning Assets:								
Cash and due from banks	3,502				3,568			
Other assets	2,662				4,592			
Allowance for loan losses	(1,246)				(1,258)			
Total Noninterest Earning Assets	4,918				6,902			
Total Assets	\$181,501				\$170,882			
Interest Bearing Liabilities:								
Transaction and Money Market accounts	94,464	267	0.28%	0.28%	87,411	351	0.40%	0.40%
Certificates and other time deposits	25,053	137	0.55%	0.55%	28,080	204	0.73%	0.73%
Other borrowings	317	0	0.04%	0.04%	387	1	0.26%	0.26%
Total Interest Bearing Liabilities	119,834	404	0.34%	0.34%	115,878	556	0.48%	0.48%
Noninterest Bearing Liabilities								
Demand deposits	40,160				33,866			
Other liabilities	478				1,004			
Shareholders' Equity	21,029				20,134			
Total Liabilities and Shareholders Equity	\$181,501				\$170,882			
Net Interest Income and Spread		6,008	3.29%	3.51%		5,582	3.26%	3.51%
Net Interest Margin			3.40%	3.61%			3.40%	3.65%

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

	December 31 2013	%	December 31 2012	%
LOAN PORTFOLIO				
Commercial and industrial	63,364	57.86%	53,820	57.55%
Real estate:				
Commercial	17,701	16.16%	14,614	15.63%
Residential	19,037	17.38%	13,862	14.82%
Construction and development	7,085	6.47%	9,058	9.69%
Consumer	2,318	2.12%	2,169	2.32%
Total loans (gross)	109,505	100.00%	93,523	100.00%
Unearned discounts	0	0.00%	0	0.00%
Total loans (net)	109,505	100.00%	93,523	100.00%

	December 31 2013	December 31 2012
REGULATORY CAPITAL DATA		
Tier 1 Capital	\$21,845	\$19,546
Total Capital (Tier 1 + Tier 2)	\$23,166	\$20,619
Total Risk-Adjusted Assets	\$134,220	\$122,289
Tier 1 Risk-Based Capital Ratio	16.28%	15.98%
Total Risk-Based Capital Ratio	17.26%	16.86%
Tier 1 Leverage Ratio	12.01%	10.99%

OTHER DATA

Full Time Equivalent Employees (FTE's)	14	14
Stock Price Range (For the Three Months Ended):		
High	\$37.00	\$33.00
Low	\$34.75	\$30.50
Close	\$37.00	\$33.00