



JEFFREY M. HARP
President
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November 4, 2013

Dear Shareholders,

For the third quarter of 2013, Trinity Bank reported Net Income after Taxes of \$721,000 – an increase of 10.8% over third quarter 2012 earnings of \$651,000. The Press Release and Financial Summary is attached for your review. As I mentioned in the press release, the improved results can be attributed primarily to:

1) a 12.9% increase in average loans

We are seeing more activity from existing customers and we have been able to obtain some new relationships.

2) an increase in the Net Interest Margin from 3.50% to 3.69%

This is due to a better mix of earning assets. The percentage of earning assets invested in loans (our highest yielding earning asset) is higher and the percentage of earning assets invested in short-term investments (our lowest yielding asset) is lower.

3) excellent operating expense control

I mentioned in my last shareholder letter that I would focus on expense control in this communication.

OPERATING EXPENSE CONTROL

In my opinion, operating expense control or efficiency is one of the key ways to generate shareholder value. There are several ways to analyze efficiency.

Efficiency Ratio

This is a standard ratio used in comparing bank performance. It calculates how much operating expense (excludes interest expense on deposits) it takes to produce \$1.00 of revenue. Through the first six months of 2013 (the latest data available), it takes Trinity Bank \$.46 to generate \$1.00 of revenue. The average bank in our peer group * takes \$.72 to generate \$1.00 of revenue. This is a very significant advantage.

*Our peer group is 439 banks in the U.S. between \$100 million and \$300 million in assets with two or fewer branches in a major metropolitan market. It is important to note that we are compared to similar banks – not to banks with lots of branches.

How do we do this?

Breakdown by Expense Category (Expense divided by Total Assets)

<u>Personnel Expense</u>	<u>Trinity</u>	<u>Peer</u>
	.81%	1.57%

Personnel Expense is about half that of the Peer Group.

<u>Occupancy Expense</u>	<u>Trinity</u>	<u>Peer</u>
	.09%	.32%

Our occupancy expense is less than a third that of the Peer Group. (And I think we have a nice facility in a good location)

<u>All other Operating Expense</u>	<u>Trinity</u>	<u>Peer</u>
	.69%	.99%

Other operating expense is 30% less than that of the Peer Group.

A typical response to these comparisons would be, "Well, you must be a penny-pinching slave driver." While some employees might agree, let me give you a couple more facts.

	<u>Trinity</u>	<u>Peer</u>
Average Personnel Expense per employee (in 000's)	\$105.43	\$84.09
Assets per Employee (in millions)	\$12.48	\$5.52

We have fewer people, but better paid people. Each employee contributes to handling nearly 2 ½ times as many assets as peer bank employees. And we don't have any employees working nights and weekends.

We are extremely efficient because we designed the bank to appeal to a customer base that desires quality products and a high level of personal service. There are lots of ways to skin the cat. And ours is not the only way, but it is the way we know best.

What does that mean to a shareholder? It is one of the main reasons that your bank stock trades (when it trades) at 200% of Book Value * in the open market. So far in 2013, there have been 8 banks in the Southwest acquired by other banks. The average price paid in these transactions was 148% of Book Value. In other words, Trinity stock is trading in the open market at a premium to the average sales price of the banks acquired so far in 2013. Our efficiency is a major contributor to the value of our stock.

LOOKING FORWARD TO 2014

2012 and 2013 (assuming we continue to make progress the rest of this year) have been good years. Not great, but good. Both years have been penalized by the Federal Reserve's artificially low interest rate environment. We had \$25 million in securities mature in 2012 and 2013. The rates on these maturing securities were at much higher levels than we can reinvest at today. But the worst of that is behind us. And by the way, if you are confused by all of the "taper, don't taper" talk from the Federal Reserve, I think I can safely say one thing. The markets and the economy are 100% dependent upon the easy money policy of the Fed. The Fed can't stop the stimulus. Higher rates would hurt the housing market and raise the interest cost of our \$17 trillion going on \$18 trillion national debt. I'm afraid the "monetary stimulus" scenario is here for the foreseeable future.

Also mentioned in the Press Release, Trinity Bank's Return on Equity reached a new high – 14.04% in the third quarter. While good on a comparative basis (to the rest of the banking industry), it is still below what we would like to produce. We take capital allocation seriously. Where can we invest the capital we have raised and earned? We have the same three choices for the \$13.174 million we have earned since inception.

1) Reinvest in organic growth	\$ 9.099 million
2) Return to the shareholders	\$ 4.075 million in the form of dividends and share repurchases
3) Acquire	\$ 0
	\$13.174 million

We are continuously asked why we don't try to make an acquisition. I will answer that with one of my lame attempts at humor (from one of my favorite Far Side cartoons).

A baby bird and a mama bird were flying.

The baby bird said, "Mama, I have to go to the bathroom real bad".

Mama bird, "Well go".

Baby bird, "But I don't see a car windshield anywhere".

Mama bird, "Well, you'll just have to hold it then".

We are like the baby bird. We would like to, but we can't find the car – ie. the right opportunity – so we are just holding it.

*Last trade on 10-18-13 was \$35.60 versus book value of \$18.61.

THANKSGIVING

This is my 11th November shareholder letter, and I am very thankful for the opportunity to write them. In addition, I have been blessed more than anyone I know with:

- 1) a God that cares for me,
- 2) wonderful family and friends,
- 3) a great organization with good people that try every day to do the right thing, in the right way, for the right reason, and
- 4) many more things too numerous to mention.

I truly hope you feel the same way. Despite all the problems in this world and in this country, there is a lot of good as well. Happy Thanksgiving. Share some good with someone.

Thank you for your support of and your investment in Trinity Bank. We are doing our best to make you proud.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Harp". The signature is fluid and cursive, with the first name "Jeff" and last name "Harp" clearly distinguishable.

Jeffrey M. Harp
President

For Immediate Release

**TRINITY BANK REPORTS RECORD EARNINGS
AND FOURTH CASH DIVIDEND
36TH CONSECUTIVE QUARTER OF PROFIT IMPROVEMENT**

FORT WORTH, Texas, October 24, 2013 – Trinity Bank, N.A. (OTC Bulletin Board: TYBT) today announced operating results for the third quarter and the nine months ending September 30, 2013.

Results of Operations

For the third quarter of 2013, Trinity Bank, N.A. reported Net Income after Taxes of \$721,000, an increase of 10.8% over third quarter 2012 earnings of \$651,000. Earnings per diluted common share for the third quarter 2013 amounted to \$.63, an increase of 10.5% over third quarter 2012 results of \$.57 per diluted common share.

For the first nine months of 2013, Net Income after Taxes was \$2,105,000, an increase of 9.9% over the nine month 2012 results of \$1,915,000. Earnings per diluted common share for the first nine months of 2013 were \$1.84, an increase of 8.9% over 2012 nine months results of \$1.69 per diluted common share.

Jeffrey M. Harp, President, stated, “Operating results for the quarter ending September 30, 2013 were good. Return on Assets – 1.61% - and Return on Equity – 14.04% - for this quarter represent new highs for Trinity Bank. The primary factors producing these returns are:

- 1) a 12.9% increase in average loans over 3rd Q 2012,
- 2) increase in Net Interest Margin – from 3.50% to 3.69%, and
- 3) excellent operating expense control – Efficiency Ratio of 37%.

“As previously announced, Trinity Bank will pay its fourth cash dividend on October 31st to shareholders of record as of October 15th. This dividend of \$.28 per share represents a 12% increase over the \$.25 dividend that was paid in April, 2013. The Board of Directors will continue to review dividend policy on a semi-annual basis.”

Page 2 – Trinity Bank third quarter 2013 earnings

<u>Average for Quarter Ending</u> (in 000's)	<u>09/30/2013</u>	<u>09/30/2012</u>	<u>%</u>
Loans	\$94,567	\$83,792	12.9%
Deposits	\$158,363	\$154,941	2.2%

<u>Actual for Quarter Ending</u> (in 000's)	<u>09/30/2013</u>	<u>09/30/2012</u>	<u>%</u>
Net Interest Income	\$1,518	\$1,392	9.1%
Non-Interest Income	110	93	18.3%
Non-Interest Expense	(637)	(606)	5.1%
Pretax Preprovision Income	\$991	\$879	12.7%
Gain on Sale of Securities and Foreclosed Assets	\$21	\$153	N/M
Loan Loss Provision	(20)	(150)	N/M
Pre Tax Income	992	882	12.5%
Income Tax	(271)	(231)	17.3%
Net Income	\$721	\$651	10.8%
Diluted Weighted Average Shares	1,142	1,137	
Earnings per Share	\$0.63	\$0.57	10.5%
Return on Assets	1.61%	1.47%	
Return on Equity	14.04%	12.63%	

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.

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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			Nine Months Ended		
	September 30 2013	2012	% Change	September 30 2013	2012	% Change
Interest income	1,616	1,526	5.9%	4,735	4,595	3.0%
Interest expense	98	134	-26.9%	304	446	-31.8%
Net Interest Income	1,518	1,392	9.1%	4,431	4,149	6.8%
Service charges on deposits	43	37	16.2%	123	112	9.8%
Other income	67	56	19.6%	209	177	18.1%
Total Non Interest Income	110	93	18.3%	332	289	14.9%
Salaries and benefits expense	385	342	12.6%	1,122	982	14.3%
Occupancy and equipment expense	75	74	1.4%	233	223	4.5%
Other expense	177	190	-6.8%	736	682	7.9%
Total Non Interest Expense	637	606	5.1%	2,091	1,887	10.8%
Pretax pre-provision income	991	879	12.7%	2,672	2,551	4.7%
Gain on sale of securities	21	153	N/M	359	170	N/M
Gain on sale of foreclosed assets	0	0	N/M	52	0	N/M
Provision for Loan Losses	20	150	-86.7%	192	150	28.0%
Earnings before income taxes	992	882	12.5%	2,891	2,571	12.4%
Provision for income taxes	271	231	17.3%	786	656	19.8%
Net Earnings	721	651	10.8%	2,105	1,915	9.9%
Basic earnings per share	0.64	0.60	6.2%	1.86	1.79	3.9%
Basic weighted average shares outstanding	1,131	1,079		1,132	1,071	
Diluted earnings per share	0.63	0.57	10.5%	1.84	1.69	8.9%
Diluted weighted average shares outstanding	1,142	1,137		1,143	1,132	

BALANCE SHEET SUMMARY	Average for Quarter			Average for Nine Months		
	September 30 2013	2012	% Change	September 30 2013	2012	% Change
Total loans	\$94,567	\$83,792	12.9%	\$91,376	\$82,691	10.5%
Total short term investments	14,693	27,327	-46.2%	18,577	20,949	-11.3%
Total investment securities	65,064	58,929	10.4%	66,448	58,140	14.3%
Earning assets	174,324	170,048	2.5%	176,401	161,780	9.0%
Total assets	179,452	176,847	1.5%	181,398	168,541	7.6%
Noninterest bearing deposits	42,308	35,755	18.3%	39,052	32,695	19.4%
Interest bearing deposits	116,055	119,186	-2.6%	120,528	114,627	5.1%
Total deposits	158,363	154,941	2.2%	159,580	147,322	8.3%
Fed Funds Purchased and Repurchase Agreements	229	395	-42.0%	333	366	-9.0%
Shareholders' equity	20,548	20,621	-0.4%	20,937	20,002	4.7%

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

BALANCE SHEET SUMMARY	Sept. 30, 2013	Average for Quarter Ending			Sept. 30, 2012
		June 30, 2013	March 31, 2013	Dec 31, 2012	
Total loans	\$94,567	\$91,227	\$88,373	\$85,853	\$83,792
Total short term investments	14,693	15,843	25,315	25,057	27,327
Total investment securities	65,064	66,379	64,969	59,626	58,929
Earning assets	174,324	173,449	178,657	170,536	170,048
Total assets	179,452	179,392	185,352	177,855	176,847
Noninterest bearing deposits	42,308	38,087	36,699	38,481	35,755
Interest bearing deposits	116,055	119,269	126,375	116,937	119,186
Total deposits	158,363	157,356	163,074	155,418	154,941
Fed Funds Purchased and Repurchase Agreements	229	229	545	451	395
Shareholders' equity	20,548	21,281	20,988	20,529	20,621

HISTORICAL EARNINGS SUMMARY	Sept. 30, 2013	Quarter Ended			Sept. 30, 2012
		June 30, 2013	March 31, 2013	Dec 31, 2012	
Interest income	1,616	1,583	1,537	1,542	1,526
Interest expense	98	100	106	110	134
Net Interest Income	1,518	1,483	1,431	1,432	1,392
Service charges on deposits	43	41	39	41	37
Other income	67	72	69	64	56
Total Non Interest Income	110	113	108	105	93
Salaries and benefits expense	385	365	373	512	342
Occupancy and equipment expense	75	77	81	84	74
Other expense	177	304	254	122	190
Total Non Interest Expense	637	746	708	718	606
Pretax pre-provision income	991	850	831	819	879
Gain on sale of securities	21	113	226	116	153
Gain on sale of foreclosed assets	0	0	52	0	0
Provision for Loan Losses	20	0	172	45	150
Earnings before income taxes	992	963	937	890	882
Provision for income taxes	271	263	253	225	231
Net Earnings	721	700	684	665	651

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

HISTORICAL BALANCE SHEET	Ending Balance				
	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept. 30, 2012
Total loans	\$93,934	\$94,432	\$87,926	\$93,523	\$84,625
Total short term investments	18,404	7,895	32,274	34,511	30,196
Total investment securities	63,966	67,506	62,908	65,031	58,166
Total earning assets	176,304	169,833	183,108	193,065	172,987
Allowance for loan losses	(1,271)	(1,249)	(1,245)	(1,073)	(1,026)
Premises and equipment	1,232	1,264	1,250	1,287	1,322
Other Assets	7,175	4,885	6,002	6,474	6,040
Total assets	183,440	174,733	189,115	199,753	179,323
Noninterest bearing deposits	44,398	37,823	38,673	49,403	36,826
Interest bearing deposits	117,411	115,922	128,345	128,491	120,298
Total deposits	161,809	153,745	167,018	177,894	157,124
Fed Funds Purchased and Repurchase Agreements	229	229	228	559	409
Other Liabilities	590	277	965	725	910
Total liabilities	162,628	154,251	168,211	179,178	158,443
Shareholders' Equity Actual	21,052	20,656	19,996	19,546	19,775
Unrealized Gain - AFS	(240)	(174)	908	1,029	1,105
Total Equity	20,812	20,482	20,904	20,575	20,880

NONPERFORMING ASSETS	Quarter Ending				
	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept. 30, 2012
Nonaccrual loans	\$402	\$429	\$0	\$0	\$0
Restructured loans	\$0	\$0	\$0	\$0	\$0
Other real estate & foreclosed assets	\$0	\$0	\$0	\$35	\$72
Accruing loans past due 90 days or more	\$0	\$0	\$0	\$0	\$0
Total nonperforming assets	\$402	\$429	\$0	\$35	\$72
Accruing loans past due 30-89 days	\$0	\$1,097	\$0	\$0	\$0
Total nonperforming assets as a percentage of loans and foreclosed assets	0.43%	0.45%	0.00%	0.04%	0.09%

TRINITY BANK N.A.
(Unaudited)
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ALLOWANCE FOR LOAN LOSSES	Quarter Ending				
	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept. 30, 2012
Balance at beginning of period	\$1,249	\$1,245	\$1,073	\$1,026	\$1,371
Loans charged off	0	0	0	0	(499)
Loan recoveries	2	4	0	2	4
Net (charge-offs) recoveries	2	4	0	2	(495)
Provision for loan losses	20	0	172	45	150
Balance at end of period	\$1,271	\$1,249	\$1,245	\$1,073	\$1,026
Allowance for loan losses as a percentage of total loans	1.35%	1.32%	1.42%	1.15%	1.21%
Allowance for loan losses as a percentage of nonperforming loans	316%	N/A	N/A	3066%	1425%
Net charge-offs (recoveries) as a percentage of average loans	N/A	N/A	N/A	0.00%	0.59%
Provision for loan losses as a percentage of average loans	0.02%	N/A	0.19%	0.05%	0.18%

SELECTED RATIOS	Quarter Ending				
	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec 31, 2012	Sept. 30, 2012
Return on average assets (annualized)	1.61%	1.56%	1.48%	1.50%	1.47%
Return on average equity (annualized)	14.04%	13.16%	13.04%	12.96%	12.63%
Return on average equity (excluding unrealized gain on investments)	13.74%	13.76%	13.70%	13.79%	13.35%
Average shareholders' equity to average assets	11.45%	11.86%	11.32%	11.54%	11.66%
Yield on earning assets (tax equivalent)	3.92%	3.87%	3.65%	3.84%	3.82%
Cost of interest bearing funds	0.34%	0.34%	0.33%	0.37%	0.45%
Net interest margin (tax equivalent)	3.69%	3.63%	3.41%	3.58%	3.50%
Efficiency ratio (tax equivalent)	36.99	44.14	42.04	43.97	38.20
End of period book value per common share	18.40	18.09	18.47	18.26	19.23
End of period book value (excluding unrealized gain on investments)	18.61	18.25	17.66	17.34	18.21
End of period common shares outstanding	1,131	1,132	1,132	1,127	1,086

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

	3 Months Ending							
	September 30, 2013				September 30, 2012			
YIELD ANALYSIS	Average Balance	Interest	Yield	Tax Equivalent Yield	Average Balance	Interest	Yield	Tax Equivalent Yield
Interest Earning Assets:								
Short term investment	14,693	18	0.49%	0.49%	27,327	29	0.42%	0.42%
Investment securities	22,791	185	3.25%	3.25%	20,433	185	3.62%	3.62%
Tax Free securities	42,273	213	2.02%	2.90%	38,496	224	2.33%	3.35%
Loans	94,567	1,200	5.08%	5.08%	83,792	1,088	5.19%	5.19%
Total Interest Earning Assets	174,324	1,616	3.71%	3.92%	170,048	1,526	3.59%	3.82%
Noninterest Earning Assets:								
Cash and due from banks	3,616				3,460			
Other assets	2,769				4,585			
Allowance for loan losses	(1,257)				(1,246)			
Total NonInterest Earning Assets	5,128				6,799			
Total Assets	\$179,452				\$176,847			
Interest Bearing Liabilities:								
Transaction and Money Market accounts	90,622	64	0.28%	0.28%	91,440	85	0.37%	0.37%
Certificates and other time deposits	25,433	34	0.53%	0.53%	27,746	49	0.71%	0.71%
Other borrowings	229	0	0.25%	0.25%	395	0	N/A	N/A
Total Interest Bearing Liabilities	116,284	98	0.34%	0.34%	119,581	134	0.45%	0.45%
Noninterest Bearing Liabilities								
Demand deposits	42,308				35,755			
Other liabilities	312				890			
Shareholders' Equity	20,548				20,621			
Total Liabilities and Shareholders Equity	\$179,452				\$176,847			
Net Interest Income and Spread		1,518	3.37%	3.58%		1,392	3.14%	3.37%
Net Interest Margin			3.48%	3.69%			3.27%	3.50%

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

	September 30 2013	%	September 30 2012	%
LOAN PORTFOLIO				
Commercial and industrial	52,561	55.96%	42,236	49.91%
Real estate:				
Commercial	15,827	16.85%	16,227	19.18%
Residential	16,333	17.39%	17,697	20.91%
Construction and development	6,810	7.25%	6,127	7.24%
Consumer	2,403	2.56%	2,338	2.76%
Total loans (gross)	93,934	100.00%	84,625	100.00%
Unearned discounts	0	0.00%	0	0.00%
Total loans (net)	93,934	100.00%	84,625	100.00%

	September 30 2013	September 30 2012
REGULATORY CAPITAL DATA		
Tier 1 Capital	\$21,052	\$19,775
Total Capital (Tier 1 + Tier 2)	\$22,323	\$20,801
Total Risk-Adjusted Assets	\$122,065	\$111,236
Tier 1 Risk-Based Capital Ratio	17.25%	17.78%
Total Risk-Based Capital Ratio	18.29%	18.70%
Tier 1 Leverage Ratio	11.77%	11.18%

OTHER DATA

Full Time Equivalent Employees (FTE's)	14	14
Stock Price Range (For the Three Months Ended):		
High	\$36.00	\$30.50
Low	\$32.50	\$30.00
Close	\$35.75	\$30.50