



February 28, 2006

Dear Fellow Shareholders:

In past letters to shareholders, I have been excited to report our first profitable month and our first profitable quarter. Today, I am pleased to announce our **FIRST PROFITABLE YEAR**. Enclosed you will find the unaudited financial statements for Trinity Bank for the twelve months ending December 31, 2005. Net Income from Operations for 2005 amounted to \$463,000 or \$.41 per fully diluted common share compared to a Loss from Operations of \$277,000 or \$.25 per fully diluted common share for the twelve months ending December 31, 2004. Since inception, our operating results are shown below:

<u>Period</u>	<u>Gain (Loss) From Operations</u>	<u>Earnings Per Share</u>
5-28-03 to 9-30-03	(\$426,028)	n/m
4 Q '03	(\$218,316)	n/m
1 Q '04	(\$158,143)	n/m
2 Q '04	(\$ 91,878)	n/m
3 Q '04	(\$ 37,379)	n/m
4 Q '04	\$ 10,422	.01
1 Q '05	\$ 44,869	.04
2 Q '05	\$ 96,177	.09
3 Q '05	\$138,855	.12
4 Q '05	\$182,976	.16

We are pleased with and grateful for the performance of the organization and the support of our shareholders and customers. We are also mindful of how much remains to be accomplished. It might be helpful to share some of our thinking on this subject with you.

The first set of objectives of the Board, the management, and the staff was to get open, and to make sure that all systems, products, and services were operational and attractive to customers. As you will recall, we opened on May 28, 2003. The second objective was to attract enough customers to achieve breakeven as soon as possible. Our first breakeven month was September, 2004 (our 16<sup>th</sup> month of operation). We were profitable for all four quarters in 2005 (our second full year of operation). The third goal is to produce an acceptable return on the shareholder's investment in Trinity Bank, N.A.

Now we embark on the journey toward the third goal - producing an acceptable return on the shareholder's investment. What is an acceptable return? Our goal is to produce a 15% after-tax return on the dollars you invested. As a reminder, you and 256 other shareholders entrusted us with just over \$11,000,000 in capital. A 15% return on \$11,000,000 amounts to \$1,650,000 in Net Income (on an annual basis) or \$2,400,000 annually on a pre-tax basis. In its simplest form, we need to earn \$200,000 per month before taxes. During the 4<sup>th</sup> quarter of 2005, we earned \$183,000, or a little over \$60,000 per month. Therefore, we are about 30% of the way toward our third goal.

The obvious question then becomes, "How are we going to get from 30% to 100%?". And here, we need your help. We now have approximately 265 shareholders. We need at least two referrals from each shareholder in 2006. A referral can be as little as mentioning our name to a friend or neighbor that is looking for a mortgage. It can be recommending a family member or business associate to check out Trinity Bank's rates on Certificate of Deposits or Money Market Accounts. It can be listening to someone who is tired of talking to their bank's voice mail and asking them to just give us a call. It can be calling us and saying, "I don't know this person or this company very well, but they appear to be quality people and they do a good job". We don't have to use your name if you don't want us to. We desperately need to get our people and our products and services in front of potential customers. If we have the opportunity, our success rate is very high. We will not be able to attain the remaining 70% of our goal without your assistance. Please call, write, or email any of us at Trinity with two referrals (just two!) this year.

Now, switching to a different topic, at least once a year I feel it necessary to talk with you about shareholder value. "Are we generating shareholder value?" I think the answer is, "Yes". As of today, there is a bid in the market for our stock at \$16.00 per share and there has been no one willing to sell at that price.

As you recall, we all paid \$10.00 per share for our stock in May, 2003, so we have enjoyed a significant increase in roughly two and a half years. Part of the increase in value has come from the performance of the bank, and part of it has come from the favor that the market has placed on Texas financial institution stocks in general. Obviously, I don't know what the future holds, but I think we have done a good job to date. I hope you agree and are pleased as well.

Having just said that I think we have done a good job to date, let me say that getting to this point has not been easy nor is it likely to get any easier in the near future. The other day, I had one shareholder come by and ask, "How is Trinity Bank going to grow and prosper in this market when they (the competition) are building bank branches on every street corner?". That is a valid question and probably has crossed all of our minds at one time or another. The answer to that question is multi-faceted, simple to say, and difficult to achieve. In each of the next several shareholder letters, I will give you a couple of examples of how we can compete effectively with other providers of financial services.

1) Responsiveness

Wachovia (the third largest bank in the U.S.) is trying to create a major presence in this market by opening a number of new branches. However, they do not have any local people with knowledge of the market, and they have very little, if any, local authority and decision-making ability.

At Trinity Bank, if we have sufficient information, 99% of the time we can give you an answer in one day. A quick response is not always required but is always appreciated.

2) Generate Revenue or Generate Value

Nearly all of the larger banks, both local and national, have products and services designed with the primary objective being to generate revenue for the bank, not to provide value to the customer in such a way that it produces a profit for the bank. Let me give you an example.

Which would you rather have?

Big Bank offers "Overdraft Protection Plan". For a fee per check and a high interest rate (usually 18%), Big Bank will allow you to overdraw your checking account. This is touted as a great service to the customer in case he/she makes a mistake or just wants to spend more money than the available balance.

Trinity Bank calls every customer that is overdrawn every day before noon. Trinity Bank gives everyone several free overdrafts each year. Nothing makes a customer more unhappy than to be a good customer for years, and then one day make a mistake (a simple arithmetic error, failure to get to the bank in time, deposit to the wrong account, etc.) and be charged a \$25.00 to \$35.00 NSF fee for each check.

Now if a Trinity Bank customer abuses the service, we will charge NSF fees. But we try to treat the customer like we would like to be treated.

Do we lose some fee income? Yes. But, in the long run, do we gain more in customer loyalty and appreciation? We think so. Now, let me repeat the question. Which would you rather have?

Stay tuned for more examples in future communications.

I am not concerned about Trinity Bank's ability to be a competitive force in the market. If we get an equal shot at any potential piece of business, we will win seven or eight times out of ten. The problem that we face with competition lies in the fact that the new entrants in the market with no competitive advantage and no local people usually just try to compete on price and/or terms. And they will get some business that way. But, to give you an example, I just purchased a new television at home. I didn't go to a store and ask for the cheapest television. I wanted the one that was the best value for the dollar. Most customers in our target market want the same thing from their financial services provider. They want the most value. **THERE IS SIGNIFICANT VALUE IN HAVING GOOD PRODUCTS, COMPETITIVE PRICES, AND RESPONSIVE PERSONAL SERVICE FROM PEOPLE WHO KNOW WHO YOU ARE.**

Let me finish by thanking you again for your investment in and support of Trinity Bank. If you have any questions, comments, concerns, or suggestions, please call me.

Sincerely,



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Jeffrey M. Harp  
President

### **Special Cautionary Notice Regarding Forward-Looking Statements**

This letter 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.