



February 25, 2008

Dear Shareholders:

OPERATING RESULTS

I am pleased to report, on behalf of the staff and the Board of Directors, results from operations for the twelve months ending December 31, 2007. Listed below are some key numbers from our fourth quarter press release (the entire press release and summary financial report is attached for your review).

	<u>Average for Year Ending</u>		
	<u>12-31-07</u>	<u>12-31-06</u>	<u>%Δ</u>
Loans	\$47,511,000	\$35,823,000	32.6%
Deposits	\$93,389,000	\$66,561,000	40.3%

	<u>Actual for Year Ending</u>		
	<u>12-31-07</u>	<u>12-31-06</u>	<u>%Δ</u>
Pre-Tax Income	\$ 1,552,253	\$ 970,190	60.0%
After-Tax Income	\$ 1,036,698	\$ 887,690	16.8%

The fourth quarter represents our thirteenth consecutive quarter of increased pretax profit. We are pleased with the performance to date – especially in light of the competitive environment in Fort Worth and the slowdown in the economy at the national level.

MILESTONES

2007 represents our fourth full year of operation. I would like to share with you some of the signs of our progress since opening the bank in May, 2003.

1. Trinity Bank earned a little over \$1,000,000 after taxes (with full tax rate) in 2007.
2. Trinity Bank achieved a Return on Assets in excess of 1.0% for the first time in the fourth quarter (annualized). This is one number for which I can give you comparable information. We are in a national peer group for all banks chartered in 2003 with less than \$750 million in assets (there are 100 banks in this peer group). The average Return on Assets for that group was .54% vs. Trinity's 1.0%. When you include our low risk profile (i.e. low loan-to-deposit ratio and not losses), Trinity Bank is nearly twice as profitable with less risk when compared to all other banks chartered in 2003.
3. Trinity Bank achieved a Return on Equity in excess of 10.0% for the first time in the fourth quarter (annualized).
4. Trinity Bank averaged over \$100,000,000 in Total Assets for the first time in 2007 – a 29.9% increase over 2006.
5. Trinity Bank has still not incurred a loan loss since opening the bank 4½ years ago.

Since inception, Trinity Bank has maintained its focus on Growth, Profitability, and Quality. I hope you share our pride in these measures of our progress to date.

In spite of the good performance to date, challenges remain. I would like to talk to you about a couple of them that will affect 2008. Loan growth remains a challenge. I know this sounds like a broken record, but, as the popular saying goes, "It is what it is". In late 2004, early 2005, we hit a flat spot with loan volume averaging in the low \$30 million range for several quarters. We then had a nice increase (50%) to the \$50 million level. We are now back in another flat spot with loans averaging about \$50 million for the last two quarters.

We have continued to work on making every good loan that we can find – loans that meet our profit objectives and our lending standards. We have avoided the speculative residential construction market and the residential loan development market – areas which are now slowing down. In spite of the continuing challenge, there may be (and I repeat may be) some light on the horizon.

First, on a national level, the “subprime”, “collateralized debt obligation”, “credit default swap” fiasco has most of the major banks turning their attention from aggressive growth to damage control. This tends to show itself in the form of tighter lending standards and higher prices.

Second, since the late 1990’s, there have been a number of newly-chartered banks in Texas and Dallas-Fort Worth. Most of these banks have taken the approach of obtaining as many assets, branches, and accounts (with little attention given to profitability) as quickly as possible in order to sell out to a larger bank at a big premium. I want to share with you a quote from Will Luedke, a partner in the banking section of the law firm of Bracewell & Giuliani in Houston. The Bracewell firm is a major player in representing Texas banks.

From First Quarter 2008 issue of Bank Director Magazine.

In one telling late-summer episode, two young, unnamed business banks in the hot Dallas market were put up on the sales block, and received no offers. “It was basic start-up exit strategy – normal cash-out time,” Luedke explains. “Normally, you’d have 15 banks interested, and the investment bankers would pull out three or four of the top bidders and have them go like animals at each other. This time, there was no interest.”

If we can get the national and some of the local banks back to paying attention to profitability and lending standards, then we will have a better chance of achieving acceptable growth in loan volume. Trinity Bank has money to lend and a willingness to lend it – if we can get our money back and make a profit.

The second challenge involves the slowing of the national economy. We are very fortunate to be in the Dallas-Fort Worth market. We have not experienced some of the excesses that have occurred in other parts of the country, but the recovery at the national level will be long and painful (I think). As the Federal Reserve reduces interest rates to attempt to avoid a recession and restart the national economy, it has a negative impact on the returns from our investment portfolio.

Trinity Bank has always maintained a relatively short (average maturity of about three years) high-quality bond portfolio – all Federal Agency issues and high-quality municipal bonds. As these investments mature each month, we will be reinvesting the proceeds at lower rates. This will have a negative impact on our margin and our profitability. This is nothing new. We have been through these cycles before, but it is a struggle.

In spite of these challenges, let me share with you the good news. In the fourth quarter 2007, Total Loans were up 28.4%, Total Deposits were up 45.9%, and Net Income After Taxes was up 52.5% (all comparisons with the fourth quarter of 2006). I feel like singing the first sentence from the Doxology – “Praise God from whom all blessing flow”. We indeed feel fortunate, and we hope you agree that we are making progress.

Let me end this letter by thanking you again for your investment and support. Please remember that the Annual Meeting of Shareholders of Trinity Bank will be held May 27, 2008 at the bank. We welcome your attendance. The material sent to you in advance of the meeting will contain a proposal to increase shareholder value that was developed from our Economic Value Added (EVA) Financial Management System. I will discuss that proposal in more detail in the next shareholder letter.

Please let me know if you have any comments or questions (or suggested topics for future letters). I am available by phone, email, or in person.

Thankfully yours,

A handwritten signature in cursive script that reads "Jeff Harp". The signature is written in black ink and is positioned above a horizontal line.

Jeffrey M. Harp
President

Attachment

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.