



April 2, 2004

Dear Shareholder,

2003 is behind us. It has been a very interesting year – receiving OCC approval for the Bank, raising \$11,000,000 in capital, and opening the doors on May 28th. I have a tendency to focus on what lies ahead, so I am making myself look back and reflect on what has been accomplished. I want to share these things with you.

1. We filed the charter application on November 15th, 2002 and opened for business on May 28th, 2003.

This is a record. According to the OCC, the normal time period from application to opening is twelve to eighteen months.

2. We raised \$11,000,000 in capital in nine weeks.

This is the most capital ever raised by a new bank in Tarrant County. The prospectus reflects that we were seeking to raise a minimum of \$7,000,000 and a maximum of \$10,000,000. Obviously, we were oversubscribed, and the OCC allowed us to accept the overage. It is truly amazing that we were able to raise this much money from 258 shareholders and in only nine weeks.

3. We are the only bank in the southwest region that has ever been allowed to open doing its own back office operations in-house (as opposed to using a third-party provider), and we believe that we are the only de novo bank ever allowed to open with its own fully transactional Internet Banking product.

We were able to do these things - which are integral to our approach of providing the best products and the best service - because of the quality, the experience, and the depth of our Operations Group

4. The response from our target market has been terrific.

Our original projections were for \$21 million in loans and \$28 million in deposits after 12 months. After 7 months, we achieved \$12.1 million in loans (right on schedule) and \$28 million in deposits (5 months ahead of schedule).

This has been a joint effort. The Board, the management group, the staff, and the shareholders should feel a great sense of accomplishment and pride. What we have done together is not easy, but we have done it and we believe that it has been done well.

New Products, People and Services

The drive-in should be open by April 15th! We hardly believe it ourselves. The delays from moving the utilities and crossing the alley underground are finally behind us. We think the drive-in looks good, and it should bring us some business. We still like to see customers personally in the lobby (and we have ample parking in front of the building), but for those times when you are in a hurry, please feel free to use the drive-in.

Robert Poe joined Trinity Bank as Executive Vice President in November and brought with him a complete residential mortgage product line. If you are building a new home, buying a new home, or thinking about refinancing your existing home, please give us a chance at the business. We have rates that are as competitive as any, and we promise you that the personal service will be better than anyone else in the market. We can and are willing to do purchase loans, cash-out refinance loans, home equity lines of credit, and home improvement loans. For example, we placed a \$333,000 mortgage on March 26th and were able to obtain a 15-year fixed-rate loan at 4.75%. Again, if you are even considering doing something in this area, please give us a call and let us show you what we can do.

The courier service is up and running. For business customers that are some distance from the bank, we offer 3, 4, or 5 day a week service. We will pick up today's deposit and leave yesterday's receipt (but we cannot accept cash). I think you will find that the fee for the courier service is less than the cost to send your lowest-paid employee to the bank with a daily deposit.

With the addition of these three products and services, we now have the "full strength" product line that we envisioned at inception. While we will add other features and services in the future, the core of the Bank's products is now in place, and we must turn our focus on the challenges that lie ahead.

Challenges

We need two things. We need more loan volume, and we need about ½% increase in rates. As far as loan volume is concerned, we are extremely pleased with the loans that we have on the books. We still have not had a past due loan. But the loan market is competitive, and the competitive pressure is not likely to abate any time soon. Please remember us to your friends, neighbors, and business associates. Our strengths lie in doing it right and doing it quickly.

The other aspect of our struggle with loan volume is that we are still focused on the segments of the loan market that we are most comfortable with – individuals, businesses, and owner-occupied real estate. We could add loans quickly if we wanted to step into the speculative end of real estate lending, but that is not our desire at this time.

The current interest rate situation is difficult for all financial institutions. The general thinking is that rates will be trending upward later this year or in 2005. We can only be patient and wait. We have been able to slowly build a \$12,000,000 bond portfolio with an average yield of 3.82% and with an average maturity of 5.05 years. But we continue to keep too much invested in short-term investments at low rates because we don't want to extend maturities now. A ½% increase in interest rate levels should be helpful to the Bank's earnings and, relatively speaking, that is positive in that we don't have to have a 2 or 3% increase in rates to have a significant impact on profitability.

Finally, I need to talk about profitability. First, let me share a few numbers with you comparing actual results with projected results.

Profitability from inception through 12-31-03

| | <u>Actual</u> | <u>Projected</u> |
|--|---------------|------------------|
| Operating Loss Through 7 months June – December '03 | (\$644,344) | (\$504,215) |

You can see we are behind our projections for the first seven months of operation. The reasons for the shortfall remain the same. Loan volume has come on more slowly than expected. The margin between what we pay for deposits and what we earn on loans and investments is as low as I've seen it in my 33 years of banking experience.

The application to charter a new bank requires the organizers to prepare three sets of financial projections – best case, base case, and worst case. Breakeven (or the first month that we project to show a profit) is:

| | | |
|------------|-----------|---------------|
| Best Case | 14 months | (August '04) |
| Base Case | 16 months | (October '04) |
| Worst Case | 21 months | (March '05) |

We are on a pace to meet the Base Case objective. I would like to say that we were going to beat the Best Case (you always make projections thinking that you can beat them), but I just don't see it happening at this time.

Trinity Bank common stock quoted on OTCBB

Trinity Bank was approved for quotation by approved market makers on the OTCBB on December 29, 2003, under the symbol TYBT. One of the downsides of investing in a new bank is that it is usually a long-term investment with very little liquidity (i.e., the ability to buy and sell shares at a market price). We made the decision to have the stock quoted on the OTCBB to address this problem. I know of no other financial institution that has been able to accomplish this in the first 7 months of operation.

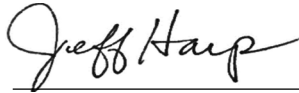
We have seen the first fruits of this decision. In February of 2004, we had a 20,000 share block of stock trade at \$11.75. It is very gratifying to see that level of interest in our stock at that price (a 17.5% gain from the initial offering price of \$10.00 – in only 9 months). We also understand the accompanying high level of expectations, and we will do our best to meet or exceed them.

I have not discussed many numbers in this letter, and I think you will see that the enclosed 10-KSB has significantly more detail than the previous quarterly reports. If you have questions or comments, please do not hesitate to call or email me. I will be happy to respond.

We enter the new year with high hopes. We have a great physical facility. We have the full range of products and services. We have an experienced staff that is highly motivated. We have a great customer base.

Thank you again for the confidence that you expressed in us by investing in Trinity Bank, N.A. We are committed to making it an investment that a shareholder can look upon with pride.

Sincerely,



Jeffrey M. Harp
President

Enclosures