



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

August 30, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Trinity Bank, National Association
Charter Number 24397**

**3500 W Vickery Boulevard
Fort Worth, TX 76107**

**Comptroller of the Currency
Fort Worth
9003 Airport Freeway, Suite 275
North Richland Hills, TX 75201**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

Trinity Bank, N.A. (Trinity) has a satisfactory record of meeting the community credit needs of its assessment area (AA). We based our conclusion on Trinity's lending practices. The factors and data supporting this rating are as follows:

- A significant majority of loans, 81% in number and 93% in dollar volume, are originated in Trinity's AA.
- The distribution of loans to borrowers of different incomes reveals a reasonable penetration of loans to individuals of different income levels and businesses of different sizes.
- The geographic distribution of loans indicates that loans have been originated in each income level census tract. The penetration of commercial loans is good and the dispersion of consumer loans is adequate throughout the AA.
- The loan-to-deposit ratio is low in comparison to other banks but reasonable given the length of time Trinity has been open and the credit needs of the AA. Trinity's loan-to-deposit ratio has averaged 47% for the 9 quarters since the bank's opening. The loan-to-deposit ratio was 59% as of June 30, 2005.
- No consumer complaints regarding the bank's CRA performance were received during this evaluation period.

DESCRIPTION OF INSTITUTION

Trinity is a \$63 million intrastate commercial bank located in Fort Worth, Texas. The City of Fort Worth is located in Tarrant County and is part of the Fort Worth-Arlington, Texas Metropolitan Statistical Area (MSA). Trinity is an independently owned bank that operates one main office with an attached drive-thru facility. The main office is located in a moderate-income census tract. The bank does not operate any Automated Teller Machines (ATMs).

The bank's strategic goal is to become the leader in providing relationship based commercial banking services to businesses and individuals. Trinity offers customary deposit products for both individuals and businesses. In addition, the bank offers Internet based banking services including account inquiries, intra-bank transfers, and bill payment services. This is Trinity's first Community Reinvestment Act (CRA) examination since it opened on May 28, 2003.

Total loans outstanding as of June 30, 2005, amount to \$32 million, which represents 51% of total assets. The following chart details the composition of TBNA's loan portfolio as of June 30, 2005.

Loan Portfolio Composition as of June 30, 2005		
Loan Category	\$(000)	%
Commercial & Industrial	16,033	50.09
Commercial & Commercial Real Estate	9,175	28.66
Residential Real Estate	5,325	16.64
Consumer	1,397	4.36
Agricultural Real Estate	79	0.25
Total	32,009	100.00

Source: June 30, 2005 Report of Condition

Banking competition is aggressive in Tarrant County and includes dominant affiliates of large national banking companies, large regional financial institutions, and numerous small community banks.

There are no legal, financial, or other factors that impede the bank's ability to meet the credit needs of its AA.

Recent community contacts revealed that in general, the local financial institutions are meeting the credit needs of the AA. The primary credit needs identified are affordable housing financing and small business lending.

DESCRIPTION OF TARRANT COUNTY ASSESSMENT AREA

Trinity has designated Tarrant County as its AA. Tarrant County is an urban county located in the north central part of Texas. Tarrant County is comprised of 41 incorporated areas where the City of Fort Worth serves as the county seat to a population of approximately 1.4 million citizens. The bank's designated AA consists of 310 census tracts and includes 24 low-income tracts, 85 moderate-income tracts, 108 middle-income tracts, and 93 upper-income tracts. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas. Specific demographic and economic data for this area are listed below.

Demographic and Economic Characteristics of Tarrant County Assessment Area	
Population	
Number of Families	371,565
Number of Households	534,019
Geographies	
Number of Census Tracts	310
% Low-Income Census Tracts	7.74%
% Moderate-Income Census Tracts	27.42%
% Middle-Income Census Tracts	34.84%
% Upper-Income Census Tracts	30.00%
Median Family Income (MFI)	
2000 MFI for AA	\$53,268
2005 HUD-Adjusted MFI	\$61,500
Economic Indicators	
Unemployment Rate	4.53%
2000 Median Housing Value	\$103,830
% Households Below Poverty Level	9.59%

Source: 2000 Census data and HUD updated income data.

Based on 2000 U. S. Census data, the AA area has a total population of 1.4 million. There are 565,830 housing units in the AA, of which 57% are owner-occupied, 37%, are renter-occupied and 7% are vacant. Approximately 19% of the families in the AA are considered low-income. Moderate-income families approximate 18% of the population, and middle- and upper-income families comprise 21% and 41% of the population, respectively.

Based on 2004 Dun and Bradstreet business demographic data, there are 104,723 businesses in the AA, of which 64% reported gross annual revenue less than or equal to \$1 million and 5% reported gross annual revenue greater than \$1 million. Because reporting is voluntary, 31% or 33,168 businesses did not report revenues.

Economically, Tarrant County has changed dramatically over the years. Once tied to the oil and gas industry and cattle ranches of west Texas and dependent on defense plants and its military base, Tarrant County's economy has been transformed into one of the most robust and diverse in the nation. Major employers include Lockheed Martin Corporation, AMR Corporation, Fort Worth Independent School District, and Arlington Independent School District, Texas Health Resources, D. R. Horton, City of Fort Worth, Bell Helicopter, SBC, and Tarrant County. All of these employers have more than 82,000 employees.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Trinity's performance under the CRA is satisfactory. Conclusions with respect to the following three performance criteria, Lending in the Assessment Area, Lending to Borrowers of Different Incomes and Businesses of Different Sizes, and Geographic Distribution of Loans, are based on a sampling of the institution's loan portfolio. Examiners reviewed commercial loans (including commercial real estate loans and commercial and industrial loans) and consumer loans that total 83% of the loan portfolio. Our sample included 37 commercial loans and 30 consumer loans totaling \$11.7 million.

LOAN-TO-DEPOSIT RATIO

Trinity's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's LTD ratio averaged 47% over the 9 quarters since it opened in 2003. During the evaluation period, the LTD ranged from a low of 30% as of June 30, 2003 to a high of 59% as of June 30, 2005. The bank identified several similarly situated competitors. The quarterly average LTD ratio for each bank is listed below. Please note that these banks are listed alphabetically by city and that no ranking is intended or implied.

Loan-to-Deposit Ratios		
Institution	Total Assets (000's) As of June 30, 2005	Average Loan-To-Deposit Ratio
Summit Bank, National Association, Fort Worth	\$1,008,057	85.53%
TexasBank, Fort Worth	\$1,612,894	89.50%
Trinity Bank, National Association, Fort Worth	\$63,275	47.13%
Worth National Bank, Lake Worth	\$334,493	80.41%
The Frost National Bank, San Antonio	\$9,999,568	60.17%

Source: Institutions Report of Condition from June 2003 to June 2005

The average LTD of similarly situated banks within the AA during the evaluation period was 79%. Although Trinity's LTD is low in comparison, it reflects a willingness to provide credit given the length of time Trinity has been open and the credit needs of the AA.

LENDING IN ASSESSMENT AREA

A significant majority of the bank's loans were made within its AA, which reflects an excellent commitment to meeting the credit needs of the AA. For purposes of this evaluation, examiners analyzed a sample of commercial loans (including commercial real estate loans and commercial and industrial loans) and consumer loans originated between May 28, 2003 and June 30, 2005. The commercial loan sample consisted of 37 loans totaling \$10,731,374. The sample of consumer loans consisted of 30 loans totaling \$980,206. Our analysis determined that 81% of the number of loans and 93% of the dollar amount of loans in the sample were extended within the bank's AA. The table below reflects the distribution by product type.

Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial	32	86.49	5	13.51	37	10,099	94.10	633	5.90	10,732
Consumer	22	73.33	8	26.67	30	759	77.37	222	22.63	981
Totals	54	80.60	13	19.40	67	10,858	92.70	855	7.30	11,713

Source: Sample of loans used for CRA performance analysis.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

Overall, performance for lending to borrowers of different incomes and businesses of different sizes is adequate and meets the standards for satisfactory performance. To perform our analysis, we reviewed income information for 32 commercial loans and 22 consumer loans originated in the Tarrant County AA. We placed more weight on the bank's record of providing commercial loans, since commercial loans represent the largest percentage of the bank's lending.

Commercial Loans

The bank's lending to businesses of different sizes exceeds the standards for satisfactory performance. The bank emphasizes commercial lending and markets its products to all business sizes in the AA. The sample of business loans reviewed found 72% of the number and 50% of the dollar volume of loans were extended to businesses with gross revenues of less than \$1 million per year. This level is comparable to the assessment area information and reflects an excellent penetration of loans to small businesses. The following charts reflect the results of our review of commercial loans originated in the AA.

Borrower Distribution of Loans to Businesses				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	63.42%	5.52%	31.06%	100%
% of Bank Loans in AA by #	71.88%	21.88%	6.24	100%
% of Bank Loans in AA by \$	50.11%	41.42%	8.47%	100%

Source: Loan sample; Dun and Bradstreet data

Consumer Loans

Consumer lending meets the standard for satisfactory performance. Based on 2000 U. S. Census information, 21% of the households in the AA are low-income. Approximately 18% of the households are moderate-income. Our review determined that the bank made 27% of its consumer loans to low- and moderate-income households. The distribution of consumer loans meets the income characteristic of the AA. The following chart reflects the results of our selected sample of consumer loans originated in the AA.

Borrower Distribution of Consumer Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans						
Consumer Loans	21.22%	9.09%	17.64%	18.18%	19.84%	18.18%	41.30%	40.91%

Source: Loan sample; U.S. Census data.

GEOGRAPHIC DISTRIBUTION OF LOANS

A comparison of two primary loan types reveals that the geographic distribution of loans is good and meets the standards for satisfactory performance. The loan distribution reflects a good dispersion of commercial loans throughout the AA and a reasonable dispersion for consumer loans. Trinity is originating loans throughout its AA and there are no conspicuous gaps or areas of low penetration in the bank's lending patterns.

Commercial Loans

The bank's record of lending to small businesses of various sizes reflects a good geographic dispersion throughout the bank's AA with 47% of the number of loans in low- and moderate-income census tracts compared to 31% of AA businesses in low- and moderate-income census tracts. The following chart reflects the results of our selected sample of commercial loans originated in the AA.

Geographic Distribution of Loans to Businesses								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	3.89%	3.13%	27.36%	43.75%	36.14%	31.25%	32.61%	21.88%

Source: Loan sample; Dun & Bradstreet data.

Consumer Loans

The bank meets the standards for satisfactory performance in geographic distribution of consumer loans compared to the percentage of low- and moderate-income households. Our analysis indicates that the bank's loans are below the percentage of households in low-income census tracts and exceed the percentage of households in the moderate-income tracts. The following chart reflects the results of our selected sample of consumer loans originated in the AA.

Geographic Distribution of Consumer Loans								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	5.38%	0.00%	24.71%	31.82%	38.69%	27.27%	31.22%	40.91%

Source: Loan sample; U.S. Census data.

Responses to Complaints

During this evaluation period, Trinity did not receive any consumer complaints that relate to CRA performance.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.