



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

January 18, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Trinity Bank, National Association
Charter Number 24397

3500 W Vickery Boulevard
Fort Worth, TX 76107-0000

Office of the Comptroller of the Currency

FORT WORTH Field Office
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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 community credit needs. This conclusion is based on the following:

- A majority of Trinity's loans were originated within the assessment area (AA).
- The loan-to-deposit (LTD) ratio is reasonable and averaged 52 percent during the evaluation period.
- Trinity's distribution of loans to businesses with gross revenues of less than \$1 million is satisfactory. Trinity's overall distribution of home mortgage products to low- and moderate-income (LMI) families is reasonable.
- The geographic distribution of loans demonstrates reasonable penetration in the moderate-income census tracts (CTs).
- No consumer complaints regarding Trinity's CRA performance were received during this evaluation period.

SCOPE OF EXAMINATION

Trinity qualifies as a Small Bank under the CRA regulation and is thus subject to a Lending Test. The Lending Test evaluates the bank's record of helping to meet the credit needs of its AA through its lending activities.

The evaluation under the Lending Test covers loans originated from January 1, 2006 until January 18, 2011. Performance under the lending test was assessed based on a review of Trinity's Home Mortgage Disclosure Act (HMDA)-reportable residential real estate loans, commercial and industrial (C&I) loans, and commercial real estate (CRE) loans. Our sample included 20 of the C&I and CRE loans, and all HMDA-reportable residential real estate loans.

DESCRIPTION OF INSTITUTION

Trinity is a \$154 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. 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.

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.

Total loans outstanding as of December 31, 2010, amount to \$72 million, which represents 47% of total assets. The following chart details the composition of Trinity's loan portfolio as of December 31, 2010.

Loan Portfolio Composition as of December 31, 2010		
Loan Category	\$(000)	%
Commercial & Industrial	35,155	48.56
Commercial Real Estate	25,810	35.65
Residential Real Estate	9,589	13.24
Consumer	1,787	2.47
Agricultural Real Estate	59	0.08
Total	72,400	100.00

Source: December 31, 2010 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 disclosed 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.

Trinity received an overall rating of "Satisfactory" during its previous CRA examination dated August 30, 2005, using Small Bank CRA Procedures.

DESCRIPTION OF ASSESSMENT AREA(S)

Trinity has defined its AA as Tarrant County. Tarrant County is located in North Central Texas and is part of the Fort Worth – Arlington Metropolitan Statistical Area. The city of Fort Worth is the economic and business center of Tarrant County. More than 1.45 million residents populate the AA. The AA is legal and meets the requirements of the regulation. The following table describes the AA, including information on demographics, housing, and family data.

Demographic and Economic Characteristics of Tarrant County	
Population	
Number of Families	371,565
Number of Households	534,019
Geographies	
Number of Census Tracts/BNA	310
% Low-Income Census Tracts/BNA	24
% Moderate-Income Census Tracts/BNA	85
% Middle-Income Census Tracts/BNA	108
% Upper-Income Census Tracts/BNA	93
Median Family Income (MFI)	
2000 Weighted Average for Median Family Income	\$57,945
2000 Census Bureau Estimated Median Household Income	\$65,900
Economic Indicators	
Unemployment Rate	2.36%
2000 Median Housing Value	\$101,614
% of Households Below Poverty Level	9.59%

* Based on the 2000 Census

The primary credit needs in the AA include affordable housing, small business loans, and consumer loans. The economy of the area is well-diversified. The Tarrant communities are served by a large number of businesses, employing a significant number of individuals. The larger employers include various Tarrant school districts, various Tarrant hospitals, and a number of retail businesses. Large commercial businesses include Radio Shack, Pier 1, Chesapeake Energy, and XTO Energy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Trinity's performance under the Lending Test is "**Satisfactory**".

Trinity's primary business lines are C&I loans (primarily small business loans), CRE, and residential real estate loans. In our analysis, we included all residential real estate loans originating since 2006 that are reported under the requirements of the HMDA, as well as 20 C&I loans and 20 CRE loans originated during our evaluation period. Though equal weight was given to each type of lending when evaluating lending performance, the bank's primary lending focus is C&I and small business loans.

Loan-to-Deposit Ratio

Trinity's LTD ratio is reasonable and meets the standards for satisfactory performance given the bank's size, financial performance, and the AA's credit needs. The LTD ratio measures the extent to which the bank has returned the deposits it has acquired to the community in the form of loans. The average of this ratio for each quarter-end since the previous CRA examination is used to determine performance in this area. The average LTD ratio for Trinity was determined to be 52 percent. This ratio ranged from a quarterly low of 44 percent as of December, 2007 to a quarterly high of 57 percent as of September, 2008.

The average LTD ratio of similarly-situated banks within the AA during the evaluation period ranged from 48 percent to 95 percent.

Lending in Assessment Area

Trinity's lending in its AA meets the standards for satisfactory performance. A majority of the number and dollar amount of the loans were originated inside the bank's AA. As depicted in the table, 78 percent of the number and 83 percent of the dollar amount of loans were originated inside the AA.

Table 1 - Lending in Tarrant County AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	32	68.09	15	31.91	47	8,219	80.94	1,936	19.06	10,155
Home Imp Loans	15	93.75	1	6.25	16	1,349	94.73	75	5.27	1,424
Refinance	18	78.76	5	21.74	23	8,297	88.35	1,094	11.65	9,391
Commercial RE	18	90.00	2	10.00	20	7,092	86.90	1,069	13.10	8,161
Commercial	15	75.00	5	25.00	20	4,935	72.30	1,891	27.70	6,826
Totals	98	77.78	28	22.22	126	29,892	83.13	6,065	16.87	35,957

Source: HMDA data; sample of loans.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects a reasonable penetration among individuals of different income levels and businesses of different sizes, and meets the standard for satisfactory performance. To perform our analysis, we reviewed income information for all HMDA-reportable residential mortgage loans, 20 consumer loans, and revenue information for 20 commercial loans, all located within the AA. Each product type was weighted equally in this evaluation. More detail on lending performance of each of the products is discussed below.

Residential Real Estate Loans

To conduct this analysis, we compared the percentage of HMDA-reportable loans to the percentage of families that are classified low-, moderate-, middle-, and upper-income. Trinity’s distribution of home mortgage loan products to LMI families reflects poor penetration, as the percentage of the number and amount of bank loans made to LMI families is significantly less than the percentage of LMI families in the AA. Performance in this area needs to improve. However, residential mortgage lending is not a primary loan product for Trinity, as the bank focuses on C&I and small business lending. Many of these loans were made as accommodations to existing business customer relationships. Also, since Trinity does not have a mortgage department, customers that cannot be accommodated are referred to other area banks that provide this service.

Table 2 – Borrower Distribution of Residential Real Estate Loans in Tarrant County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.49	0.00	18.35	3.13	21.37	3.13	40.79	62.50
Home Imp Loans	19.49	6.67	18.35	0.00	21.37	6.67	40.79	80.00
Refinance	19.49	0.00	18.35	0.00	21.37	11.11	40.79	50.00

Source: data reported under HMDA; U.S. Census data. Income NA for 31.24% home purchase, 6.67% of HIL and 38.89% of refinanced loans.

Commercial and Commercial Real Estate Loans

Trinity demonstrated a satisfactory level of lending to businesses of different sizes. For this analysis, we compared the percentage of C&I and CRE loans made to small businesses (those with revenues less than or equal to \$1 million) to the percentage of businesses in the AA that are classified as small businesses. Within our sample of commercial loans, 75 percent of the number and 67 percent of the dollar amount of loans were originated to small businesses. This level is adequate, although the demographic comparator is higher than the number and dollar amount percentage of bank loans made to small businesses.

Table 2A - Borrower Distribution of Loans to Businesses in Tarrant County AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	90.06	3.38	16.56	100%
% of Bank Loans in AA by #	75.00	25.00	0.00	100%
% of Bank Loans in AA by \$	66.63	33.37	0.00	100%

Source: Loan sample; Dunn and Bradstreet data.

Geographic Distribution of Loans

Trinity’s geographic distribution of loans reflects reasonable dispersion and meets the standard for satisfactory performance. The AA includes 24 low- and 85 moderate-income CTs. This comprises approximately 35 percent of all CTs located in the AA. Trinity’s performance was based solely on its lending performance to these geographies under this criterion.

Residential Real Estate Loans

The geographic distribution of home mortgage loan products is satisfactory, and reflects reasonable dispersion. The percentage of the bank’s loans made in LMI tracts is commensurate with the percentage of owner-occupied housing in these CTs. Performance in this area is satisfactory.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Tarrant County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3.85	0.00	19.76	15.63	36.48	40.62	39.91	43.75
Home Imp Loans	3.85	0.00	19.76	6.67	36.48	26.67	39.91	66.66
Refinance	3.85	0.00	19.76	16.67	36.48	38.89	39.91	44.44

Source: Indicate source, i.e., loan sample or data reported under HMDA; U.S. Census data.

Commercial and Commercial Real Estate Loans

The geographic distribution of small business loans is excellent and reflects reasonable dispersion. Your distribution of small business loans, by number, to LMI CTs exceeds the percentage of small businesses located in those tracts. Performance under this criterion is outstanding.

Table 3A - Geographic Distribution of Loans to Businesses in Tarrant County AA								
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 & Commercial RE	3.24	0.00	22.10	37.50	35.83	35.00	38.83	27.50

Source: Indicate source, i.e., loan sample or data collected by bank; D & B data.

Qualified Investments and CD Services (Optional)

Trinity has not requested consideration for Community Development qualified investments or services.

Responses to Complaints

Trinity has not received any complaints pertaining to its CRA performance during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.