

CPP ANNUAL USE OF CAPITAL SURVEY - 2012

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Alpine Banks of Colorado

Person to be contacted regarding this report:	Eric A. Gardey	RSSD: (For Bank Holding Companies)	1061679
UST Sequence Number:	885	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	70,000,000	FDIC Certificate Number: (For Depository Institutions)	23091
CPP/CDCI Funds Repaid to Date:	73,500,000	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Glenwood Springs
Date Repaid ¹ :	Sep 20, 2012	State:	Colorado

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Our loan portfolio continued to decrease in 2012 as we have had CPP funds. However, given regulatory pressure to maintain much higher capital levels in all banks, our loan portfolio has fallen much less than it otherwise would have needed to.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	While total loans have decreased, we have been able to book substantial numbers of residential mortgage loans and commercial mortgage loans. A lack of loan demand has been hurting our ability to grow our loan portfolio.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	In 2012 we were able to grow our securities portfolio. We have increased our portfolio of municipal securities, primarily from Colorado based issuers.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	The CPP funding has allowed us to reduce our funding from non core sources in 2012. Primarily by reducing our level of brokered CD deposits.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The funds we received from CPP are primarily held as increased capital in order to fortify our balance sheet. Most banks, including ourselves, need to hold higher capital levels than in the past. The CPP funds allow us to hold these higher levels and continue to serve our customers' financial needs.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

n/a

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

n/a

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

n/a

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.