



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Triad Bancorp, Inc

Person to be contacted regarding this report:	James V Regna
UST Sequence Number:	854
CPP Funds Received:	3,700,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Mar 27, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	58121
City:	Frontenac
State:	Missouri

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). To answer that question, Treasury is seeking responses that describe generally how the CPP 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 investment was deployed or how many CPP 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 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 funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	We were able to utilize CPP capital to increase lending by 5.7%. Loans grew from \$123MM to \$130MM from year end 2008 to 2009. This increase was one of the highest percentage increases in the St. Louis, Missouri market.
<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.).	The increase was primarily in commercial RE. We were able to do several owner occupied real estate loans to strong operating companies. In addition we provided funding to non owner occupied real estate on low loan to value cash flowing properties that larger banks would not renew.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	In addition, we have been able to be aggressive setting aside reserves for potential problems. As of 2/28/10 our reserve is 1.56% of loans. The bank had a return on assets as 12/31/09 of .29%; however, the adjusted ROA was .60%. For the first two month of 2010 ROA is .29% but adjusted ROA is 1
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Our charge-offs have increased from \$314M in 2008 to \$779M in 2009. The CPP Funds have allowed to maintain strong capital ratios while cleaning up the balance sheet. We have recently performed impairment analysis on all of our substandard credits. External auditors have approved RLL analysis.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

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

The primary benefit the CPP Funds have had on the bank is it has allowed us to maintain strong regulatory ratios and prevent the bank from sliding into a problem situation with regulators.

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

We have been able to continue to focus on lending. Many borrowers have ask "do you have money to lend", because they have heard from so many other banks that have indicated they are not lending.

The CPP funds have provided a capital cushion. This has allowed the bank to maintain an acceptable classified capital to asset ratio, currently around 35%. In addition, we have been able to be aggressive setting aside reserves for potential problems. As of 2/28/10 our reserve is 1.56% of loans. The bank had a return on assets as 12/31/09 of .29%; however, the adjusted ROA was .60%. For the first two month of 2010 ROA is .29% but adjusted ROA is 1.05%. The bank has been aggressive in setting reserves aside. This approach has allowed us to move ORE and problem loans off the balance sheet in an effort to keep classified assets at a manageable level.

The CPP Funds have allowed the bank to keep strong regulatory ratios. We have just completed our 5 year strategic plan. Even though we believe growth will be slow over the next two years, we are focused on recruiting and other opportunities to position the bank for growth. Without the CPP Funds we most likely would be worried exclusively about balance sheet issues etc. versus positioning the bank to move forward.

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