

**CPP ANNUAL USE OF CAPITAL SURVEY - 2010**



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Trinity Capital Corporation

Point of Contact:	Daniel R. Bartholomew	RSSD: (For Bank Holding Companies)	1056161
UST Sequence Number:	700	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	35,539,000	FDIC Certificate Number: (For Depository Institutions)	18799
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	March 27, 2009	City:	Los Alamos
Date Repaid <sup>1</sup> :	N/A	State:	New Mexico

<sup>1</sup>If 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).**

**Increase lending or reduce lending less than otherwise would have occurred.**  
 Although our lending was reduced, this was driven more by decreasing loan demand. However, we were able to achieve more favorable loan concentration ratios without greatly reducing our loan production.

**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.).**

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**Increase securities purchased (ABS, MBS, etc.).**

We had a total MBS portfolio of \$7.3 million before the acquisition of the CPP funds; after twelve months we increased to \$37.7 million. After 24 months we had \$88.3 million.

**Make other investments.**

**Increase reserves for non-performing assets.**

Before the acquisition of the CPP funds, we had a total of \$18.0 million in reserves. After twelve months, the balance was \$24.8 million. After twenty four months, the balance was \$28.7 million.

**Reduce borrowings.**

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Increase charge-offs.

Empty response box for 'Increase charge-offs.'

Purchase another financial institution or purchase assets from another financial institution.

Empty response box for 'Purchase another financial institution or purchase assets from another financial institution.'

Held as non-leveraged increase to total capital.

The full amount of the CPP received (\$35.5 million) was injected into the bank as capital. Total capital before the acquisition was \$124.2 million. After twelve months, total capital was \$152.5 million. After 24 months, the balance was \$158.0 million.

Empty response box for 'Held as non-leveraged increase to total capital.'

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

Though not required to keep our institution "Well-Capitalized", having the CPP funds helped us avoid more unfavorable capital ratios. Without CPP funds, the cost of additional capital would have been much higher, resulting in a decline in net income available to common shareholders.

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

See above for details on how funds were used--we were able to increase our MBS portfolio, increase our reserve for loan losses and improve our capital ratios. In addition, though loan demand remained sluggish, as a result of receiving the CPP funds we were able to avoid reducing our lending in order to improve our loan concentrations.

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

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.