



# TCC Newsletter

Volume III

July 2008

## MESSAGE FROM BILL ENLOE, CHIEF EXECUTIVE OFFICER

As recent news highlights, 2008 has brought difficult times to many financial service companies. The national economy continues to be strained. In some areas, real estate values have decreased and foreclosures have increased; in most areas real estate continues to be slow. Trinity Capital Corporation (TCC) and Los Alamos National Bank (LANB) did not engage in sub-prime lending, have limited non-traditional loans and have no structured debt instruments. The financial services companies that have taken significant losses or have failed, were heavily involved in these types of loans. The difficulties experienced at these institutions, including FannieMae, FreddieMac, and IndyMac, do not affect the financial condition of LAMB or TCC. They may affect the availability of these traditional sources to sell our mortgage loans, but LAMB has alternative buyers and new buyers will likely emerge to fill any voids.

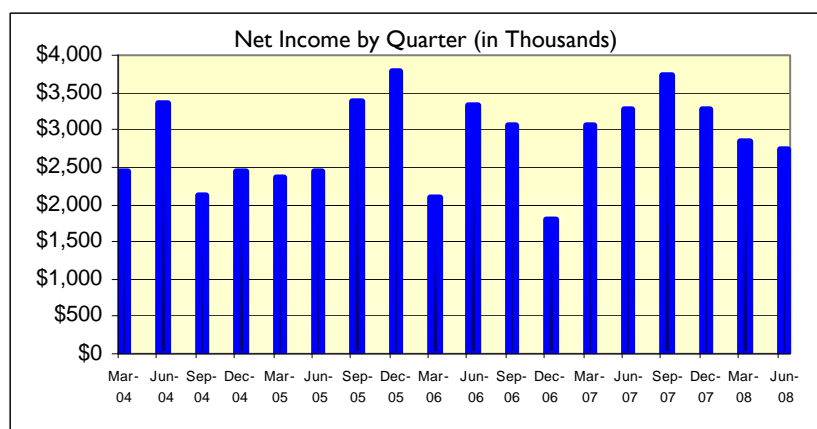


*"We have  
maintained  
strong returns  
to our  
shareholders."*  
- Bill Enloe

LANB has always included a thorough analysis of our credits in the underwriting process. The result is that our earnings have held up even in a difficult environment. In a time when many of our competitors and those in our industry are seeing losses or significant decreases in income and profitability, we have maintained strong returns to our shareholders. In the first six months of 2008, our unaudited earnings were \$5.581 million in net income (\$0.86 diluted earnings per share), compared to \$6.321 million in the first six months of 2007 (\$0.96 diluted earnings per share). The decrease in earnings is primarily due to a squeeze on our net interest margin (the difference between what we pay on deposits and what we earn on loans) and an increase operating expenses without the same level of loan demand. TCC's size has remained stable with over \$1.4 billion in assets.

TCC and LAMB are fortunate to be located in Northern New Mexico as the local and state economies are much stronger than the national economy. Funding for the Laboratory was recently restored by the Senate and is expected to see a small increase for the 2008-2009 budget year. However, the local real estate market continues to be soft. We have seen a slight increase from our historical levels of past-due loans and foreclosures. We continue to monitor these trends and we are taking aggressive action to mitigate any losses. These conditions, as well as the regulatory affects from the national economic environment, create challenging conditions. LAMB and TCC appreciate the continued support of our stockholders and customers which allows us to provide strong returns and excellent customer service.

## FINANCIAL RESULTS UPDATE



Trinity Capital Corporation's unaudited net income for the first six months of 2008 was \$5.581 million or \$0.86 diluted earnings per share, compared to \$6.321 million or \$0.96 diluted earnings per share for the first six months of 2007, a decrease of \$740 thousand in net income and a decrease of \$0.10 in diluted earnings per share.

Additional information and our quarterly reports are available on our website at [www.lanb.com/tcc](http://www.lanb.com/tcc) or on the SEC's website at [www.sec.gov](http://www.sec.gov).

Message from Bill Enloe, CEO 1

Financial Result Update 1

Dividends Declared Per Share 2

What's New at TCC? 2

TCC Stock Representatives 2

Featured TCC Webpage 3

Subsidiary Information 3

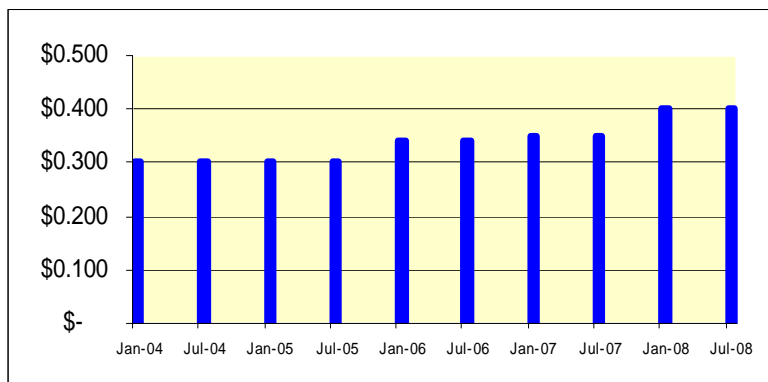
TCC's Mission 4

Cerrillos Road Office 4



Trinity Capital Corporation paid \$0.40 per share in dividends on July 11, 2008. This represents an increase of \$0.05 per share or 12.5% from July 2007.

## DIVIDENDS



## WHAT'S NEW AT TCC?

### EXPANDED BUSINESS BANKING SERVICES

Los Alamos National Bank is pleased to announce the addition of Quick Deposit to our suite of business products. Quick Deposit, along with Merchant Processing, Business Credit and Debit Cards, Sweep Transfers, Positive Pay and Account Reconciliation create a better way to help run an efficient business.

With Quick Deposit, all you need is a PC, an internet connection, and a check scanner provided by LANB. Rather than a trip to the bank to deposit checks, you scan them, create a digital deposit and send it to us via an encrypted internet connection. When we receive the file, we post the deposit to your account, giving you faster access to your funds and saving you time and money.

If you are interested in any of our Business Banking Services, please contact Shane Askew at (505) 663-3898 or shanea@lanb.com.

### E-PROXY AND

### ANNUAL MEETING RESULTS

Trinity Capital Corporation implemented e-Proxy to deliver its 2008 Annual Meeting Materials. TCC chose to be on the leading edge of public companies employing this delivery mechanism to reduce both waste and costs associated with printing and mailing the materials. The success of this process was shown in the 81% of all outstanding shares which voted.

The results of the election of directors and ratification of the independent accounting firm were as follows:

Jerry Kindsfather—76% in favor  
 Steve W. Wells—78% in favor  
 Robert P. Worcester—75% in favor  
 Moss Adams, LLP—79% in favor

At TCC's Organizational Meeting in June, the Board of Directors elected Robert P. Worcester to Chair and Stanley D. Primak to Vice-Chair. Steve W. Wells continues as Secretary.



**Los Alamos  
National Bank**

Creating a better way.



**TITLE GUARANTY  
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 Smart protection for your investment.

## TCC CONTACTS



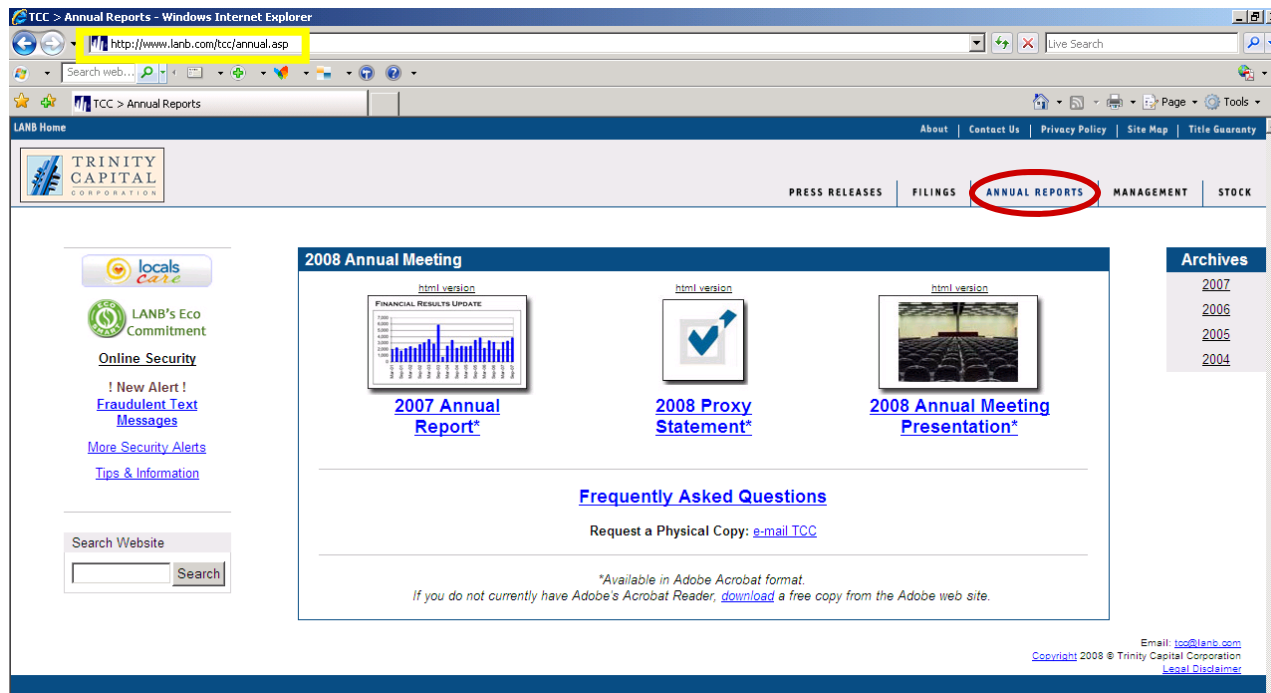
For questions or more information, please contact the TCC Stock Representatives:

Danette Clark  
 (505) 662-1036  
 danette@lanb.com

Ada Beth Carothers  
 (505) 662-1099  
 adabethc@lanb.com



## TCC'S WEBPAGE—ANNUAL REPORTS



### TCC Annual Report Page

The Annual Report page, shown above, contains the most recent Annual Report, Proxy Statement and Presentation from the Annual Meeting. Materials from previous years' annual meetings is available as well. We were pleased to provide e-Proxy delivery of these materials and internet voting beginning this year.

### Common Questions Received from the TCC Stock Office

**Buying or Selling Stock in Other Companies:** Our TCC Stock Representatives serve only as transfer agents for Trinity Capital Corporation stock. If you are interested in purchasing or selling stock in other companies, you can contact Eric Loucks in LANB's Los Alamos Trust Department Office or Don Kirby in LANB's Santa Fe Trust Department Office.

**TCC Stock:** The TCC Stock page on our website contains historical information regarding the stock prices reported on TCC stock transactions and dividends paid by TCC. There may be transactions excluded because our stock office was not informed of the sale price. TCC Stock Representatives update the price of the Last Reported Sale at the close of each business day during which stock was traded. Trinity Capital Corporation is not a listed stock and does not have a CUSIP number.

## Locations and Contact Information

### Los Alamos National Bank

Web: [www.lanb.com](http://www.lanb.com)

#### Los Alamos

1200 Trinity Drive  
Los Alamos, NM 87544  
Phone: 505-662-5171  
Email: [lanb@lanb.com](mailto:lanb@lanb.com)

#### White Rock

77 Rover Blvd  
Los Alamos, NM 87544  
Phone: 505-672-3853

#### Santa Fe Downtown

301 Griffin Street  
Santa Fe, NM 87501  
Phone: 505-954-5400

#### Santa Fe Galisteo

2009 Galisteo Street  
Santa Fe, NM 87505  
Phone: 505-988-3200  
Fax: 505-988-3222

#### Coming soon...

Santa Fe Cerrillos Road  
South Cerrillos Road at Vegas Verdes  
Santa Fe, New Mexico

### Trinity Capital Corporation

Web: [www.lanb.com/tcc/index.asp](http://www.lanb.com/tcc/index.asp)  
1200 Trinity Drive  
Los Alamos, NM 87544  
Phone: 505-662-1026  
Fax: 505-662-1092  
Email: [tcc@lanb.com](mailto:tcc@lanb.com)

### Title Guaranty & Insurance Co.

Web: [www.titleguarantynm.com](http://www.titleguarantynm.com)

#### Los Alamos

1200 Trinity Drive  
Los Alamos, NM 87544  
Email: [tg@titleguarantynm.com](mailto:tg@titleguarantynm.com)  
Phone: 505-662-5586  
Fax: 505-662-6891

#### Santa Fe Downtown

301 Griffin Street  
Santa Fe, NM 87501  
Phone: 505-954-5480  
Fax: 505-954-5498  
Email: [sftg@titleguarantynm.com](mailto:sftg@titleguarantynm.com)



## Mission

Exceed the expectations of our customers, employees and investors.

## Coming soon...

### Los Alamos National Bank's Cerrillos Road Office



We have been busy getting the final plans and specifications ready for our new Cerrillos Road Office. We anticipate beginning construction in September 2008 and completing the office and opening for business in the early 2009.

The office will be a two-story building providing full banking services. The facility will be approximately 14,000 square feet with five drive-up lanes. The remaining portion of the site will be sub-leased to additional tenants.

