



TRINITY CAPITAL CORPORATION  
***REVIEW***

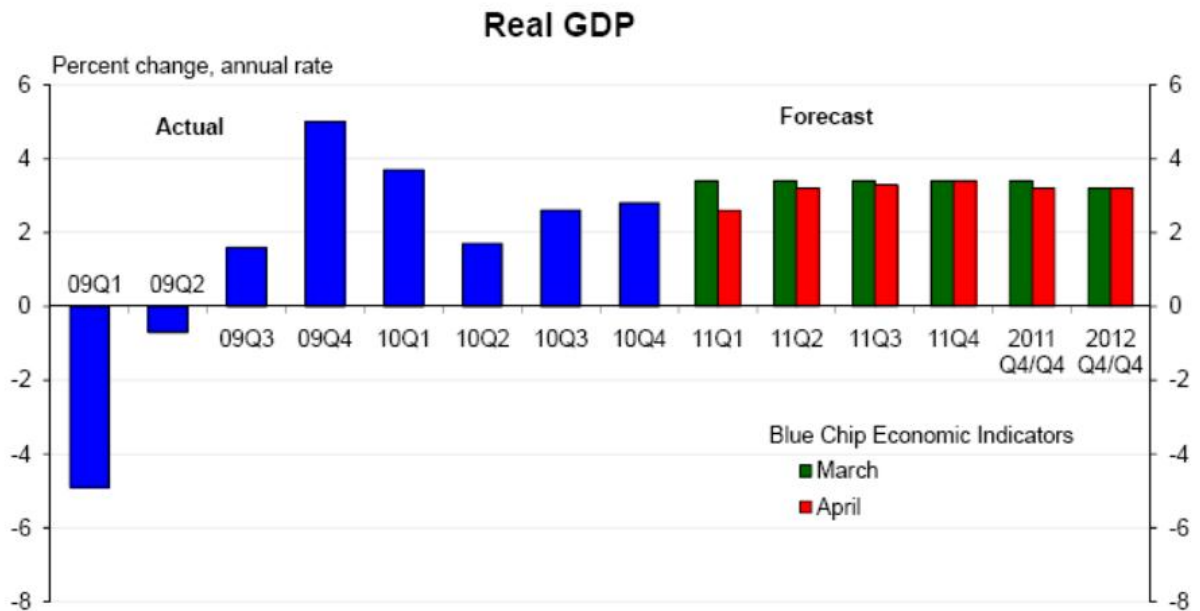
Annual Meeting May 19, 2011

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# **NATIONAL MARKET**

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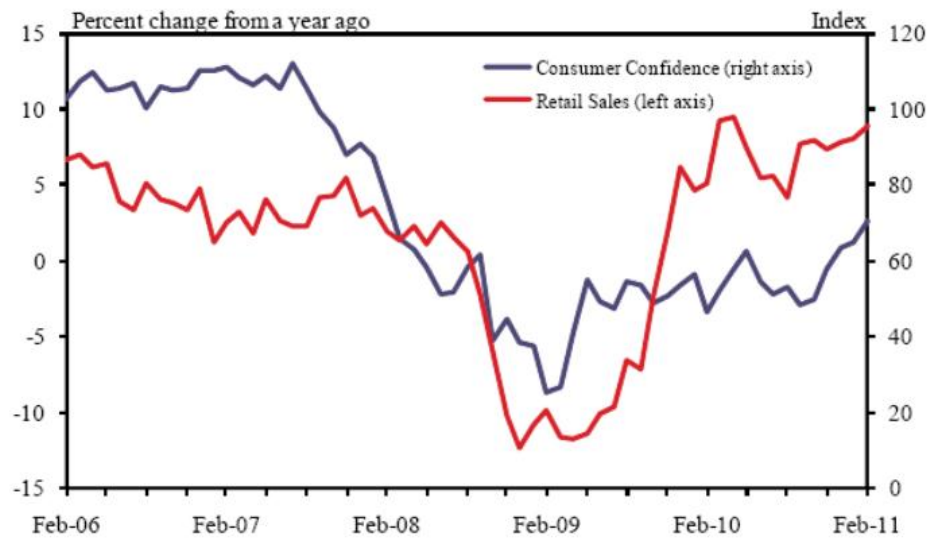
The outlook points to steady growth after a softer first quarter.



Source: Federal Reserve Bank of Kansas City

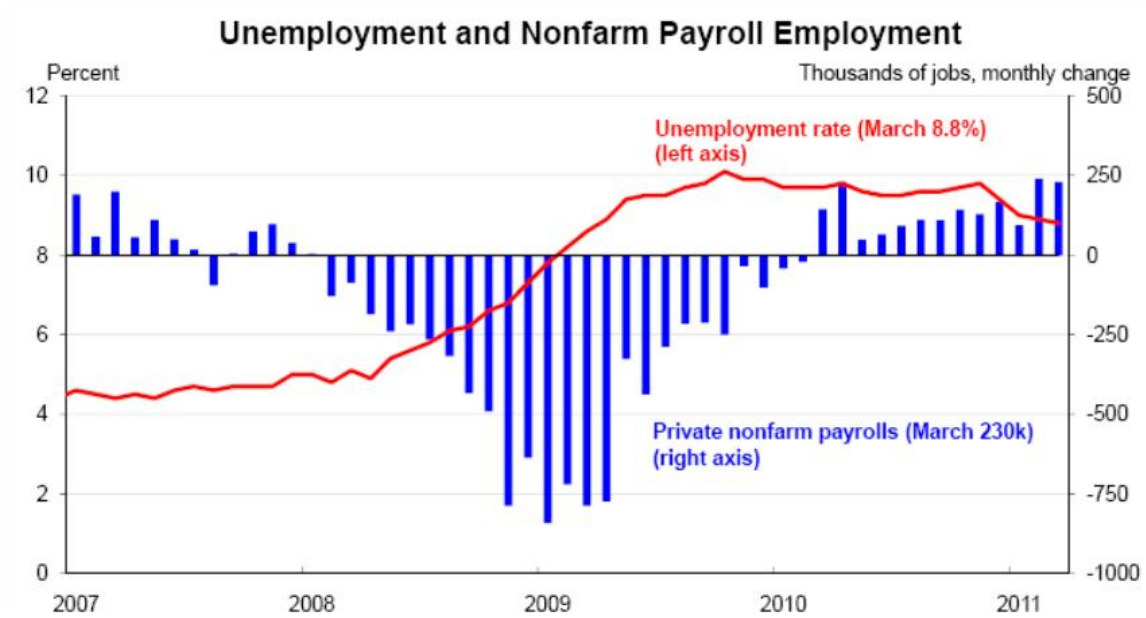
## Consumers are spending more as confidence levels gradually increase.

Retail Sales and Consumer Confidence



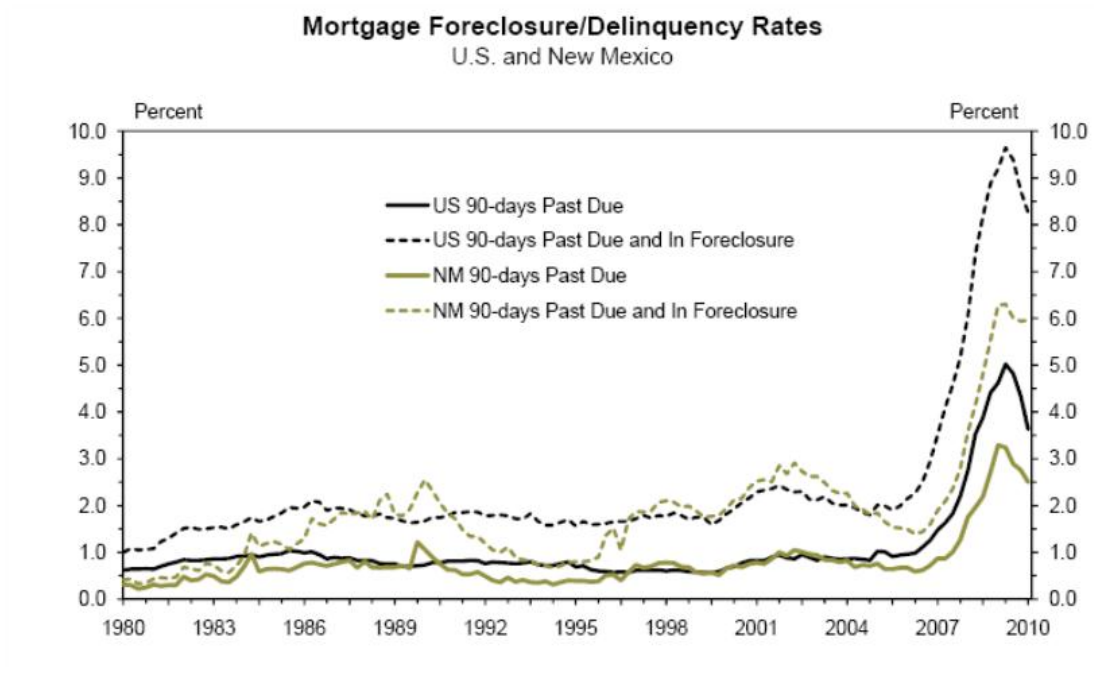
Source: Federal Reserve Bank of Kansas City

## Labor market conditions have brightened.



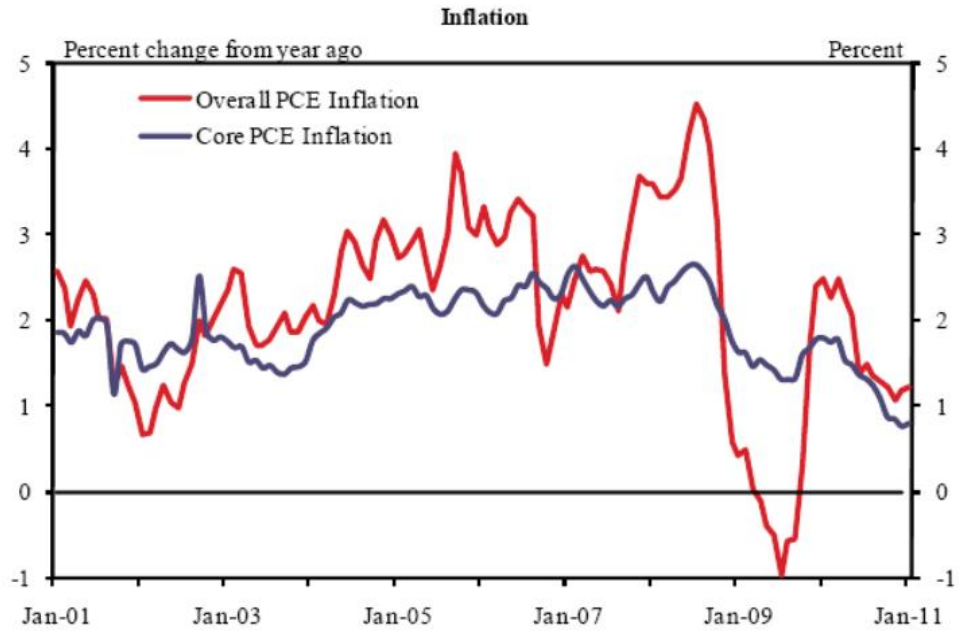
Source: Federal Reserve Bank of Kansas City

## Critical peak in past due and foreclosure rates - shadow inventory remains a concern.



Source: Federal Reserve Bank of Kansas City

## Inflation pressures remain subdued.



*PCE = PERSONAL CONSUMPTION EXPENDITURES*

Source: Federal Reserve Bank of Kansas City

## RISKS TO RECOVERY

- ❖ Rising Interest Rates (Mortgage Rates)
- ❖ Rising Energy/Commodity Prices
- ❖ International Instability
- ❖ Federal/State/Local Budget Overhang
- ❖ Household De-Leveraging Takes Longer than Expected
- ❖ Short Expansion

Source: Federal Reserve Bank of Kansas City



## WHAT MAKES RECOVERY SUSTAINIBLE

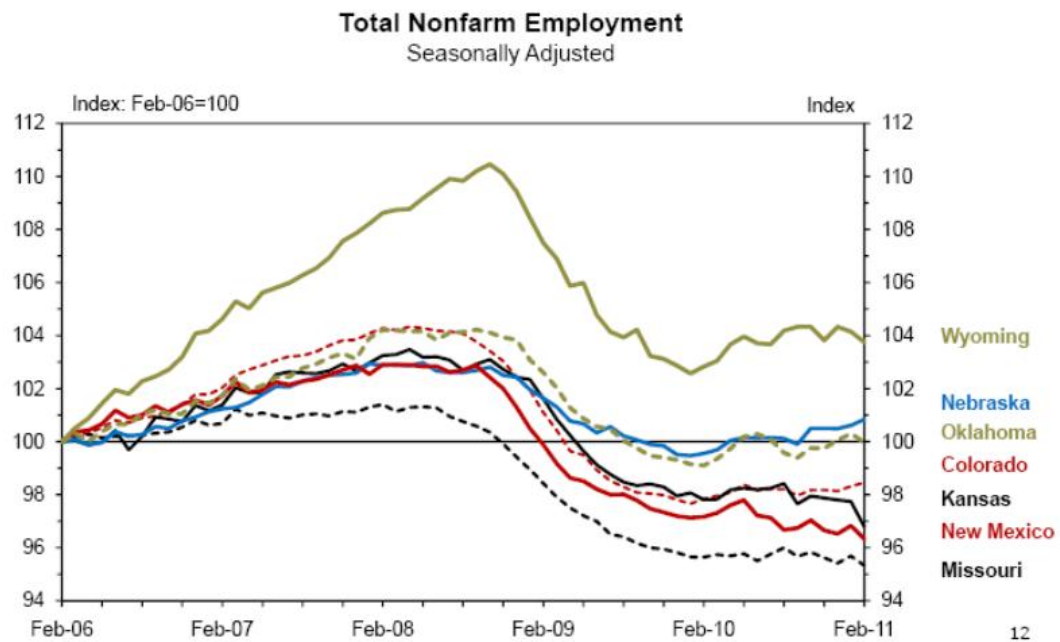
- ❖ Strong Financial Position of Corporate Sector
- ❖ Resumption of Household Debt Growth
- ❖ Growing Replacement Needs - Households/Firms
- ❖ Virtuous Cycle - Capitalism, Invisible Hand

Source: Federal Reserve Bank of Kansas City

# STATE MARKET

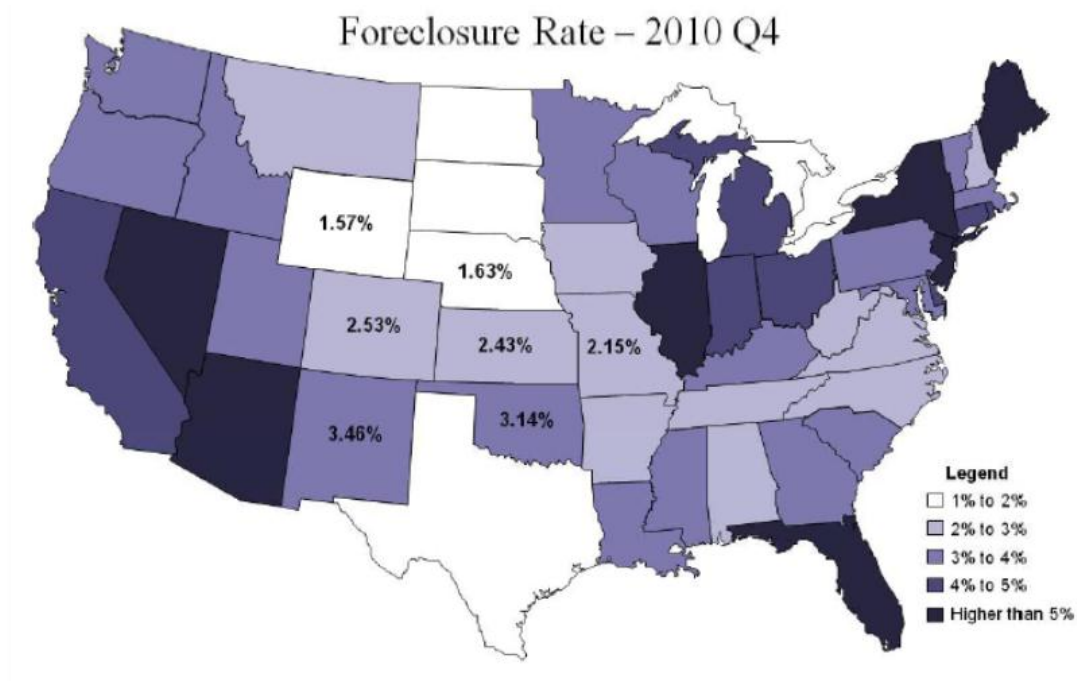
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## New Mexico is Among the Weakest Labor Markets in the 10<sup>th</sup> District



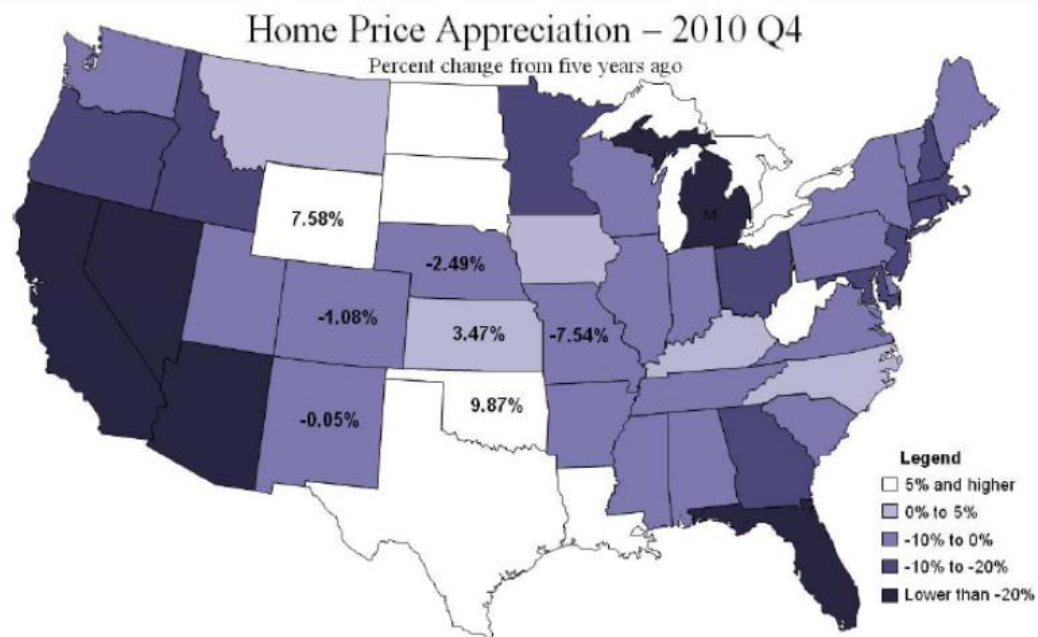
Source: Federal Reserve Bank of Kansas City

Foreclosure rates in New Mexico are lower than many parts of the nation.



Source: Federal Reserve Bank of Kansas City

**There have been large regional variations in home price appreciation over the past 5 years.**



Source: Federal Reserve Bank of Kansas City

# LOCAL MARKETS

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## LOS ALAMOS MARKET

- ❖ Stable Budget & Employment at LANL
- ❖ Housing
- ❖ Lowest Unemployment in the State

## SANTA FE MARKET

- ◆ Unemployment Rate
- ◆ Tourism
- ◆ State Government Trends
- ◆ Housing
- ◆ Commercial Real Estate



**ALBUQUERQUE/RIO RANCHO MARKET**

- ❖ Large Employers
- ❖ Unemployment Rate
- ❖ Housing
- ❖ Commercial Real Estate

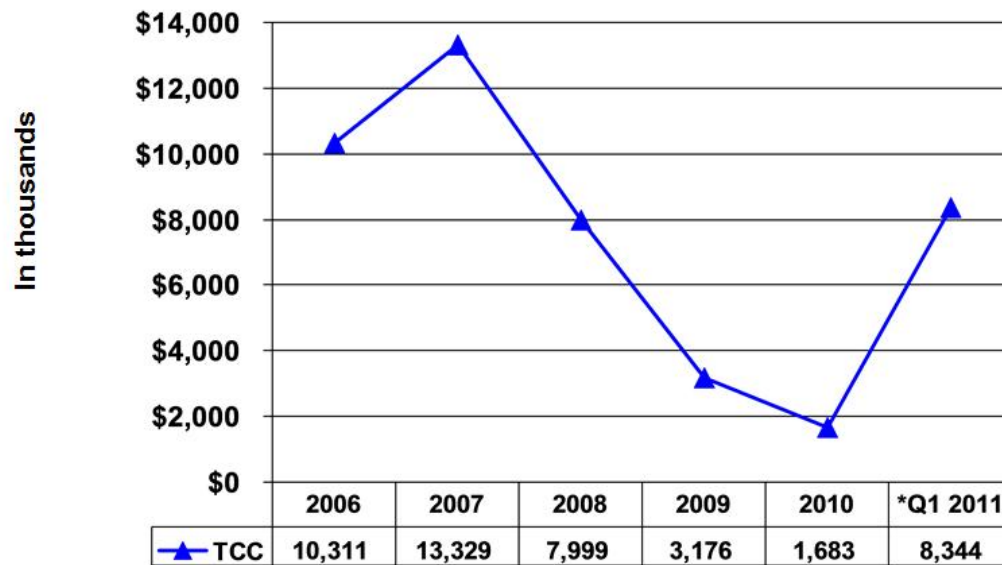
## ACCOMPLISHMENTS/RECOGNITION

- ❖ Best of Santa Fe 5 Years in a Row
- ❖ Bill Enloe Named 2010 Top CEO
- ❖ LANB - Leading NM Mortgage Lender
- ❖ Bill Enloe Becomes a Corporate Hero

# **COMPANY PERFORMANCE**

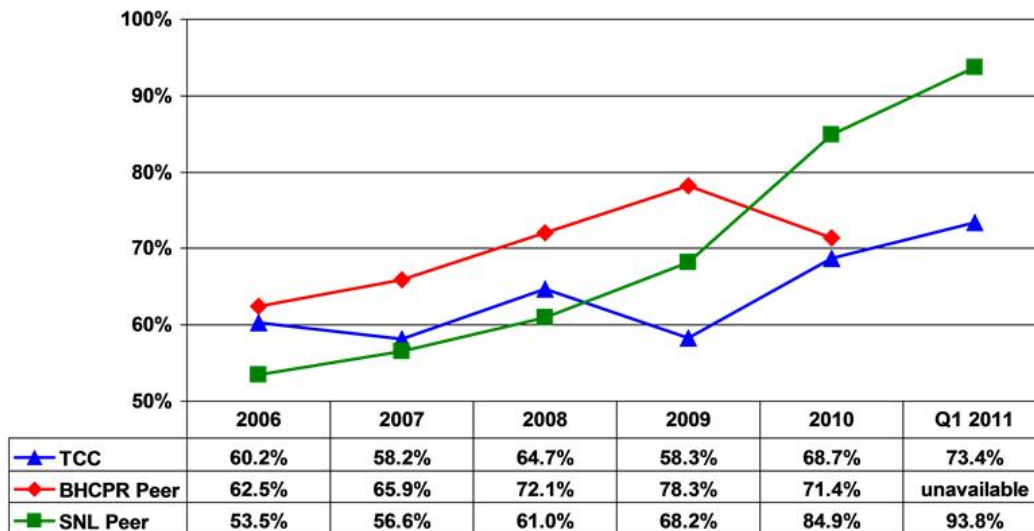
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# NET INCOME



*\*1<sup>st</sup> Quarter 2011 Results Annualized*

## EFFICIENCY RATIO

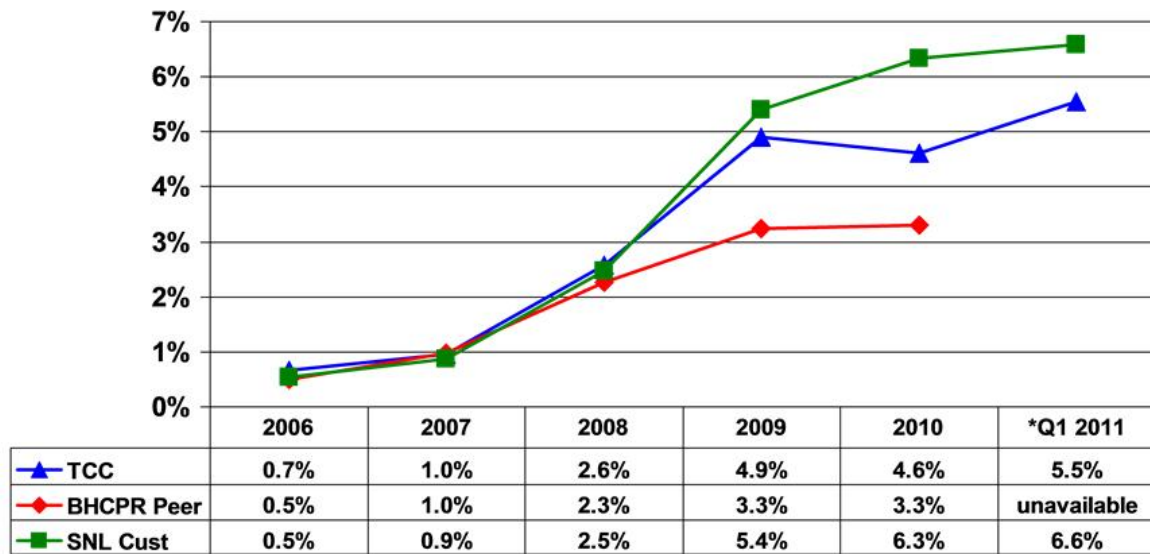


Lower ratio = Better

BHCPR Peer = Bank Holding Company Performance Report - \$1 to \$3B

SNL Peer = \$1 to \$5B located in NM, CO, AZ, UT and NV

### NON-PERFORMING ASSETS/TOTAL ASSETS

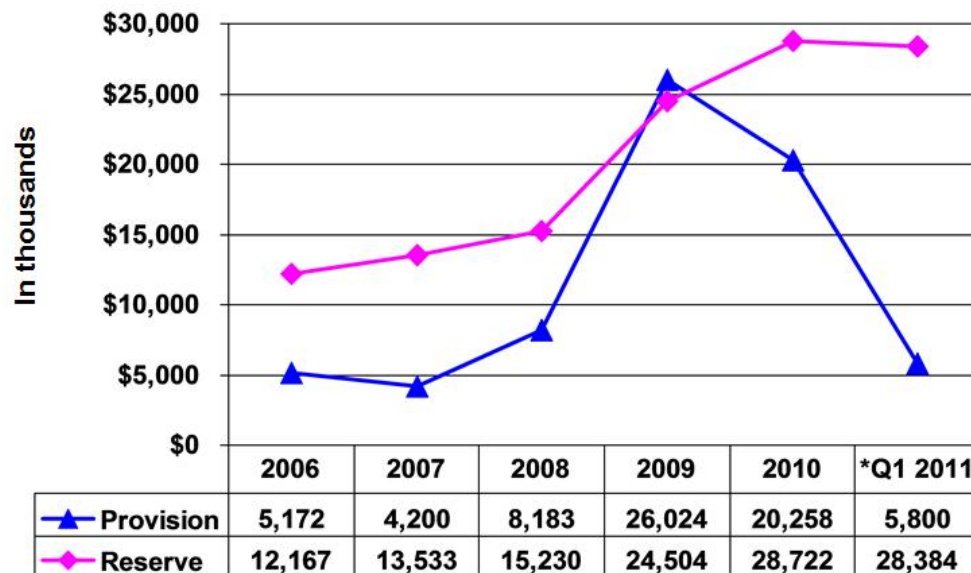


*Lower = Better*

*BHCPR Peer = Bank Holding Company Performance Report - \$1 to \$3B*

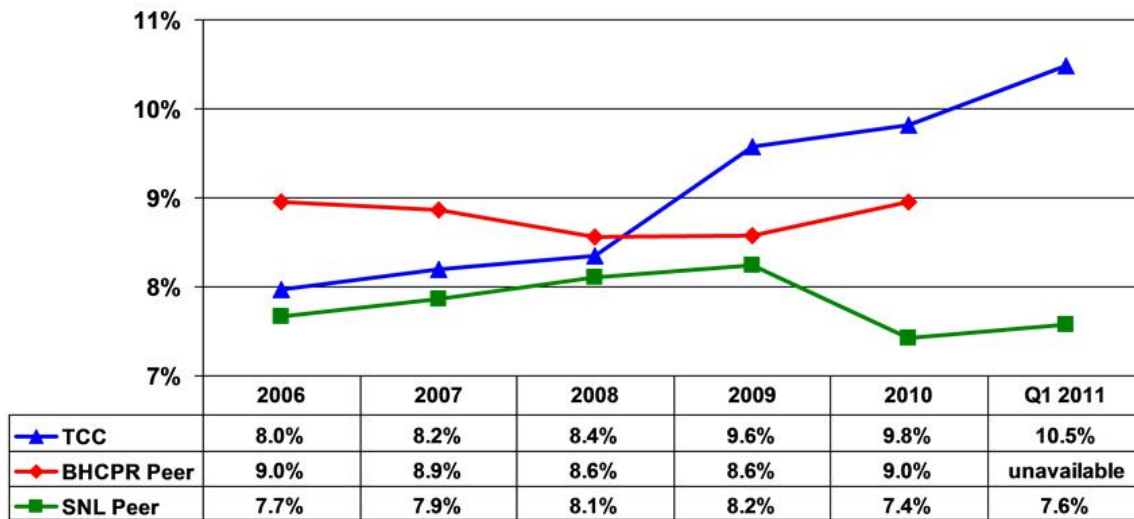
*SNL Peer = \$1 to \$5B located in NM, CO, AZ, UT and NV*

### LOAN LOSS PROVISION/LOAN LOSS RESERVE



*\*1<sup>st</sup> Quarter 2011 Provision Annualized*

## LEVERAGE CAPITAL RATIO

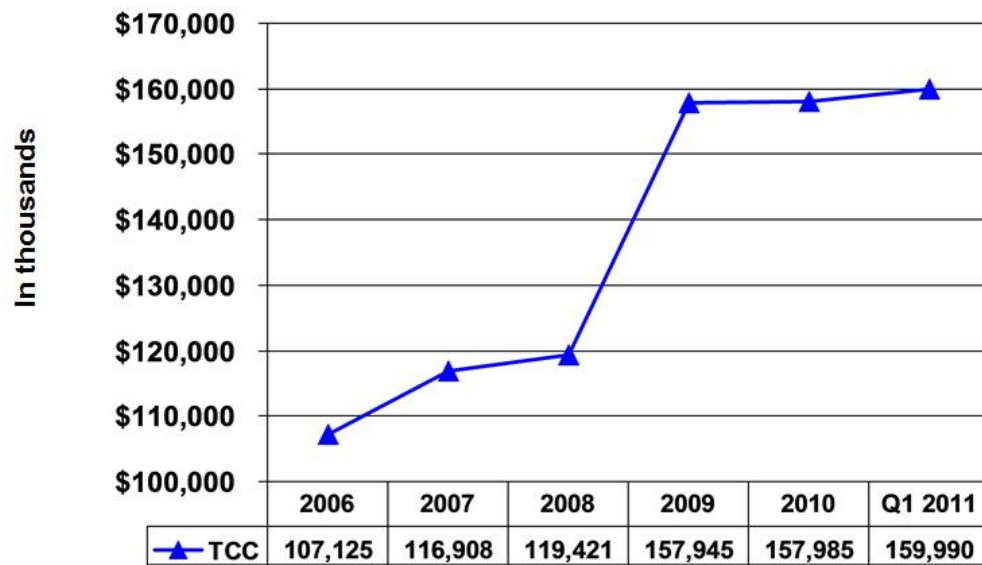


*BHCPR Peer = Bank Holding Company Performance Report - \$1 to \$3B*

*SNL Peer = \$1 to \$5B located in NM, CO, AZ, UT and NV*



## TOTAL TIER 1 CAPITAL



# CHALLENGES

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- ❖ FNMA
- ❖ Interest Rates
- ❖ Regulatory Changes
- ❖ Continued Economic Recovery
- ❖ Capital Formation

**OPPORTUNITIES**

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- ◆ Competitive Mix
- ◆ Size
- ◆ Expertise
- ◆ Technology
- ◆ Reputation

# QUESTIONS