



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Steele Street Bank Corporation/Steele Street Bank & Trust

|   |                 |
|---|-----------------|
| Person to be contacted regarding this report: | Frank J. Babnik |
| CPP Funds Received:                           | \$11,019,000    |
| CPP Funds Repaid to Date:                     | \$0             |
| Date Funded (first funding):                  | 9/25/2009       |
| Date Repaid <sup>1</sup> :                    |                 |

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| RSSD:<br>(For Bank Holding Companies)                            | 3178414  |
| Holding Company Docket Number:<br>(For Thrift Holding Companies) |          |
| FDIC Certificate Number:<br>(For Depository Institutions)        | 57575    |
| City:  | Denver   |
| State:   | Colorado |

<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). 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).

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| <input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred. |  |
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| <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.). | <p>Our Bank subsidiary increased its mortgage loans, both residential and commercial, and its small business loans by more than \$4.7 million or an annualized growth rate of 9.1% in the three months since we received the CPP funds. The Bank has also begun offering SBA program loans.</p> |
| <input type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).   |   |
| <input checked="" type="checkbox"/> Make other investments   | <p>Created a new subsidiary of the Holding Company to hold certain assets. Also created a new subsidiary of the Bank to develop residential lots within the Bank's OREO portfolio.</p>  |
| <input type="checkbox"/> Increase reserves for non-performing assets   |   |

|   |  |
|---|--|
| <input checked="" type="checkbox"/> Reduce borrowings   | Reduced the Bank's reliance on alternative funding sources.  |
| <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                                   | Down streamed portion of CPP funds received to our Bank subsidiary to increase capital and make additional loans as the opportunity arises. The Bank is actively looking for good quality credits. |

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

The infusion of CPP funds has allowed the Holding Company to increase the Bank's capital and therefore avoid having to restrict the Bank's growth. Without the CPP funds the Bank would have had to limit the growth of its loan portfolio or even contract its portfolio. Anticipated Bank growth plans would have had to be lowered which could have had a negative impact on the long term health of the Bank in addition to being unable to meet the needs of our existing and new credit demand.

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

One of the benefits of the CPP funds was the ability to create a new subsidiary of the Bank. The new subsidiary was established to develop certain residential lots held in the Bank's OREO portfolio. Management anticipates that the ability to develop the lots will enhance their marketability and ultimately their fair market values. Development of the lots will also create or preserve jobs within the residential construction industry, improve the overall appearance of the building site and add value to the surrounding properties.

We were also able to establish a new subsidiary of the Holding Company. This subsidiary is focused on holding and managing certain loans and OREO properties acquired from the Bank. The Bank has benefitted from the reduction in its non-performing assets and has been able to redirect the resources previously tied to these assets into new, performing loans.

Based on the SBA Guidelines, the CPP funds have allowed us to pursue offering SBA program loans to local business customers. SBA loans outstanding as of 12/31/09 total approximately \$5.2 million.

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

The capital infusion from the CPP funds has allowed us to expand both our deposit and loan customer bases.

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.