

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

PGB HOLDINGS, INC. & PACIFIC GLOBAL BANK

Point of Contact:	SYLVIA CHUNG	RSSD: (For Bank Holding Companies)	3082342
UST Sequence Number:	451	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	3,000,000	FDIC Certificate Number: (For Depository Institutions)	34089
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	February 06, 2009	City:	CHICAGO
Date Repaid ¹ :	N/A	State:	Illinois

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) 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.

THE BANK IS ABLE TO CONTINUE LENDING TO THE UNDER-SERVED WITHIN ITS DELINEATED AREA FOR THE CAPITAL INJECTED FROM THE HOLDING COMPANY.

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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.).

MAJORITY OF THEM ARE RESIDENTIAL MORTGAGE LOANS.

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

Make other investments.

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Increase reserves for non-performing assets.

EVEN THOUGH RESERVES FOR NON-PERFORMING ASSETS WAS REDUCED TO \$4.52 MILLION IN 2011, THE POTENTIAL FOR DELINQUENT LOANS ARE STILL HIGH IN THE CURRENT ECONOMIC ENVIRONMENT. THE BANK STILL NEEDS TO RESERVE QUITE SIGNIFICANTLY FOR THE COMING YEAR .

Reduce borrowings.

Increase charge-offs.

THE BANK CHARGED-OFF \$4 MILLION IN 2011, SLIGHTLY HIGHER THAN 2010 FOR THE PROPERTIES THAT CONTINUE LOSING VALUE.

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

Held as non-leveraged increase to total capital.

WITH THE CAPITAL INJECTION THE BANK WAS ABLE TO MAINTAIN ITS CAPITAL ADEQUACY.

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

THE BANK CONTINUES TO EXPERIENCE INCREASES IN NON-PERFORMING ASSETS AND CHARGE-OFFS IN 2011. HOWEVER WITH THE CAPITAL INFUSION OF CPP/CDCI FUNDS THE BANK WAS ABLE TO WORK OUT WITH BORROWERS BY TROUBLE DEBT RESTRUCTURING TO AVOID FORECLOSURES.

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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?

THE HOLDING COMPANY WAS ABLE TO INJECT CAPITAL INTO THE BANK USING THE CPP/CDCI FUNDS TO MAINTAIN THE BANK'S CAPITAL ADEQUACY.

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

THE BANK CAN CONTINUE ITS OPERATION WITH THE CAPITAL INFUSION OF CPP/CDCI FUNDS.