



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Bridge Capital Holdings

Person to be contacted regarding this report:	Daniel P. Myers 408-556-6510	RSSD: (For Bank Holding Companies)	
CPP Funds Received:	\$23,864,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	
Date Funded (first funding):	12/23/2008	City:	San Jose
Date Repaid ¹ :		State:	California

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). 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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	As intended, the infusion of CPP capital has improved our capital ratios over prior year and has allowed us to continue lending to creditworthy customers. Though our loan balances have decreased relative to prior years the infusion of capital has allowed us to continue to fund specific creditworthy borrowers.
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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>The major type of loans funded have been commercial lines of credit, though these lines have experienced relatively low utilization rates to date. This credit availability will provide capital for businesses to expand as the economy improves.</p>
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	<p>The addition of CPP funds has allowed the Company to purchase \$105 million in securities in 2009. We ended 2008 with no investment securities.</p>
<input type="checkbox"/> Make other investments	
<input checked="" type="checkbox"/> Increase reserves for non-performing assets	<p>The Company has continued to maintain a high level of reserves as we have proactively reduced the riskiest credit exposures.</p>

<input checked="" type="checkbox"/> Reduce borrowings	Borrowings have decreased by approximately \$30 million between 2008 and 2009 as a direct result of additional CPP funds.
<input checked="" type="checkbox"/> Increase charge-offs	We have experienced a high level of charge-offs during the past year since the infusion of CPP funds while proactively reducing the higher risk credits in our portfolio.
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

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

Without the additional capital in the form of CPP funds, the Company would be unable to increase its loans and deposits. Additionally, the infusion of funds has allowed us to mitigate concerns of our deposit clients while we have proactively reduced the higher risk concentrations of our loan portfolio, specifically our Commercial Real Estate exposure. Also, the addition of CPP funds has allowed us to successfully accomplish a capital raise by enhancing our ability to attract private capital investors. Subsequently, we have been able to avoid less than favorable capital ratios and liquidity through the addition of CPP funds.

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

The additional capital has enabled the Bank to solicit additional deposits from customers in our market, comfortably exceed capital levels required by federal banking regulators, and use those deposit funds to make loans to credit worthy businesses without taking unnecessary or excessive risk. Although overall loan balances have decreased versus prior year, this statistic is a result of actively targeting specific segments of our loan portfolio with the highest level of undesirable quality credits, while continuing to fund creditworthy businesses. During the 2009 fiscal year, the Company has funded \$636 million in new loans, which was offset by payoffs/pay-downs of \$750 million. The payoffs/pay-downs are a direct result of our clients' efforts to de-leverage in addition to an intentional reduction in our most risk exposed Commercial Real Estate portfolio. Our total CRE portfolio was reduced by over \$80 million or approximately 40% during the year. At the same time, the new loan fundings may not have been possible without the infusion of CPP funds.

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

We received CPP funding on December 23, 2008. We have invested 100% of CPP funds in our bank subsidiary for the above purposes. We used the CPP capital to improve our capital ratios in accordance with the guidelines and requirements of federal banking regulators. With improved capital ratios we are expanding our banking operations by seeking additional deposits and seeking additional opportunities to lend to creditworthy borrowers. In view of current business and economic conditions, our recent operating results, compliance with prudent liquidity management practices, and maintenance of appropriate capital ratios in relation to perceived risk in our portfolio, our Board of Directors has determined that safety and soundness standards applicable to the Company require the Company to continue to improve and maintain its capital ratios, maintain and improve its liquidity position, and to stabilize its operating results while carefully increasing its loan volume.

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.