



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

Person to be contacted regarding this report:	Chris Chenoweth	RSSD: (For Bank Holding Companies)	1026801
CPP Funds Received:	\$35,000,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	19222
Date Funded (first funding):	6/26/2009	City:	Fremont
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.	With the knowledge that additional CPP Capital was available from our holding company, Fremont Bank was able to continue its residential mortgage lending and refinance activity during a time of favorable interest rates.
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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.).	Fremont Bank is very proud of the fact that it funded more than \$4 billion in residential mortgage loans in 2009, helping more than 17,000 families in our community lower their monthly payments and making it easier for them to stay in their current homes.
<input type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	

<input type="checkbox"/> Reduce borrowings	
<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	Contingencies to enhance capital have been carefully analyzed and planned for at the Bank and the Holding Company level and represent the most influential reason for accepting the TARP CPP funds at the Bank Holding Company. Of note, the securities portfolio for the bank and holding company did not increase as a result of accepting the CPP funds.

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

The Bank was able to avoid curtailing its lending activity or laying off employees, particularly in its residential mortgage line of business. We were able to continue that business activity in an uninterrupted manner.

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

The comfort of the contingent source of capital in the form of the additional CPP funds allowed the Bank to ramp up its residential mortgage lending activities to take advantage of favorable interest rates to assist our borrowers in refinancing their mortgages. As a result we funded \$4 billion in residential mortgage loans during 2009, a dramatic increase over the 2008 and 2007 volumes of \$1 billion for each of those years.

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



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.