

CPP ANNUAL USE OF CAPITAL SURVEY - 2013

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

PACIFIC CITY FINANCIAL CORPORATION

Person to be contacted regarding this report:	TIMOTHY CHANG	RSSD: (For Bank Holding Companies)	3595084
UST Sequence Number:	142	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	16,200,000	FDIC Certificate Number: (For Depository Institutions)	57463
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Dec 19, 2008	City:	LOS ANGELES
Date Repaid ¹ :	Nov 19, 2013	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) 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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Our overall gross lending volume has increased \$101 million to \$606 million in 2013 compared to \$505 million in 2012.
<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.).	Of the \$101 million increase in loans, \$67 million was commercial real estate loans, \$22 million was residential mortgage loans, and \$15 million was small business loans.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Investment securities including mortgage back securities increased \$19 million to \$66 million in 2013 compared to \$47 million in 2012.

<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 type="checkbox"/> Held as non-leveraged increase to total capital	

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

We avoided having to reduce our balance sheet in order to preserve and maintain capital ratios required by an agreement we signed with regulators on April 22, 2010. Had we not have the CPP funds, we would have to reduce our balance sheet by about \$61.1 million in average total assets as of July 31, 2013 to maintain Tier 1 Leverage capital ratio equal to or exceeding 10% as required by an agreement with regulators.

Due to consecutive years of net income, we were able to maintain 10% Tier 1 Leverage capital ratio without CPP fund infusion in August 31, 2013. Of the \$16.2 million CPP funds, \$8.6 million was purchased by the Bank and the remaining was purchased by private sectors on November 19, 2013.

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

Before 2013, CPP funds were used to reduce non-accrual loan by aggressively charged and selling off the loans. Due to this credit improvement effort in previous years, the level of non-accrual and problem loans have been stabilized in 2013 and the bank were able to focus on loan growth by originating \$458 million of new loans in 2013.

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