OMB Control Number 1505-0222

CPP

ANNUAL USE OF CAPITAL SURVEY - 2012

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

PrivateBancorp, Inc.; The PrivateBank and Trust Company

Person to be contacted regarding this report:	Michael Janssen	RSSD: (For Bank Holding Companies)	1839319
UST Sequence Number:	332	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	243,815,000	FDIC Certificate Number: (For Depository Institutions)	33306
CPP/CDCI Funds Repaid to Date:	243,815,000	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Jan 30, 2009	City:	Chicago
Date Repaid[1]:	Oct 24, 2012	State:	Illinois

[1]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) 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 Company's participation in CPP allowed for continued lending in 2012, upholding a commitment to supporting credit-worthy companies during a challenging economic period. Loan balances increased by more than 12% during the year.
☒	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.).	The Company's capital position afforded it the opportunity to continue to reshape its loan portfolio in 2012, increasing commercial-related loan balances in part through expansion of new client relationships.
☐	Increase securities purchased (ABS, MBS, etc.).	

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☐	Reduce borrowings	
☒	Increase charge-offs	Charge-offs in 2012 remain high (although down from 2011) and reflect the Company's continuing efforts to aggressively deal with problem assets through initiatives that are supported by our capital levels.
☐	Purchase another financial institution or purchase assets from another financial institution	
☐	Held as non-leveraged increase to total capital	

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

In the absence of participating in the CPP program, the Company would likely have had to curtail its lending activities during 2012 (similar to our assessments in prior years that lending in 2009-11 would have been restricted in the absence of CPP capital) in order to maintain sufficient capital levels in the face of credit challenges and a difficult economic environment. In addition, our continuing efforts to reshape our loan portfolio to be more concentrated in commercial and industrial loans would also likely have been restricted as our capital levels may not have afforded us the opportunity to pursue new commercial customer relationships to the same degree.

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

Our CPP participation provided supplemental capital that we continued to use during 2012 to execute our business strategy. We leveraged this capital, along with capital generated from earnings, in providing new and renewal loans to middle-market companies as well as business owners, executives, entrepreneurs and families. As noted above, we continued to expand commercial-related lending during 2012 and we continued to develop a community banking division following a 2009 failed bank acquisition from the FDIC, which was enabled by CPP and other capital raised in 2009. Outstanding loan balances were up more than 12% during 2012 to more than $10 billion. Our CPP participation also provided us with the capital flexibility to maintain a high level of unfunded commitments to extend credit (more than $4 billion), assisting clients in managing their business and potential growth.

CPP capital was used in 2012 to absorb credit losses and aggressively deal with problem assets through loan sales and other means. This allowed us to remain focused on developing new client relationships and cultivating and expanding existing relationships which led to improved earnings. This improved earnings position was a significant factor in allowing us to complete public equity and debt offerings at reasonable terms during the third quarter of 2012 and repay the CPP investment in October 2012, all while maintaining capital levels above regulatory requirements. At December 31, 2012, PrivateBancorp's Tier 1 risk-based, total risk-based and Tier 1 leverage capital ratios were 10.48%, 13.13% and 9.50%, respectively.

CPP capital allowed the Bank to serve its communities as a key partner in community development lending opportunities, financial education initiatives and community service-oriented projects. In 2012, the Company provided $445 million in qualified community development credit in key Community Reinvestment Act (CRA) target areas: affordable housing, community development services, economic development and revitalization. The Company also provided $869,000 in CRA-qualified charitable contributions during 2012.

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