



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

First California Financial Group, Inc.

Person to be contacted regarding this report:	Romolo Santarosa, CFO
UST Sequence Number:	204
CPP Funds Received:	25,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 19, 2008
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1031681
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	22819
City:	Westlake Village
State:	California

<sup>1</sup>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). 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.	
<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.).	Consumer loans [hme mtg, hme equity lns and lines, etc] increased approx 33% or \$24 million from y/e 2008 to y/e 2009; Commercial loans [com mtg, C&l loans, SBA, etc] increased approx 23% or \$141 million from y/e 2008 to y/e 2009. Combined, these categories increased 24% or \$165 million
<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 checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	In Dec 2008, the Company sold to Treasury \$25 million of CPP preferred stock. In Jan 2009, the Bank assumed \$270 million of deposits and purchased \$305 million of assets of 1st Centennial Bank from the FDIC. The Company contributed \$25 million to the Bank in support of this transaction.
<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?

We believe the capital infusion of CPP funds in December 2008 enabled the Bank to protect its image as one of the safest and strongest community banks in the Southern California region. The second half of 2008 was a period in the business cycle marked with great turbulence, turmoil and uncertainty. We believe the added capital strength provided a sense of security and safety to our depositors. This allowed our core deposit base to grow well beyond the 1st Centennial transaction. The growth in our core deposit base in turn allowed us to avoid the wholesale funding markets in support of loan growth or liquidity. Core deposits are generally stable and lower-costing when compared to wholesale funds which can be volatile and higher-costing, especially so in uncertain times.

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

In January 2009 the Bank assumed approximately \$270 million of deposits of 1st Centennial Bank from the FDIC, protecting the depositors and financial health of the communities served by 1st Centennial. In connection with transaction, the Bank retained all of 1st Centennial's office and branch employees. The Bank also purchased approximately \$113 million of cash, \$89 million of securities and \$101 million of loans. The Company contributed the entire \$25 million of CPP funds to the Bank to support the transaction. Without the CPP funds, it is unlikely that the Bank could have assisted the FDIC with the 1st Centennial Bank transaction while still meeting the credit needs of existing customers.

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.