

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

United American Bank

Person to be contacted regarding this report:	Gerry Brown	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	664	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	8,700,000	FDIC Certificate Number: (For Depository Institutions)	57447
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Feb 20, 2009	City:	San Mateo
Date Repaid ¹ :	N/A	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 type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	
<input 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.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The Bank provided \$14.4 million during fiscal 2010 to increase the reserve for loan loss. This provision represents 46% of the total capital of \$31.3 million at the beginning of the year.
<input checked="" type="checkbox"/>	Reduce borrowings	The Bank repaid \$10 million in borrowings from the San Francisco Federal Home Loan Bank of San Francisco during fiscal 2010. This represents 33.1% of the total capital of \$31.3 million at the beginning of the year.
<input checked="" type="checkbox"/>	Increase charge-offs	The Bank recorded loan charge-offs of \$13.7 million during fiscal 2010. Total charge-offs represent 44% of total capital of \$31.3 at the beginning of the year.
<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?

The Capital Infusion enabled the Bank to avoid carrying non-performing assets in it's loan portfolio, and provided liquidity to enable the repayment of external borrowing.

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

The Capital Infusion provided enabled the Bank to maintain an adequate level in the reserve for loan loss and enabled the repayment of third party borrowings.

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.