



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

United American Bank

Person to be contacted regarding this report:	Gerry Brown
UST Sequence Number:	664
CPP Funds Received:	8,700,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Feb 20, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57447
City:	San Mateo
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.	Total loans outstanding increased by \$11 million in 2009.
<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.).	Real Estate Construction loans decreased by approximately \$25 million, however Commercial Real Estate and Consumer Loan totals increased by approximately \$28 million and \$7 million, respectively.
<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 \$4.2 million in loan loss provision in 2009, and by virtue of the TARP liquidity, remains well capitalized.
<input checked="" type="checkbox"/>	Reduce borrowings	The Bank repaid \$5 million in FHLAB advances in 2009, and another \$7 million of FHLB advances in January 2010.
<input checked="" type="checkbox"/>	Increase charge-offs	The Bank had loan charge-offs of approximately \$1 million in 2009, made possible by the increased loan loss provisions.
<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 funds?

Without the capital infusion, the Bank would not have expanded the Commercial Real Estate and Consumer loan portfolios.

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

The Bank was able to expand the Commercial Real Estate and Consumer loan portfolios with the increased capital and maintain appropriate regulatory capital ratios.

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.