



News Release

For more information contact:

Nicholas J. Schrup III
Chairman and President
ATBancorp
nschrup@americantrust.com
(563) 582-1841

John C. Schrup
President and CEO
United American Bank
jschrup@unitedamericanbank.com
(650) 579-1502

ATBancorpsm and United American Bank Announce Completion of Capital Stock Investment

(SAN MATEO, CA) ATBancorp of Dubuque, Iowa, and United American Bank (UAB) today announced the completion of ATBancorp's initial \$10.0 million investment in UAB's capital stock. The transaction received regulatory approval from the Federal Reserve Board and California Department of Financial Institutions. In addition, the United States Department of the Treasury, as a shareholder of UAB, voted to approve the transaction. With completion of the initial investment, UAB's capital ratios would qualify as "well capitalized" as calculated under customary bank regulatory standards. UAB's capital had been diminished in recent years by the increase in non-performing loans resulting from poor economic conditions in the hard-hit San Francisco-area commercial real estate market.

ATBancorp's purchase of \$10.0 million of common and common-stock-equivalent preferred stock at the price of \$0.30 per common share resulted in ATBancorp owning approximately 88 percent of the outstanding voting stock of UAB. ATBancorp also received warrants to acquire 2.5 million common shares exercisable at \$0.30 per share for 5 years following the initial closing. The investment agreement further provides that, on a quarterly basis over the next two years, ATBancorp will make additional investments in UAB to maintain UAB as adequately capitalized under bank regulatory standards. Any subsequent investments will be purchased at a price based on 68 percent of the then per-share book value of UAB. Under the terms of the investment agreement, also on October 31, 2011, UAB's board of directors purchased \$1.2 million in common stock at \$0.30 per common share.

"ATBancorp has 100 years of community banking experience," said ATBancorp Chairman and President Nick Schrup. "With this stock purchase we are leveraging our significant resources and community banking leadership as a first step in the process to restore United American Bank to its former status as a strong and growing bank, capable of meeting and exceeding the needs and expectations of the Bay-area businesses and residents it serves. We look forward to working as a team with the professionals at United

American Bank to provide exceptional value to our clients and our shareholders.” As part of ATBancorp’s additional investment in UAB, ATBancorp will provide UAB with management oversight and assistance with resolving UAB’s troubled assets.

UAB President and CEO John Schrup stated, “We at United American Bank are pleased that ATBancorp has provided the capital to stabilize the bank and has committed its depth of resources and expertise to help us build a bright, new future along with the businesses and communities we serve.” UAB is a community bank specializing in commercial and private banking services.

ATBancorp, now with assets in excess of \$1.2 billion, is a family-owned, three-bank holding company for American Trust & Savings Bank, headquartered in Dubuque, Iowa, American Bank & Trust – Wisconsin, based in Cuba City, Wisconsin, and, as of today, United American Bank headquartered in San Mateo, California. It was one of the founding investors in UAB in 2003.

One hundred year-old American Trust is the flagship bank for ATBancorp with assets exceeding \$840 million, serving four communities with ten full-service offices. It is a community bank with specialized expertise in commercial and retail banking, and wealth management services. American Trust’s Financial Management Group provides trust and retirement planning services with assets under management of more than \$1 billion. A separate division of the American Trust Financial Management Group, American Trust California, has offered wealth management services to UAB clients in San Mateo and the Bay area as a corporate affiliate since 2005.

Safe Harbor

Certain matters discussed in this press release constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements relate to current expectations regarding future operating results and the growth in loans, deposits, and assets. These forward looking statements are subject to certain risks and uncertainties that could cause the actual results, or performance to differ materially from those expressed, suggested or implied by the forward looking statements.

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101 South Ellsworth Avenue, P.O. Box 1689, San Mateo, CA, www.unitedamericanbank.com