

Newsletter

Our First Two Years

On May 12, 2005, United American Bank President and CEO, John Schrup, addressed a gathering of nearly 100 investors and invited guests at the Second Annual United American Bank Shareholders' Meeting, held at the Peninsula Golf & Country Club in San Mateo, California, to report on how the Bank has performed during its first two years of operation, and to share a vision of what the future may hold.



John Schrup addresses Shareholders at Annual Meeting

Promises Kept

Schrup began his presentation by listing the performance goals that management set for the Bank at last year's Shareholders' Meeting:

- Achieving profitability.
- Reaching \$100 million in assets.
- Offering a range of new products and services.
- Expanding the professional staff.
- Maintaining the highest quality standards in personal banking services.

He then announced that each and every one of these goals had been met and, in some cases, exceeded.

"I am particularly gratified to report that we achieved profitability as of March 31, 2005," said Schrup. "This was an important milestone for us because we did it ahead of what is typical for newly launched banks, and in an economic climate that has been among the most challenging that San Mateo County has seen in more than a decade."

He noted that among the factors contributing to the achievement of this success was the Bank's ability to realize a steady growth in its conservatively managed, revenue generating assets coupled with the high quality of credit instruments in the balanced, diversified loan portfolio.

"I attribute the solid performance of the credit instruments in our loan portfolio to the level of due diligence performed by our Credit Group and Loan Committee. These financial professionals evaluate not only the numbers on a loan application, but the management record, business model, and reputation of the people behind the numbers," said Schrup.

Second Stock Offering

Schrup then reported that the Bank had recently conducted its second stock offering of 500,000 shares priced at \$13.00 per share to raise \$6.5 million in new capital. The offering was opened on April 11, 2005 and, by May 3, 2005, was over-subscribed. To accommodate the

high demand for stock by loyal and valued investors, the Bank appealed to and received permission from the California Department of Financial Institutions to expand the offering by 15% to 575,000 shares. (Note: As a result of this appeal, the expanded offering closed on June 15, 2005, raising a total of \$7.3 million in new equity capital.)

Schrup explained to investors that proceeds from the offering would be used to support the next phase of growth for the Bank, which may include additional locations, larger loan products, and new investments.

Looking Ahead

Schrup shared his vision for the future of United American Bank by listing accomplishments he hoped to discuss at the next Shareholders' meeting in May 2006, including:

- Five consecutive quarters of profitability.
- A stable senior management team.

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Summer 2005

Board of Directors

- Margaret Taylor, *Chairman*
- Frank Baldanzi, CPA
- Norman I. Book, Jr.
- James Chalmers
- John H. Clinton, Jr.
- Dennis C. DiSalvo
- William W. Hill
- Wallace A. Krone, Jr.
- John C. Schrup
- Nicholas J. Schrup III
- Stephen A. Way, CFP
- Howard J. Weiland, CPA

Hours:

Monday - Friday
 9 am - 4 pm
 By appointment after
 hours or on Saturday

Member FDIC

SBA Preferred Lender



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Spotlight on the Board

At the Second Annual Shareholders' Meeting on May 12, 2005, held at the Peninsula Golf & Country Club in San Mateo, United American Bank President and CEO John Schrup acknowledged the following contributions that members of the Board of Directors have made to the Bank's performance, noting that this strong, intelligent, tough-minded group of financial and community leaders have required the best from management, staff, and themselves:

Margaret Taylor, *Chairman of the Board* - a strong and skillful leader who has guided the Board and the overall course of United American Bank since its inception.

Frank Baldanzi, *Chairman of the IT Committee* - a CPA and financial professional who has taken the lead in navigating and managing the key technology issues associated with modern banking operations.

John Clinton, *Chairman of the Marketing Committee* - a recognized expert in the field of publishing and communications who has provided vital guidance in the key area of marketing for the Bank.

Dennis DiSalvo, *Chairman of the Personnel and Compensation Committee* - an experienced business leader who has provided thoughtful guidance and oversight of human resource issues as the Bank has grown its professional staff.

William Hill, *Chairman of the Asset and Liability Committee* - a strong leader in the financial community who has provided invaluable guidance in the complex areas of banking assets and liabilities.

Wallace Krone, *Chairman of the Facility/Lease Committee* - an expert in business development who has shared his vast experience in the field of real estate to help the Bank expand its facilities.

Nick Schrup, *Chairman of the Trust Committee* - a founder and longtime supporter of the Bank who has taken the lead in generating exciting new product offerings.

Stephen Way, *Chairman of the Loan Committee* - a financial services professional whose skill, diligence, and capable leadership have been a key factor in the outstanding credit quality of the Bank's current loan portfolio.

Howard Weiland, *Chairman of the Audit Committee* - a CPA and financial governance professional who has helped the Bank achieve high marks in the critical area of regulatory compliance.

Norm Book & Jim Chalmers - new members of the Board who both bring distinguished records of business and community leadership to the work of the Board and will join with other members in providing diligent fiscal oversight while requiring outstanding performance from management in the areas of customer and community service.

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- Attraction of the best professional banking staff.
- Expansion of operations to address new business opportunities.
- Top 20% of the 37 new banks launched between 2002 and 2004.

Schrup asked his audience to help achieve these goals by becoming clients of the Bank if they had not already done so, by actively suggesting referrals for new banking relationships, and by

telling their community-based organizations that United American Bank takes the term "community bank" very seriously, and looks forward to meeting the financial and cash management needs of that sector.

"With this type of support from our shareholders, neighbors, and friends," Schrup concluded, "I am confident that United American Bank will continue to be the premiere community bank in San Mateo County, providing a sound investment for shareholders and a growing presence in the Bay Area financial community."

All the Better to Serve You!

United American Bank is growing and expanding the staff to ensure that outstanding customer service continues to be the hallmark of the banking experience for clients. Since March of 2005, seven banking professionals have recently joined the Bank's team.

Perry Seto, is a Bay Area native who brings 15 years of banking experience to his position as *Vice President*

and *SBA Manager*. Drawn by the Bank's early designation by the SBA as a Preferred Lender, Seto is eager to help United American Bank become a first tier financial resource for local businesses by offering flexible, creative loan structures for the unique enterprises that drive the Bay Area economy.

"In-house control over decision-making combined with John Schrup's open-minded business model lets me use my expertise to meet the financial needs of business clients," said Seto "and I look forward to being their 'go-to' guy in the key area of SBA."

Maureen Smith, *Vice President SBA Portfolio Manager*, brings 25 years of Bay Area banking experience to the team at United American Bank. She joins Seto, a long-time friend and colleague in Bay Area business banking, to bring 'can-do' energy and service delivery to SBA loan clients.

"What I love about SBA work," said Smith "is the opportunity to work with entrepreneurs.

They have an incredible energy and creativity that makes my job both exciting and rewarding."

Niki Wong, brings 9 years of Bay Area banking and SBA loan experience to her new position as *Vice President of Commercial Lending* and looks forward to the opportunity to deliver extraordinary customer service at United American Bank.



(left to right) Perry Seto, Maureen Smith, Niki Wong, Regina Bourne, Linh Mai, and Hayat Mariani.

"Bankers are in the service business," said Wong. "To be successful, you have to be able to deliver for clients when and where they need you. At United American Bank, there is no bureaucracy to get in the way."

Regina Bourne, *Central Operations Supervisor* and **Linh Mai**, *Central Operations Representative*, are ensuring that the transaction needs of customers are met in a timely, professional manner.

Hayat Mariani, *Note Department Specialist*, is providing speedy loan documentation and processing.

And **Becky Mah** (not shown), *Loan Administration Assistant*, helps provide quick turnaround service for construction loan clients.

With these additions, the Bank's staff is ready and eager to make the level of customer service experienced at United American Bank continue to be truly extraordinary!



Summer 2005

Bank Officers

John C. Schrup
President & CEO

Gerald Brown
EVP & CFO

Pat Torres
EVP Operations Administration

William R. Walters
EVP & Chief Credit Officer

Steve Dworetzky
SVP Business Dev./Community Relations

Gerry Felix
SVP & Construction Loan Dept. Manager

William J. La Herran
SVP Commercial Lending

Nancy Bush
VP Personal Banking & Special Projects

Gary Cakebread
VP Commercial Banking

JoAnn Gast
VP Commercial Banking Services

Sharon Ingram
VP & Client Service Manager

Angelique Randolph
VP & Note Dept. Manager

Perry Seto
VP SBA Loan Manager

Maureen Smith
VP SBA Portfolio Manager

Niki Wong
VP Commercial Lending

Judi Anderson
AVP Exec. Admin. Officer

Suzanne Gray
AVP New Accounts Manager

Andrea M. Kaeo
AVP Loan Officer

Product Highlights

- Construction Loans
- Internet Banking & Bill Pay
- Commercial Real Estate Loans
- Business & Personal Lines of Credit
- Small Business Administration (SBA) Loans
- Money Market Rate of 2.25% (2.28% APY)

Our Clients Say It Best . . .

“Finally, a bank that cares about people. United American Bank gets it right. A great staff, terrific customer service, and quick decisions. Locally owned and operated, I deal with the decision makers. What a difference! United American Bank is a bank I can rely on. Those old fashion ‘wait in line’ big banks just can’t compare.”



*– Dave Malloy
President & CEO, Anderson’s TV*

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