



For Immediate Release

United American Bank Reports Third Quarter Financial Results

*Year-to-Date Loan Business Up 125%
Net Interest Margin Beats Industry Peers*

San Mateo, CA – October 25, 2004 – United American Bank (OTCBB: UABK), the locally owned and operated, full-service community bank in San Mateo, reported financial results for the quarter ending September 30, 2004 that showed a continuing growth in the core loan business that has allowed it to pull ahead of industry peers.

The Bank reported total loans outstanding on September 30, 2004 of \$54.5 million, an increase of \$30.2 million, or 125%, over the \$24.3 million reported at the beginning of the year and an 18% increase over the previous quarter.

Net interest income of \$685,000 for the quarter ended September 30, 2004 represented an increase of approximately \$145,000, or 27%, over the \$539,000 reported for the previous quarter.

The solid growth in loan volume and increase in net interest income enabled United American Bank to report a net interest margin of 4.03% for the quarter, outpacing performance projected by the Federal Reserve Bank of Chicago for peer de novo banks by 0.58%.

Total deposits were reported to be \$63.9 million on September 30, 2004, compared with \$53.2 million reported on June 30, 2004 and \$32.2 million reported at the beginning of the year, reflecting a 20% growth over the previous quarter and a year-to-date increase of 99%.

As of September 30, 2004, total assets were reported to be \$76.7 million compared with \$65.2 million for the previous quarter and \$44.8 million at the beginning of the year, showing an 18% growth for the quarter and a year-to-date growth of 71%.

The Bank reported an operating loss of \$207,000 for the quarter ending September 30, 2004, representing a 21% improvement relative to the reported loss of \$261,000 for the previous quarter. The quarterly operating loss declined a total of 71% compared to the same quarter of the prior year.

“Our balance sheet continues to grow and loan demand is increasing,” said John Schrup, President and CEO of United American Bank. “We are keeping pace with demand and meeting the challenges of expanding our core business by actively seeking out new depositors and focusing resources on establishing new business banking relationships in the community we serve. I am gratified to see that our financial results to date show us to be ahead of industry expectations.”

United American Bank

Selected Financial Data

September 30, 2004

BALANCE SHEET <i>(Dollars in Thousands)</i>	Quarter	Prior			Prior			Year		
	Ending	Quarter	Ending	Change	Ending	Change	Ending	Change		
End of Period	9/30/04	6/30/04	\$	%	9/30/03	\$	%	12/31/03	\$	%
Total Assets	\$76,660	\$65,210	\$11,450	17.6%	\$27,752	\$48,908	176.2%	\$44,782	\$31,878	71.2%
Total Loans	54,522	46,252	8,270	17.9%	10,865	43,657	401.8%	24,289	30,233	124.5%
Total Deposits	63,875	53,226	10,649	20.0%	14,556	49,319	338.8%	32,161	31,714	98.6%
Allowance for Loan Losses	675	580	95	16.4%	145	530	365.5%	300	375	125.0%
Shareholders' Equity	11,614	11,802	(188)	-1.6%	13,044	(1,430)	-11.0%	12,505	(891)	-7.1%
Average										
Total Assets	70,430	59,077	11,353	19.2%	24,076	46,354	192.5%			
Total Loans	49,709	40,419	9,290	23.0%	5,113	44,596	872.2%			
Total Deposits	58,497	46,926	11,571	24.7%	10,161	48,336	475.7%			
Shareholders' Equity	11,738	11,992	(254)	-2.1%	13,380	(1,642)	-12.3%			
OPERATING RESULTS										
Interest Income	885,849	691,627	194,222	28.1%	141,702	744,147	525.1%			
Interest Expense	201,227	152,451	48,776	32.0%	30,944	170,283	550.3%			
Net Interest Income	684,622	539,176	145,446	27.0%	110,758	573,864	518.1%			
Provision for loan losses	90,000	165,000	(75,000)	-45.5%	115,000	(25,000)	-21.7%			
Noninterest Income	42,490	177,553	(135,063)	-76.1%	2,036	40,454	1986.9%			
Noninterest Expense	843,852	812,446	31,406	3.9%	718,260	125,592	17.5%			
Net Loss	(206,740)	(260,720)	53,980	-20.7%	(720,465)	513,725	-71.3%			
Ratios										
Net Interest Margin	4.03%	3.79%			1.98%					
Efficiency Ratio	128%	136%			739%					
ALLL/Gross Loans	1.24%	1.25%			1.33%					
NPA/Gross Loans	0	0			0					
Leverage Capital	17%	20%			56%					