



For Immediate Release

United American Bank Doubles Assets in 2004

Loan Business Increases 160%

Net Interest Income Up 29% in 4th Quarter

San Mateo, CA – January 24, 2005 – United American Bank (OTCBB: UABK), the only locally owned and operated, full-service community bank in San Mateo, reported financial results for the quarter ending December 31, 2004 that showed the Bank has more than doubled total assets in 2004, increased loan business substantially, and realized solid gains in net interest income.

“We are proud of having built the bank both quantitatively, in terms of assets, and qualitatively in terms of credit quality, during the first eighteen months of operation” said John Schrup, President and CEO of United American Bank. “We continue to track ahead of our original Plan while building a conservative, well-managed financial institution that can provide outstanding service and creative banking solutions to our customer community.”

As of December 31, 2004, the Bank reported total assets to be \$90.3 million, compared with \$76.7 million for the previous quarter and \$44.8 million on December 31, 2003, showing 18% growth for the quarter and 102% growth for 2004.

Total deposits were reported to be \$78.5 million on December 31, 2004, compared with \$63.9 million reported on September 30, 2004 and \$32.2 million reported at the beginning of the year, reflecting a 23% growth for the quarter and a 144% growth for 2004.

The Bank reported total loans outstanding on December 31, 2004 of \$63.3 million, an increase of \$39 million or 160%, over the \$24.3 million reported on December 31, 2003.

Net interest income of \$880,232 for the quarter ended December 31, 2004 represented an increase of approximately \$196,000, or 29%, over the \$685,000 reported for the previous quarter.

The Bank reported an operating loss of \$38,000 for the fourth quarter ending December 31, 2004, representing an 81% improvement relative to the reported loss of \$207,000 for the previous quarter. Quarterly operating losses have declined 93% compared to the same quarter of the prior year.

“The Board is pleased with the progress of the Bank,” said Margaret Taylor, Chairman of the Board of Directors of United American Bank. “We believe we have attracted some of the area’s most experienced and successful bankers and, through their efforts, have established a foundation for continued success. ”

United American Bank

Selected Financial Data

December 31, 2004

BALANCE SHEET <i>(Dollars in Thousands)</i>	Quarter	Prior	Change		Prior	Change	
	Ending	Quarter			Year		
End of Period	12/31/04	Ending	\$	%	Ending	\$	%
Total Assets	\$90,336	\$76,660	\$13,676	17.8%	\$44,782	\$45,554	101.7%
Total Loans	63,285	54,522	8,763	16.1%	24,289	38,996	160.6%
Total Deposits	78,502	63,875	14,627	22.9%	32,161	46,341	144.1%
Allowance for Loan Losses	800	675	125	18.5%	300	500	166.7%
Shareholders' Equity	11,561	11,614	(53)	-0.5%	12,505	(944)	-7.5%
<u>Average</u>							
Total Assets	79,747	70,430	9,317	13.2%	39,348	40,399	102.7%
Total Loans	78,172	49,709	28,463	57.3%	35,794	42,378	118.4%
Total Deposits	67,767	58,497	9,270	15.9%	24,386	43,381	177.9%
Shareholders' Equity	11,629	11,738	(109)	-0.9%	12,819	(1,190)	-9.3%
OPERATIONS (Quarter to Date)							
Interest Income	1,119,890	885,849	234,041	26.4%	331,331	788,559	238.0%
Interest Expense	<u>239,658</u>	<u>201,227</u>	<u>38,431</u>	19.1%	<u>73,543</u>	<u>166,115</u>	225.9%
Net Interest Income	880,232	684,622	195,610	28.6%	259,788	620,444	238.8%
Provision for loan losses	125,000	90,000	35,000	38.9%	125,000	--	0%
Noninterest Income	89,236	42,490	46,746	110.0%	5,595	83,641	1,494.9%
Noninterest Expense	<u>882,924</u>	<u>843,852</u>	<u>39,072</u>	4.6%	<u>651,796</u>	<u>231,128</u>	35.5%
Net Loss	<u>(38,456)</u>	<u>(206,740)</u>	<u>168,284</u>	-81.4%	<u>(541,413)</u>	<u>502,957</u>	-92.9%
RATIOS							
Net Interest Margin	4.57%	4.03%			2.94%		
Efficiency Ratio	104%	128%			293%		
ALLL/Gross Loans	1.26%	1.24%			1.24%		
NPA/Gross Loans	0	0			0		
Average Capital/Average Assets	15%	17%			34%		
OPERATIONS (Year to Date)							
Interest Income	3,197,179				514,789	2,682,390	521.1%
Interest Expense	<u>705,222</u>				<u>108,806</u>	596,416	548.1%
Net Interest Income	2,491,957				405,983	2,085,974	513.8%
Provision for loan losses	500,000				300,000	200,000	66.7%
Noninterest Income	332,500				7,809	324,691	4,157.9%
Noninterest Expense	3,241,743				1,653,183	1,588,560	96.1%
Pre-Opening Expenses					<u>888,959</u>		
Net Loss	<u>(917,286)</u>				<u>(2,428,350)</u>	1,511,064	-62%