



**For Immediate Release**

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**Total Assets Increase 33 Percent Over Prior Year;**

**United American Bank reports financial results for the second quarter 2007**

**San Mateo, CA – July 26, 2007** United American Bank (OTCBB: UABK) reported total assets of \$224.8 million at the close of the second quarter, June 30, 2007, compared to \$169 million June 30, 2006. The increase in total assets represents growth of \$55.7 million, or 33 percent over the same date a year ago.

Pre-tax income for the second quarter ending June 30, 2007, increased 15.5 percent to \$570,000, compared to \$494,000 for the same period of 2006. Recognizing income tax accruals of \$221,000 for the quarter ending June 30, 2007, compared to a tax benefit of \$15,000 for the second quarter of fiscal year 2006. Tax benefits resulting from start-up losses have been depleted. Net income was \$349,000, compared to \$509,000 for the quarter ending June 30, 2006.

The Bank reported total deposits of \$195.8 million as of June 30, 2007, compared to total deposits of \$147.3 million reported at June 30, 2006. The increase in deposits represents growth of \$48.5 million, or 32.9 percent relative to the same quarter of the prior year.

“We are pleased with the growth rate on our deposits,” noted John Schrup, President and Chief Executive Officer of United American Bank. “The Bank opened a second office in Sunnyvale in June of 2006 and a third office in the city of Half Moon Bay in December of 2006. Both offices have been well received and are ahead of projections”.

The Bank reported total loans outstanding on June 30, 2007 of \$185.7 million, compared to \$139.2 million reported at the end of the second quarter 2006.

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<b>BALANCE SHEET</b> <i>(dollars in thousands)</i>	Quarter		Change		Quarter		Change	
	Ending 6/30/2007	Ending 6/30/2006	\$	%	Ending 3/31/2007	\$	%	
Total Assets	\$ 224,783	\$ 169,044	\$ 55,739	33.0%	\$ 216,128	\$ 8,655	4.0%	
Total Loans	185,664	139,183	46,481	33.4%	169,850	15,814	9.3%	
Total Deposits	195,799	147,312	48,487	32.9%	186,956	8,843	4.7%	
Allowance for Loan Losses	2,325	1,575	750	47.6%	2,125	200	9.4%	
Shareholders' Equity	22,748	20,341	2,407	11.8%	22,356	392	1.8%	
<b>Quarter Average</b>								
Total Assets	223,090	153,214	69,876	45.6%	212,559	\$ 10,531	5.0%	
Total Loans	178,852	124,626	54,226	43.5%	208,145	(29,293)	-14.1%	
Total Deposits	193,773	131,613	62,160	47.2%	183,169	10,604	5.8%	
Shareholders' Equity	22,656	20,081	2,575	12.8%	22,211	445	2.0%	
<b>OPERATIONS QUARTER TO DATE</b>								
Interest Income	\$ 4,799,012	\$ 3,271,799	\$ 1,527,213	46.7%	\$ 4,581,039	\$ 217,973	4.8%	
Interest Expense	2,071,216	1,101,836	969,380	88.0%	1,925,559	145,657	7.6%	
Net Interest Income	2,727,796	2,169,963	557,833	25.7%	2,655,480	72,316	2.7%	
Provision for loan losses	200,000	200,000	-	0.0%	175,000	25,000	14.3%	
Noninterest Income	43,687	78,982	(35,295)	-44.7%	18,709	24,978	133.5%	
Noninterest Expense	2,001,156	1,555,195	445,961	28.7%	1,931,061	70,095	3.6%	
Pre-tax Income	570,327	493,750	76,577	15.5%	568,128	2,199	0.4%	
Income Tax Expense (Benefit)	221,000	(15,000)	236,000	-	222,000	(1,000)	-	
Net Income	\$ 349,327	\$ 508,750	(159,423)	-31.3%	\$ 346,128	3,199	0.9%	
<b>RATIOS:</b>								
Net Interest Margin	5.01%	5.82%			5.17%			
Efficiency Ratio	79%	78%			79%			
ALLL/Gross Loans	1.25%	1.13%			1.25%			
NPA/Gross Loans	-	-			-			
Average Capital/Average Assets	10%	13%			10%			
<b>OPERATIONS YEAR TO DATE</b>								
Interest Income	\$ 9,380,051	\$ 5,977,215	\$ 3,402,836	56.9%				
Interest Expense	3,996,775	1,984,441	2,012,334	101.4%				
Net Interest Income	5,383,276	3,992,774	1,390,502	34.8%				
Provision for loan losses	375,000	300,000	75,000	25.0%				
Noninterest Income	62,396	112,141	(49,745)	-44.4%				
Noninterest Expense	3,932,217	2,963,198	969,019	32.7%				
Pre-tax Income	1,138,455	841,717	296,738	35.3%				
Income Tax Expense (Benefit)	443,000	(28,508)	471,508	-				
Net Income	\$ 695,455	\$ 870,225	(174,770)	-20.1%				

## About United American Bank

United American Bank is a full-service commercial bank headquartered in San Mateo, California. Rated a Five Star banking institution by Bauer Financial, Inc., and a Premier Performing Bank by The Findley Reports, the Bank is dedicated to providing superior banking and financial services for those who prefer a high level of personalized client service. For more information, visit United American Bank at [www.unitedamericanbank.com](http://www.unitedamericanbank.com) or call 650-579-1500.



**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 the Bank's 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.

These risks and uncertainties include, but are not limited to: (1) the impact on the Bank's performance from changes in interest rates, local and national economic conditions, and the number of financial services providers, (2) the Banks ability to continue the current rate of growth, (3) the Banks ability to increase net interest income (4) the quality of the loan portfolio and (5) changes in government regulations.

