



For immediate release

**United American Bank Reports  
Financial Results  
for the Fourth Quarter 2006;  
Income grows 270% over Prior Year –**

**San Mateo, CA – January 24, 2007** – United American Bank (OTCBB: UABK), reported that net income for the fiscal year ended December 31, 2006 increased by 269.9 percent over the income reported for the prior year. Net income for the year ended December 31, 2006 was \$2,187,000 as compared to \$591,000 reported for the prior year, an increase of \$1,596,000.

John Schrup, President and Chief Executive Officer of United American Bank, points to the growth in the locally generated loan portfolio, and the rising interest rate environment as key contributors to the growth in net income for 2006. 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. Mr. Schrup credits the two branch offices opened in 2006 for helping fund the loan portfolio.

“We are pleased with the growth rate on our deposits” noted President Schrup. “With this increase in deposits and the additions of the Sunnyvale Office and the new office in Half Moon Bay, we are well positioned for continued growth.”

The Bank reported total assets at December 31, 2006 of \$210.9 million, relative to \$140.4 million on December 31, 2005 and \$183.3 million as of September 30, 2006. The increase in total assets represents growth of \$70.5 million or 50.2 percent over the same date a year ago and \$27.6 million or 15.1 percent for the end of the prior quarter.

The Banks total deposits were \$181.7 million as of December 31, 2006, compared to total deposits of \$120.0 million at December 31, 2005 and \$155.2 million at the end of the prior quarter. The increase in deposits represents growth of 51.4 percent and 17.1 percent, relative to the end of the prior year and for the prior quarter of 2006.

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Headquarters: 101 South Ellsworth Avenue, San Mateo, CA 94401 • (650) 579-1500  
South Bay Regional Office: 333 West El Camino Real, Sunnyvale, CA 94087 • (408) 636-1900  
Coastal Regional Office: 40 North Cabrillo Highway, Half Moon Bay, CA 94019 • (650) 712-5000

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The Bank reported total loans outstanding at December 31, 2006 of \$165.1 million, as compared to \$107.4 million reported at the end of the prior year. Loans outstanding represent an increase 53.7 percent compared to loans outstanding as of December 31, 2005.

The Bank reported a net profit of \$638,000 for the fourth quarter ended December 31, 2006 compared to a net profit of \$403,000 for the same quarter of the prior year.

**About United American Bank**

United American Bank is San Mateo County’s newest full-service commercial bank. The bank is dedicated to providing quality banking and financial services to businesses, professionals and individuals who prefer a high level of personalized client service and management. For more information, visit United American Bank on the web 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.

For information contact:

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**United American Bank**  
**Selected Financial Data**  
**December 31, 2006**

<b>BALANCE SHEET</b> <i>(dollars in thousands)</i> End of Period	Quarter		Change		Quarter		Change	
	Ending 12/31/2006	Ending 12/31/2005	\$	%	Ending 9/30/2006	\$	%	
Total Assets	\$ 210,940	\$ 140,425	\$ 70,515	50.2%	\$ 183,312	\$ 27,628	15.1%	
Total Loans	165,123	107,409	57,714	53.7%	146,911	18,212	12.4%	
Total Deposits	181,707	120,007	61,700	51.4%	155,189	26,518	17.1%	
Allowance for Loan Losses	1,950	1,275	675	52.9%	1,775	175	9.9%	
Shareholders' Equity	21,891	19,399	2,492	12.8%	21,164	727	3.4%	

**Quarter Average**

Total Assets	193,916	131,635	62,281	47.3%	177,710	\$ 16,206	9.1%
Total Loans	152,188	101,924	50,264	49.3%	142,892	9,296	6.5%
Total Deposits	165,202	111,141	54,061	48.6%	151,880	13,322	8.8%
Shareholders' Equity	21,557	19,538	2,019	10.3%	20,784	773	3.7%

**OPERATIONS QUARTER TO DATE**

Interest Income	\$ 4,184,565	\$ 2,430,516	\$ 1,754,049	72.2%	\$3,861,220	\$ 323,345	8.4%
Interest Expense	1,698,180	796,640	901,540	113.2%	1,470,380	227,800	15.5%
Net Interest Income	<u>2,486,385</u>	<u>1,633,876</u>	<u>852,509</u>	52.2%	<u>2,390,840</u>	<u>95,545</u>	4.0%
Provision for loan losses	175,000	100,000	75,000	75.0%	200,000	(25,000)	-12.5%
Noninterest Income	18,882	27,510	(8,628)	-31.4%	153,247	(134,365)	-87.7%
Noninterest Expense	1,790,988	1,300,061	490,927	37.8%	1,680,460	110,528	6.6%
Income Tax Benefit	99,080	141,200	(42,120)		15,000	84,080	
Net Gain (Loss)	<u>\$ 638,359</u>	<u>\$ 402,525</u>	<u>235,834</u>	58.6%	<u>\$ 678,627</u>	<u>(40,268)</u>	-5.9%

**RATIOS:**

Net Interest Margin	5.20%	5.13%		5.53%
Efficiency Ratio	78%	84%		74%
ALLL/Gross Loans	1.18%	1.19%		1.21%
NPA/Gross Loans	-	-		-
Average Capital/Average Assets	12%	15%		12%

**OPERATIONS YEAR TO DATE**

Interest Income	\$ 14,023,001	\$ 7,461,699	\$ 6,561,302	87.9%
Interest Expense	5,153,001	2,170,999	2,982,002	137.4%
Net Interest Income	<u>8,870,000</u>	<u>5,290,700</u>	<u>3,579,300</u>	67.7%
Provision for loan losses	675,000	475,000	200,000	42.1%
Noninterest Income	284,271	112,913	171,358	151.8%
Noninterest Expense	6,434,738	4,477,525	1,957,213	43.7%
Income Tax Benefit	142,587	140,200	2,387	
Net Gain (Loss)	<u>\$ 2,187,120</u>	<u>\$ 591,288</u>	<u>1,595,832</u>	269.9%

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