



For immediate release

**United American Bank Reports Financial Results
for the Third Quarter 2006;
Assets grow 52% from Prior Year –**

San Mateo, CA – October 25, 2006 – United American Bank (OTCBB: UABK), a locally owned and operated full service community bank, announced today the financial results for the third quarter ending September 30, 2006.

United American Bank reported total assets at September 30, 2006 of \$183.3 million, relative to \$120.8 million on September 30, 2005 and \$140.4 million as of December 31, 2005. The increase in total assets represents growth of \$62.6 million or 51.8 percent over the same date a year ago and \$42.9 million or 30.5 percent for the first nine months of 2006.

The Banks total deposits were \$155.2 million as of September 30, 2006, compared to total deposits of \$101.0 million at September 30, 2005 and \$120.0 million at the end of the prior year. The increase in deposits represents growth of \$54.2 million, or 53.6 percent and \$35.2 million or 29.3 percent, relative to the same period of the prior year and for the year to date in 2006.

“We are pleased with the growth rate on our deposits” noted John Schrup, President and Chief Executive Officer of United American Bank. “With this increase in deposits and the addition of the new Sunnyvale Office, we are well positioned to continue to grow the Bank.”

The Bank reported total loans outstanding at September 30, 2006 of \$146.9 million, as compared to \$92.6 million reported for the same date last year. Loans outstanding represent an increase of \$39.5 million or 36.8 percent compared to loans outstanding as of December 31, 2005.

The Bank reported a net profit of \$678,627 for the third quarter ended September 30, 2006 compared to the a reported profit of \$508,750 reported for the prior second quarter ended June 30, 2006 and a net profit of \$152,708 for the same quarter of the prior year.

“The Board is pleased with the progress the Bank has achieved in the first three years of operation” said Margaret Taylor, Chairman of the Board of Directors of United

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American Bank. “We believe we have attracted some of the areas most experienced and successful bankers and have established a foundation for continued success of the Bank.”

Net interest income of \$2,391,000 for the quarter ended September 30, 2006 represented an increase of \$944,000 or 65.2 percent, over the \$1,447,000 reported for the same quarter one year earlier. The growth in net interest income was attributed to the growth in earning assets, primarily loans, and the rising interest rate environment. Loans outstanding averaged \$143 million for the third quarter of 2006 as compared to \$88 million for the same quarter of the prior year. Further, the net interest margin for the third quarter of 2006 improved to 5.53% from 5.14% for the same quarter of the prior year.

The Bank provided \$200,000 to the allowance for loan losses for the three months ended September 30, 2006 and \$155,000 to the allowance for loan losses for the same quarter of 2005. At September 30, 2006 and 2005, the allowance represented 1.21% and 1.27% of gross loans, respectively. The Bank reported no non-performing assets at September 30, 2006.

Noninterest expenses of \$1,680,000 for the quarter ended September 30, 2006 represented an increase of \$517,000 or 44.6 per cent compared to \$1,163,000 for the prior quarter, and was primarily attributed to the addition to staff and facilities necessary to service the growth in the balance sheet and the increased number of transactions and also includes expenses related to the Sunnyvale office which opened in the second quarter of 2006.

“We continue to track ahead of our original Plan and are pleased to have added the Sunnyvale office” said John Schrup, President and Chief Executive Officer of United American Bank. “We continue to build a conservative, well managed financial institution that can provide outstanding service and creative banking solutions to our customers.”

About United American Bank

United American Bank is the Bay Area’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 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.

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United American Bank
Selected Financial Data
September 30, 2006

BALANCE SHEET <i>(dollars in thousands)</i> End of Period	Quarter	Quarter	Change		Prior year	Change	
	Ending 9/30/2006	Ending 9/30/2005	\$	%	Ending 12/31/2005	\$	%
Total Assets	\$ 183,312	\$ 120,762	\$ 62,550	51.8%	\$ 140,425	\$ 42,887	30.5%
Total Loans	146,911	92,621	54,290	58.6%	107,409	39,502	36.8%
Total Deposits	155,189	101,002	54,187	53.6%	120,007	35,182	29.3%
Allowance for Loan Losses	1,775	1,175	600	51.1%	1,275	500	39.2%
Shareholders' Equity	21,164	19,020	2,144	11.3%	19,399	1,765	9.1%

Average

Total Assets	177,710	116,235	61,475	52.9%
Total Loans	142,892	87,622	55,270	63.1%
Total Deposits	151,880	96,661	55,219	57.1%
Shareholders' Equity	20,784	19,047	1,737	9.1%

OPERATIONS QUARTER TO DATE

Interest Income	\$3,861,220	\$ 2,032,405	\$ 1,828,815	90.0%
Interest Expense	1,470,380	585,292	885,088	151.2%
Net Interest Income	<u>2,390,840</u>	<u>1,447,113</u>	<u>943,727</u>	65.2%
Provision for loan losses	200,000	155,000	45,000	29.0%
Noninterest Income	153,247	23,125	130,122	562.7%
Noninterest Expense	1,680,460	1,162,530	517,930	44.6%
Income Tax Benefit	15,000	-	15,000	
Net Gain (Loss)	<u>\$ 678,627</u>	<u>\$ 152,708</u>	525,919	344%

RATIOS:

Net Interest Margin	5.53%	5.14%
Efficiency Ratio	74%	90%
ALLL/Gross Loans	1.21%	1.27%
NPA/Gross Loans	-	-
Average Capital/Average Assets	12%	16%

OPERATIONS YEAR TO DATE

Interest Income	\$9,838,435	\$ 5,031,175	\$ 4,807,260	95.5%
Interest Expense	3,454,821	1,374,355	2,080,466	151.4%
Net Interest Income	<u>6,383,614</u>	<u>3,656,820</u>	<u>2,726,794</u>	74.6%
Provision for loan losses	500,000	375,000	125,000	33.3%
Noninterest Income	265,388	85,400	179,988	210.8%
Noninterest Expense	4,643,658	3,178,255	1,465,403	46.1%
Income Tax Benefit	43,508	-	43,508	
Net Gain (Loss)	<u>\$1,548,852</u>	<u>\$ 188,965</u>	1,359,887	720%

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