



For Immediate Release

United American Bank Opens Sunnyvale Branch

Net Profits for Bank Continue to Rise in Q2'06

San Mateo, CA – July 25, 2006 – United American Bank (OTCBB: UABK) announced today that net profits rose a substantial 40.7% in the second quarter over the first quarter of 2006. At the same time, the Bank was expanding operations by opening a new, full service branch in Sunnyvale, CA.

“We are delivering on the promise I made to our shareholders to grow the Bank while continuing to enjoy uninterrupted profitability,” said John Schrup, President and Chief Executive Officer of United American Bank. “It can be challenging to expand operations and profits at the same time, and the fact that we are able to do it means that the outstanding customer service and creative business banking solutions available at United American Bank are in high demand in the Bay Area.”

The new branch, located at 333 West El Camino Real, Sunnyvale, CA, opened for business on June 1, 2006.

“Interest in the Bank has been very high,” said Damon Doe, SVP Commercial Lending and South Bay Regional Manager for United American Bank. “In the first 30 days of operation, we were able to report \$3.6 million in deposits and approximately \$10.0 million in loan business.”

Doe noted that more than 120 clients and local business leaders attended the grand opening event for the bank that took place on July 13, 2006.

“We continue to track ahead of our original plan and are pleased to have a second location in full operation in Sunnyvale,” said Margaret Taylor, Chairman of the Board of Directors of United American Bank. Expressing the Board’s satisfaction with the Bank’s achievements in its first three years of operations, Taylor said that Management had succeeded in attracting some of the area’s most experienced bankers to build a foundation for continued success.

As of June 30, 2006, United American Bank reported total assets of \$169.0 million compared with \$148.6 million for prior quarter ended March 31, 2006 and \$110.2 million on June 30, 2005, showing a 13.8% growth for the quarter and 53.4% growth over the same quarter of the prior year.

Total deposits were reported to be \$147.3 million on June 30, 2006, compared with \$127.4 million for the previous quarter and \$90.8 million reported on June 30, 2005, reflecting 15.7% growth for the quarter and 62.2 % growth over the same quarter of the prior year.

The Bank reported total loans outstanding on June 30, 2006 of \$139.2 million, an increase of \$53.4 million, or 62.2%, over the \$85.8 million reported on June 30, 2005, and growth of \$31.8 million or 29.6% for the first six months of 2006.

United American Bank reported a net profit of \$508,750 for the quarter ended June 30, 2006 compared with a net profit of \$361,475 for the prior first quarter ended March 31, 2006 reflecting a 40.7% increase for the quarter.

About United American Bank

United American Bank is a 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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www.unitedamericanbank.com

United American Bank
Selected Financial Data

June 30, 2006

BALANCE SHEET <i>(Dollars in Thousands)</i>	Quarter		Change		Quarter		Change	
	Ending	Ending			Ending			
End of Period	6/30/06	6/30/05	\$	%	3/31/06	\$	%	
Total Assets	\$169,044	\$110,180	\$58,864	53.4%	\$148,567	\$20,477	13.8%	
Total Loans	139,183	85,792	53,391	62.2%	109,703	29,480	26.9%	
Total Deposits	147,312	90,835	56,477	62.2%	127,366	19,946	15.7%	
Allowance for Loan Losses	1,575	1,020	435	42.6%	1,375	200	14.6%	
Shareholders' Equity	20,341	18,910	1,431	7.6%	19,796	545	2.8%	
Average								
Total Assets	153,214	105,127	48,087	45.7%	143,184	10,030	7.0%	
Total Loans	124,626	76,105	48,521	63.8%	105,056	19,570	18.6%	
Total Deposits	131,613	92,578	39,035	42.2%	122,331	9,282	7.6%	
Shareholders' Equity	20,081	12,196	7,885	64.7%	19,394	687	3.5%	
OPERATIONS (Quarter to Date)								
Interest Income	\$3,271,799	1,652,963	1,618,836	97.9%	2,705,416	566,383	20.9%	
Interest Expense	<u>1,101,836</u>	<u>498,076</u>	<u>603,760</u>	121.2%	<u>882,605</u>	<u>219,231</u>	24.8%	
Net Interest Income	2,169,963	1,154,887	1,015,076	87.9%	1,822,811	347,152	19.0%	
Provision for loan losses	200,000	120,000	80,000	66.7%	100,000	100,000	100.0%	
Noninterest Income	78,982	6,643	72,339	1089.0%	33,159	45,823	138.2%	
Noninterest Expense	1,555,195	1,006,856	548,339	54.5%	1,408,003	147,192	10.5%	
Income tax benefit	<u>15,000</u>	<u>-</u>	<u>15,000</u>	-	<u>13,508</u>	<u>1,492</u>	11.0%	
Net Profit (Loss)	<u>\$ 508,750</u>	<u>\$ 34,674</u>	474,076	1367.0%	<u>\$ 361,475</u>	147,275	40.7%	
RATIOS								
Net Interest Margin	5.82%	4.55%						
Efficiency Ratio	78%	97%						
ALLL/Gross Loans	1.13%	1.19%						
NPA/Gross Loans	0	0						
Average Capital/Average Assets	13%	12%						
OPERATIONS (Year to Date)								
Interest Income	\$ 5,977,215	2,998,770	2,978,445	99.3%				
Interest Expense	<u>1,984,441</u>	<u>789,063</u>	<u>1,195,378</u>	151.5%				
Net Interest Income	3,992,774	2,209,707	1,783,067	80.7%				
Provision for loan losses	300,000	220,000	80,000	36.4%				
Noninterest Income	112,141	62,275	49,866	80.1%				
Noninterest Expense	2,963,198	2,015,725	947,473	47.0%				
Income tax benefit	<u>28,508</u>	<u>-</u>	<u>28,508</u>	-				
Net Profit (Loss)	<u>\$ 870,225</u>	<u>\$ 36,257</u>	833,968	2300.0%				

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