



For Immediate Release

United American Bank Reports Jump in Profits for Fourth Quarter of 2005

Net Profits Up 163.5% Over Previous Quarter

San Mateo, CA – January 25, 2006 – United American Bank (OTCBB: UABK) announced today that financial results for the fourth quarter of 2005 showed net profits up 163.5% over the previous quarter.

John Schrup, President and Chief Executive Officer of United American Bank, points to the robust growth in loan business and the rising interest rate environment as key drivers for the increase in interest income, but notes that savvy management was needed to turn income into profit for shareholders.

“We have shown and will continue to show that United American Bank is expanding in all areas of operation, particularly in loan growth,” said Schrup. “And our continuing policy of conservative business management ensures that profits and shareholder value keep pace with that growth.”

Margaret Taylor, Chairman of the Board of Directors of United American Bank, is optimistic that the Bank will continue its upward trend of profitability in 2006.

“Shareholders have seen profits rise every quarter in 2005,” said Taylor. “The Board has every confidence that the business strategies that have proved so successful in 2005 will continue to produce good results for investors in 2006.”

As of December 31, 2005, United American Bank reported total assets of \$140.4 million, compared with \$120.8 million for prior quarter ended September 30, 2005 and \$90.3 million at the beginning of the year, reflecting a 16.3% growth for the quarter and 55.4% growth for the year.

Total deposits were reported to be \$120.0 million on December 31, 2005, compared with \$101.0 million for the previous quarter and \$78.5 million reported on December 31, 2004, showing 18.8% growth for the quarter and 52.9% growth for the year.

The Bank reported total loans outstanding on December 31, 2005 of \$107.4 million, an increase of \$44.1 million, or 69.7%, over the \$63.3 million reported on December 31, 2004, and 16.0% over the \$92.6 million reported for the previous quarter.

United American Bank

Selected Financial Data

December 31, 2005

BALANCE SHEET

(Dollars in Thousands)

End of Period	Quarter	Quarter	Change		Quarter	Change	
	Ending	Ending	\$	%	Ending	\$	%
	12/31/05	12/31/04			9/30/05		
Total Assets	\$140,425	\$90,336	\$50,089	55.4%	\$120,762	\$19,663	16.3%
Total Loans	107,409	63,285	44,124	69.7%	92,621	14,788	16.0%
Total Deposits	120,007	78,502	41,505	52.9%	101,002	19,005	18.8%
Allowance for Loan Losses	1,275	800	475	59.4%	1,175	100	8.5%
Shareholders' Equity	19,399	11,561	7,838	67.8%	19,020	379	2.0%
Average							
Total Assets	131,635	79,747	51,888	65.1%	116,235	15,400	13.2%
Total Loans	101,924	58,953	42,971	72.9%	87,622	14,302	16.3%
Total Deposits	111,141	67,767	43,374	64.0%	96,661	14,480	15.0%
Shareholders' Equity	19,538	11,629	7,909	68.0%	19,047	491	2.6%

OPERATIONS (Quarter to Date)

Interest Income	2,430,516	1,119,890	1,310,626	117.0%	2,032,405	398,111	19.6%
Interest Expense	<u>796,640</u>	<u>239,658</u>	<u>556,982</u>	232.4%	<u>585,292</u>	<u>211,348</u>	36.1%
Net Interest Income	1,633,876	880,232	753,644	85.6%	1,447,113	186,763	12.9%
Provision for loan losses	100,000	125,000	(25,000)	-20.0%	155,000	(55,000)	-35.5%
Noninterest Income	27,510	89,236	(61,726)	-69.2%	23,125	4,385	19.0%
Noninterest Expense	1,300,061	882,924	417,137	47.2%	1,162,530	137,531	11.8%
Income tax benefit	<u>141,000</u>	<u>-</u>	<u>141,000</u>	-	<u>-</u>	<u>141,000</u>	-
Net Gain (Loss)	<u>402,325</u>	<u>(38,456)</u>	<u>440,781</u>	1,146.2%	<u>152,708</u>	<u>249,617</u>	163.5%

RATIOS

Net Interest Margin	5.13%	4.57%			5.14%	
Efficiency Ratio	84%	104%			90%	
ALLL/Gross Loans	1.19%	1.26%			1.27%	
NPA/Gross Loans	0	0			0	
Average Capital/Average Assets	15%	15%			16%	

OPERATIONS (Year To Date)

Interest Income	7,461,699	3,197,179	4,264,520	133.4%
Interest Expense	<u>2,170,999</u>	<u>705,222</u>	<u>1,465,777</u>	207.8%
Net Interest Income	5,290,700	2,491,957	2,798,743	112.3%
Provision for loan losses	475,000	500,000	(25,000)	-5.0%
Noninterest Income	112,913	323,500	(219,587)	-66.0%
Noninterest Expense	4,478,325	3,241,743	1,236,582	38.1%
Income Tax Benefit	<u>141,000</u>	<u>-</u>	<u>141,000</u>	-
Net Gain (Loss)	<u>591,288</u>	<u>(917,286)</u>	<u>1,508,574</u>	164.5%