



For Immediate Release

United American Bank Shows Profit in First Quarter of 2005

Growth in Loan Business Drives 20% Increase in Net Interest Income

San Mateo, CA – April 13, 2005 – United American Bank (OTCBB: UABK), the only locally owned and operated, full-service community bank in San Mateo, California, reported financial results for the 1st quarter of 2005 that showed the Bank had achieved profitability.

Since opening its doors for business on June 9, 2003, United American Bank has consistently exceeded expectations for growth and financial performance. By becoming profitable in less than two years, the Bank has once again beaten industry forecasts.

“We continue to track ahead of our original plan and are pleased to have reached the break-even milestone,” said John Schrup, President and Chief Executive Officer of United American Bank. “In addition, we are building a conservative, well-managed financial institution that provides outstanding service and creative banking solutions for our clients.”

Schrup noted that the Bank’s early crossover into profitability could be attributed to strong growth in its portfolio of earning assets, primarily loans, along with an improving interest rate environment that allowed the Bank’s net interest margin to reach 4.89% for the first quarter of 2005, compared with 3.33% for the same quarter in the prior year.

Margaret Taylor, Chairman of the Board of Directors of United American Bank, believes that the Bank’s success can also be attributed to the quality of its staff.

“We believe we have attracted some of the area’s most experienced and successful bankers and, through their efforts, have established a foundation for continued success,” Taylor said.

As of March 31, 2005, United American Bank reported total assets of \$98.0 million, compared with \$90.3 million for the previous quarter and \$54.4 million on March 31, 2004, showing 8.5% growth for the quarter and 80.3% growth for the previous 12 months.

Total deposits were \$86.2 million on March 31, 2005, compared with \$78.5 million reported on December 31, 2004 and \$42.2 million on March 31, 2004, reflecting a 9.9% growth for the quarter and a 104.5% growth over the previous year.

The Bank reported total loans outstanding on March 31, 2005 of \$71.2 million, an increase of \$37.8 million, or 113.0%, over the \$33.4 million reported on March 31, 2004 and an increase of 12.5% over the \$63.3 million reported for the prior quarter.

Net interest income of \$1,054,820 for the quarter ended March 31, 2005 represented an increase of \$174,588, or 19.8%, over the \$880,232 reported for the previous quarter. Noninterest expenses of \$1,008,869 reported for the first quarter of 2005 reflected a 14.3% increase over the prior quarter due to business and staffing expansion.

For the quarter ended on March 31, 2005, United American Bank reported an operating profit of \$1,583, representing a 104.1% improvement over the operating loss of \$38,456 reported for the previous quarter.

About United American Bank

United American Bank is San Mateo's only full-service community 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

March 31, 2005

| BALANCE SHEET <i>(Dollars in Thousands)</i> | Quarter Ending | Prior | Change | | Prior | Change | |
|---|-------------------|-------------------|----------------|---------|------------------|----------------|---------|
| | | Quarter Ending | \$ | % | Year Ending | \$ | % |
| End of Period | 3/31/05 | 12/31/04 | | | 3/31/04 | | |
| Total Assets | \$98,034 | \$90,336 | \$7,698 | 8.5% | \$54,371 | \$43,663 | 80.3% |
| Total Loans | 71,182 | 63,285 | 7,897 | 12.5% | 33,424 | 37,758 | 113.0% |
| Total Deposits | 86,236 | 78,502 | 7,734 | 9.9% | 42,167 | 44,069 | 104.5% |
| Allowance for Loan Losses | 900 | 800 | 100 | 12.5% | 420 | 480 | 114.3% |
| Shareholders' Equity | 11,541 | 11,561 | (20) | -0.2% | 12,097 | (556) | -4.6% |
| Average | | | | | | | |
| Total Assets | 89,214 | 79,747 | 9,457 | 11.9% | 48,539 | 40,675 | 83.8% |
| Total Loans | 68,074 | 58,953 | 9,121 | 15.5% | 27,472 | 40,602 | 147.8% |
| Total Deposits | 77,336 | 67,767 | 9,569 | 14.1% | 36,057 | 42,279 | 114.5% |
| Shareholders' Equity | 11,587 | 11,629 | (42) | -0.4% | 12,357 | (770) | -6.2% |
| OPERATIONS (Quarter to Date) | | | | | | | |
| Interest Income | 1,345,807 | 1,119,890 | 225,917 | 20.2% | 499,808 | 845,999 | 169.3% |
| Interest Expense | <u>290,987</u> | <u>239,658</u> | <u>51,329</u> | 21.4% | <u>111,878</u> | <u>170,109</u> | 160.1% |
| Net Interest Income | 1,054,820 | 880,232 | 174,588 | 19.8% | 387,930 | 666,890 | 171.9% |
| Provision for loan losses | 100,000 | 125,000 | (25,000) | -20.0% | 120,000 | (20,000) | -16.7% |
| Noninterest Income | 55,632 | 89,236 | (33,604) | -37.7% | 23,215 | 32,417 | 139.6% |
| Noninterest Expense | <u>1,008,869</u> | <u>882,924</u> | <u>125,945</u> | 14.3% | <u>702,390</u> | <u>306,479</u> | 43.6% |
| Net Gain (Loss) | <u>1,583</u> | <u>(38,456)</u> | <u>40,039</u> | -104.1% | <u>(411,245)</u> | <u>412,828</u> | -100.4% |
| RATIOS | | | | | | | |
| Net Interest Margin | 4.89% | 4.57% | | | 3.33% | | |
| Efficiency Ratio | 100% | 104% | | | 200% | | |
| ALLL/Gross Loans | 1.26% | 1.26% | | | 1.26% | | |
| NPA/Gross Loans | 0 | 0 | | | 0 | | |
| Average Capital/Average Assets | 13% | 15% | | | 25% | | |