



For Immediate Release

United American Bank Reports Both Profit and Growth in Second Quarter of 2005

Second Stock Offering Raises \$7.3 Million in New Capital

San Mateo, CA – July 25, 2005 – United American Bank (OTCBB: UABK), San Mateo County's new standard in Peninsula banking, reported financial results for the 2nd quarter of 2005 that showed the Bank increased its net profit while continuing the pace of growth that has kept it in the top 25% of banks that opened for business in 2003.

"The performance of United American Bank is impressive because we have been able to increase net profit while continuing to build the Bank with steady growth in all areas of operation," said John Schrup, President and Chief Executive Officer of United American Bank. "Typically, one performance measure is sacrificed to show gains in the other. At United American Bank, however, we've been able to achieve high marks in both profitability and business growth."

A secondary stock offering of 560,155 shares offered at \$13.00 per share was commenced and closed during the second quarter of 2005, raising a total of \$7.3 million in capital to support future growth plans for the Bank.

Margaret Taylor, Chairman of the Board of Directors of United American Bank, believes that the Bank's ability to grow and be profitable at the same time helped account for the success of the offering.

"The overwhelmingly positive response to our second stock offering shows that investors appreciate our track record and have confidence in the future of United American Bank," Taylor said.

As of June 30, 2005, United American Bank reported total assets of \$110.2 million, compared with \$90.3 million at the beginning of the year and \$65.2 million on June 30, 2004, showing 22.0% growth for the first half of 2005 and 69.0% growth for the previous 12 months.

Total deposits were \$90.8 million on June 30, 2005, compared with \$78.5 million reported on December 31, 2004 and \$53.2 million on June 30, 2004, reflecting a 15.7% growth for the year to date in 2005 and a 70.7% growth over the previous year.

The Bank reported total loans outstanding at June 30, 2005 of \$85.8 million, an increase of \$39.5 million, or 85.5%, over the \$46.2 million reported on June 30, 2004 and an increase of 35.6% over the \$63.3 million reported at the beginning of 2005.

United American Bank

Selected Financial Data

June 30, 2005

BALANCE SHEET	Quarter	Prior Quarter	Change		Prior Year	Change	
<i>(Dollars in Thousands)</i>	Ending	Ending	\$	%	Ending	\$	%
End of Period	6/30/05	12/31/04			6/30/04		
Total Assets	\$110,180	\$90,336	\$19,844	22.0%	\$65,210	\$44,970	69.0%
Total Loans	85,792	63,285	22,507	35.6%	46,252	39,540	85.5%
Total Deposits	90,835	78,502	12,333	15.7%	53,226	37,609	70.7%
Allowance for Loan Losses	1,020	800	220	27.5%	585	435	74.4%
Shareholders' Equity	18,910	11,561	7,349	63.6%	11,802	7,108	60.2%
 <u>Average</u>							
Total Assets	105,127				59,077	46,050	77.9%
Total Loans	76,105				40,419	35,686	88.3%
Total Deposits	92,578				46,926	45,652	97.3%
Shareholders' Equity	12,196				11,992	204	1.7%
 OPERATIONS (Quarter to Date)							
Interest Income	1,652,963				691,627	961,336	139.0%
Interest Expense	<u>498,076</u>				<u>152,451</u>	<u>345,625</u>	226.7%
Net Interest Income	1,154,887				539,176	615,711	114.2%
Provision for loan losses	120,000				165,000	(45,000)	-27.3%
Noninterest Income	6,643				177,553	(170,910)	-96.3%
Noninterest Expense	<u>1,006,856</u>				<u>812,446</u>	<u>194,410</u>	23.9%
Net Gain (Loss)	<u>34,674</u>				<u>(260,717)</u>	<u>295,391</u>	113.3%
 RATIOS							
Net Interest Margin	4.55%				3.79%		
Efficiency Ratio	97%				136%		
ALLL/Gross Loans	1.19%				1.25%		
NPA/Gross Loans	0				0		
Average Capital/Average Assets	12%				20%		