

For Immediate Release

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**United American Bank Reports Financial Results
for the Fourth Quarter 2010;**

San Mateo, CA – January 26, 2011 – United American Bank (OTCBB: UABK), reported results for the fourth quarter and fiscal year ended December 31, 2010. While net interest income increased by 14.7 percent or \$392,000 to \$3.1 million for the fourth quarter, from net interest income for the same period of the prior year of \$2.7 million, the Bank recognized a special loan loss provision of \$10.9 million for the fourth quarter resulting in a year-to-date loss of \$16.9 million and a loss for the fourth quarter of \$14.2 million. These figures compare to a loss of \$5.8 million for the prior fiscal year and a loss of \$3.6 million for the fourth quarter of 2009.

President and CEO John Schrup attributed the improvement in net interest income to a sharply reduced overall cost of funds. “The truth is, he explained, that with the current economy, the Bank has a real estate problem. Many of our borrowers are struggling with decreasing cash flows and ever-declining real estate values and the significant increase in the provision reflects a high volume of classified and nonperforming loans from the challenging and prolonged downturn in the economy. We contracted with a nationally recognized asset valuation firm to review each of our real estate credits and provide current and realistic valuations on these assets. This review culminated in a material provision for the quarter, and which has allowed the Bank to discharge many of these assets from the ledger.”

Concurrently, we have entered into a formal agreement with our primary regulators which will require the Bank to update its strategic plan to improve asset quality and increase capital to ensure sustained earnings.

About United American Bank

United American Bank is San Mateo County’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.

BALANCE SHEET
(dollars in thousands)
End of Period

	Quarter	Quarter	Change		Quarter	Change	
	Ending 12/31/2010	Ending 12/31/2009	\$	%	Ending 9/30/2010	\$	%
Total Assets	\$ 316,249	\$ 401,461	\$ (85,212)	-21.2%	\$ 343,256	\$ (27,007)	-7.9%
Total Loans	261,379	283,715	(22,336)	-7.9%	277,841	(16,462)	-5.9%
Total Deposits	300,684	359,019	(58,335)	-16.2%	314,717	(14,033)	-4.5%
Allowance for Loan Losses	9,335	7,835	1,500	19.1%	7,376	1,959	26.6%
Shareholders' Equity	14,544	31,318	(16,774)	-53.6%	28,671	(14,127)	-49.3%

Quarter Average

Total Assets	337,205	417,057	(79,852)	-19.1%	354,867	\$ (17,662)	-5.0%
Total Loans	273,519	285,277	(11,758)	-4.1%	280,300	(6,781)	-2.4%
Total Deposits	310,269	367,695	(57,426)	-15.6%	325,248	(14,979)	-4.6%
Shareholders' Equity	26,938	35,004	(8,066)	-23.0%	29,744	(2,806)	-9.4%

OPERATIONS QUARTER TO DATE

Interest Income	\$ 3,602,431	\$ 4,369,150	\$ (766,719)	-17.5%	\$ 4,019,917	\$ (417,486)	-10.4%
Interest Expense	547,920	1,706,554	(1,158,634)	-67.9%	608,538	(60,618)	-10.0%
Net Interest Income	<u>3,054,511</u>	<u>2,662,596</u>	<u>391,915</u>	14.7%	<u>3,411,379</u>	<u>(356,868)</u>	-10.5%
Provision for loan losses	10,925,000	1,400,000	9,525,000	680.4%	1,500,000	9,425,000	628.3%
Noninterest Income	(40,485)	186,451	(226,936)	-121.7%	140,793	(181,278)	-128.8%
Noninterest Expense	4,405,987	3,962,152	443,835	11.2%	3,203,082	1,202,905	37.6%
Income Tax Expense (Benefit)	1,844,403	1,127,529	716,874		(2,400)	1,846,803	
Net Income	<u>\$ (14,161,364)</u>	<u>\$ (3,640,634)</u>	<u>(10,520,730)</u>	289.0%	<u>\$ (1,148,510)</u>	<u>(13,012,854)</u>	1133.0%

RATIOS:

Net Interest Margin	3.69%	2.62%		4.01%
Efficiency Ratio	508.65%	188.21%		132.00%
ALLL/Gross Loans	1.88%	2.76%		2.65%
Nonperforming/Total Loans	14.03%	6.51%		7.18%
Average Capital/Average Assets	7.99%	8.39%		8.38%