

AMERICAN BUSINESS BANK REPORTS SECOND QUARTER EARNINGS PER SHARE GROWTH OF 12%

Four consecutive quarters of Net interest margin expansion

Second Quarter 2025 Highlights

- **Net income for the quarter totaled \$13.2 million**, or \$1.42 per diluted share
- **Net interest margin expanded** to 3.58% from 3.47% in the prior quarter
- **Cost of average deposits declined** to 1.16% compared to 1.19% in the prior quarter
- **Core Deposits increased** \$173 million or 5% over the prior quarter
- **Total loans increased** \$63 million or 2% over the prior quarter
- **Net yield on interest earning assets increased** 11 basis points over the prior quarter
- **Non-interest bearing demand deposits** represent 46% of total deposits
- **Minimal past due loans**
- **No borrowings** at the end of the second quarter
- **Return on Average Assets** of 1.26% for the current quarter
- **Return on Average Equity** of 14.34% for the current quarter
- **Quarterly cash dividend** paid on common stock of \$0.25 per share
- **Tangible book value per share increased** \$0.93 to \$41.55
- **Continued status as well-capitalized**, the highest regulatory category

Los Angeles, California, July 24, 2025 [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$13.2 million or \$1.42 per fully diluted share for the quarter ended June 30, 2025 compared to \$11.9 million or \$1.27 per fully diluted share for the quarter ended March 31, 2025, and \$9.5 million or \$1.02 per fully diluted share for the quarter ended June 30, 2024, representing an increase of 11% and 39%, respectively.

“Loan growth over the last year and quarter combined with higher loan yields continues to drive net interest margin expansion and earnings growth over the prior quarter and year periods. Profitability metrics for the quarter were a Return on Average Equity of 14% and a Return on Average Assets of 1.26%. In addition, business momentum and the loan pipeline remains solid as prospects and existing customers are strong and continue to grow.”

“We are pleased with the core deposit growth for the quarter mainly from existing customers. Some of this growth was event-driven and will not remain on the balance sheet over the long term. The deposit pipeline of new customer relationships remains solid and should drive further core deposit growth in the year. The key to our success continues to be attracting new business clients by differentiating ourselves with professional bankers who deliver business acumen coupled with high touch service,” commented Leon Blankstein, Chief Executive Officer (CEO) and Director.

For the quarter ended June 30, 2025, net interest income was \$36.8 million, a 27% increase compared to the prior year quarter. The higher average balance of loans along with an increase in loan yields contributed to the increase in interest income compared to the prior year quarter.

The allowance for credit losses as a percentage of loans was 1.10% at June 30, 2025 and 1.11% at March 31, 2025, respectively. A provision of \$0.4 million was recorded for the quarter to increase the allowance for credit losses due to growth in the loan portfolio which was offset by the reduction in the reserve for unfunded loan commitments.

For the six months ended June 30, 2025, net income was higher compared to the six months ended June 30, 2024 due to higher average balance of loans along with a decrease in the cost of borrowings.

Net Interest Margin

The net interest margin for the second quarter of 2025 increased to 3.58% from 3.47% for the prior quarter and 3.00% for the prior year quarter. The increase compared to the prior quarter is primarily due to an increase in average loans with higher interest rates along with a reduction of interest expense on deposits from lower rates and no borrowings. The loan yield for the month of June was 5.62%. As of June 30, 2025, 59% of the loan portfolio was fixed rate with a weighted average remaining life of 64 months. Approximately 46% of variable rate loans are indexed to prime of which \$508 million are adjustable within 90 days of a change in prime. The Bank has experienced net interest margin expansion for the past four consecutive quarters.

Net Interest Income

For the quarter ended June 30, 2025, net interest income increased by \$2 million, or 6%, compared to the quarter ended March 31, 2025 primarily due to growth in loans. For the quarter ended June 30, 2025, net interest income increased by \$7.7 million, or 27%, compared to the quarter ended June 30, 2024. This increase in net interest income was attributable to an increase in the average balance of loans coupled with no borrowings in the second quarter of 2025. Interest income was further enhanced in the second quarter by higher rates on the loan portfolio. For the quarter ended June 30, 2025, the cost of deposits was 1.16% representing a decrease of 3 bps compared to the quarter ended March 31, 2025. The loan-to-deposit ratio was 75% as of June 30, 2025, March 31, 2025 and June 30, 2024, respectively.

Provision for Credit Losses

The following table presents details of the provision for credit losses for the periods indicated:

	Three Months Ended			Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(Figures in \$000s)					
Addition (recapture) to allowance for loan losses	\$ 463	\$ 981	\$ 450	\$ 1,444	\$ 224
Addition (recapture) to reserve for unfunded loan commitments	(100)	(119)	(438)	(219)	-
Total loan-related provision	\$ 363	\$ 862	\$ 12	\$ 1,225	\$ 224
Addition to allowance for held-to-maturity securities	-	-	-	-	-
Total provision for credit losses	\$ 363	\$ 862	\$ 12	\$ 1,225	\$ 224

Non-Interest Income

The decrease in non-interest income compared to the prior quarter and to the prior year quarter is primarily due to losses on the sale of select lower yielding investment securities that were sold as rates declined near the end of the quarter.

Non-Interest Expense

For the quarter ended June 30, 2025, total non-interest expense increased \$0.7 million and \$2.2 million compared to the prior quarter and the prior year quarter, respectively. The increase over the prior year quarter was primarily due to an increase of new employees with higher salary and employee benefit expenses. The increase over the prior quarter reflected higher bonuses commensurate with increased profitability. The efficiency ratio decreased to 50% for the second quarter compared to 52% for the first quarter of 2025 and 55% for the second quarter of 2024.

There were 251 full time equivalent employees at June 30, 2025 compared to 243 a year ago and 252 at March 31, 2025. The Bank has 48 relationship managers in nine offices compared to 50 at March 31, 2025 and 44 at June 30, 2024.

For the six months ended June 30, 2025, non-interest expense increased \$4.5 million or 13% compared to the same period a year ago, mainly due to increases in salaries and employee benefits.

Income Taxes

The effective income tax rate was 27.3% for the quarter ended June 30, 2025, 27.6% for the quarter ended March 31, 2025, and 28.0% for the quarter ended June 30, 2024. On June 27, California enacted S.B. 132, which changed apportionment for financial institutions to single-sales apportionment for tax years beginning January 1, 2025. This resulted in a California state tax rate increase and a net benefit increase to deferred tax assets of \$108 thousand.

Balance Sheet

For the quarter ended June 30, 2025, total loans increased \$63 million, or 2% compared to the prior quarter. The majority of this increase was in owner-occupied commercial real estate loans secured by industrial collateral. The increase in Commercial and Industrial (C&I) loans is mainly due to an increase in line utilization. At June 30, 2025, the utilization rate for the Bank's commercial lines of credit increased to 30.1%, a 1.0% increase compared to March 31, 2025.

The following table is the composition of Commercial Real Estate (CRE) loans as of:

	June 30, 2025	March 31, 2025
(Figures in \$000s)		
RE - Owner-occupied	\$ 1,289,235	\$ 1,257,867
RE - Non-owner occupied	757,130	754,244
Construction & Land	91,094	94,829
Total CRE Loans	<u>\$ 2,137,459</u>	<u>\$ 2,106,939</u>

The following table is the composition of the owner-occupied and non-owner-occupied CRE loans by collateral type:

	as of June 30, 2025	
	Owner-occupied	Non owner-occupied
(Figures in \$000s)		
Industrial	\$ 793,113	\$ 315,374
Office	179,109	101,318
Retail	21,816	191,075
Automobile Service Facilities	65,678	28,789
Contractor's Yard	84,668	7,338
School	43,065	-
Storage	-	11,139
Miscellaneous	101,786	102,097
Total	\$ 1,289,235	\$ 757,130

Total investment securities at June 30, 2025 were \$1.1 billion including \$538 million (51%) in held-to-maturity (HTM) securities based on book value. The Bank has no non-agency mortgage-backed securities in its portfolio. The duration of the available-for-sale (AFS) securities portfolio was 6.1 years as of June 30, 2025, 5.9 years as of March 31, 2025, and 5.8 years as of June 30, 2024. Accumulated other comprehensive loss (AOCI) increased to \$70.7 million as of June 30, 2025 from \$68.7 million as of March 31, 2025 as market rates relevant to securities pricing increased. The duration of the held-to-maturity portfolio, which consists primarily of municipal securities, is 8.2 years. As of June 30, 2025, the unrealized after tax loss on HTM securities was \$75.6 million.

Deposits increased by \$114 million or 3% to \$3.9 billion in the quarter ended June 30, 2025. Of this increase, approximately \$16 million came from 42 new client relationships. The Bank has no brokered or internet-solicited deposits. The ratio of non-interest bearing deposits to total deposits is 46% and 45% at June 30, 2025 and March 31, 2025, respectively.

During the second quarter of 2025, total assets increased \$124 million, or 3%, total loans increased by \$63 million, or 2%, and total deposits increased by \$114 million, or 3%. As of June 30, 2025, the Bank has \$1.6 billion in total borrowing capacity from the discount window of the Federal Reserve Board and loans pledged at the Federal Home Loan Bank of San Francisco. There were no borrowings outstanding at the end of the second and first quarters of 2025.

Capital Management

As of June 30, 2025, total shareholders' equity increased to \$373 million. During the quarter, the Bank declared and paid a cash dividend of \$0.25 per share and repurchased 120,000 shares of common stock.

The following table presents a summary of quarterly cash dividends for 2025:

	Dividend Declared	Payment Date
(Figures in \$000s)		
March 31, 2025	\$ 2,276	March 17, 2025
June 30, 2025	2,257	June 17, 2025
Total cash dividends	\$ 4,533	

The Bank announced a Stock Repurchase Program in January 2025 for 227,541 shares that expires in January 2026. For the first six months of year, the Bank repurchased 191,797 shares for a total of \$8.4 million.

The following table presents a summary of quarterly stock repurchases for 2025:

	Shares	Weighted Average Price
March 31, 2025	71,797	\$ 43.84
June 30, 2025	120,000	42.87
Total shares repurchased	191,797	\$ 43.23

Asset Quality

The following table presents an overview of quarterly asset quality for 2025:

	June 30, 2025	March 31, 2025
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 11,553	\$ 11,750
Loans 90+ days past due and still accruing	-	48
Total NPA	\$ 11,553	\$ 11,798
 NPA as a % of total assets	 0.27%	 0.28%
 Past Due as a % of total loans	 0.00%	 0.02%
Criticized as a % of total loans	3.22%	4.06%
Classified as a % of total loans	0.99%	1.09%

During the second quarter of 2025, non-performing assets decreased by \$0.2 million. The Bank believes that it is well positioned with collateral and SBA enhancements, therefore no loss is expected on the credits. As of June 30, 2025, NPAs have a \$461 thousand allowance on individually evaluated loans related to six non-performing C&I loans. The decline in Criticized loans was due to a payoff upon consummation of a property sale by the borrower.

The loan portfolio has approximately 10% in office collateral of which the majority is owner-occupied, and substantially all are three stories or under and located in suburban markets.

Our commercial real estate lending is primarily owner-occupied which is not dependent on rent rolls, but reliant on the cash flows of the operating business that occupies the property. C&I and owner-occupied commercial real estate portfolios comprise 63% of total loans while non-owner occupied represent 26% of total loans.

As of June 30, 2025, the loan portfolio has one piece of collateral on a commercial property that had been destroyed by the January fires in Los Angeles county; the property has adequate insurance coverage.

The following table represents the allowance for credit losses for loans as of and for the dates and periods indicated:

	Three Months Ended			Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(Figures in \$000s)					
Balance, beginning of period	\$ 31,429	\$ 30,448	\$ 28,335	\$ 30,448	\$ 28,460
Charge-offs	-	-	-	-	(99)
Recoveries	-	-	58	-	258
Net (charge-offs) / recoveries	\$ -	\$ -	\$ 58	\$ -	\$ 159
Provision	463	981	450	1,444	224
Balance, end of period	\$ 31,892	\$ 31,429	\$ 28,843	\$ 31,892	\$ 28,843
Allowance as a % of loans	1.10%	1.11%	1.11%	1.10%	1.11%

The allowance for credit losses for loans increased to \$31.9 million during the second quarter of 2025 primarily as a result of growth in the loan portfolio. There were no charge-offs or recoveries in the second quarter of 2025. The Bank has ten restructured loans totaling \$6.4 million involving borrowers experiencing financial difficulty.

ABOUT AMERICAN BUSINESS BANK

American Business Bank, headquartered in downtown Los Angeles, offers a wide range of financial services to the business marketplace. Clients include wholesalers, manufacturers, service businesses, professionals and non-profits. American Business Bank has eight Loan Production Offices in strategic locations including: North Orange County in Anaheim, Orange County in Irvine, South Bay in Torrance, San Fernando Valley in Woodland Hills, Riverside County in Corona, Inland Empire in Ontario, LA Coastal in Long Beach and North County in San Diego.

FORWARD LOOKING STATEMENTS

This communication contains certain forward-looking information about American Business Bank that is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. Such statements include future financial and operating results, expectations, intentions and other statements that are not historical facts. Such statements are based on information available at the time of this communication and are based on current beliefs and expectations of the Bank’s management and are subject to significant risks, uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those set forth in the forward-looking statements due to a variety of factors, including various risk factors. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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American Business Bank*Figures in \$000, except share and per share amounts***BALANCE SHEETS (unaudited)**

	June 2025	March 2025	December 2024	June 2024
Assets:				
Cash and Due from Banks	\$ 111,692	\$ 80,026	\$ 35,544	\$ 84,836
Interest Earning Deposits in Other Financial Institutions	140,843	88,975	66,073	15,511
Investment Securities:				
US Agencies	64,069	67,333	71,836	79,700
Mortgage Backed Securities	363,486	375,991	375,402	390,886
State and Municipals	69,464	73,671	76,442	81,884
Corporate Bonds	13,547	14,994	14,594	14,478
Securities Available-for-Sale, at Fair Value	510,566	531,989	538,274	566,948
Mortgage Backed Securities	160,723	163,767	166,915	172,984
State and Municipals	376,867	377,407	377,947	384,048
Allowance for Credit Losses, Held-To-Maturity	(55)	(55)	(55)	(55)
Securities Held-to-Maturity, at Amortized Cost, Net of Allowance for Credit Losses	537,535	541,119	544,807	556,977
Federal Home Loan Bank Stock, at Cost	15,000	15,000	15,000	15,000
Total Investment Securities	1,063,101	1,088,108	1,098,081	1,138,925
Loans Receivable:				
Commercial Real Estate	2,137,459	2,106,939	2,054,135	1,909,822
Commercial and Industrial	537,550	513,748	485,307	487,557
Residential Real Estate	207,870	204,412	201,996	196,194
Installment and Other	12,098	6,897	9,128	7,471
Total Loans Receivable	2,894,977	2,831,996	2,750,566	2,601,044
Allowance for Credit Losses	(31,892)	(31,429)	(30,448)	(28,843)
Loans Receivable, Net	2,863,085	2,800,567	2,720,118	2,572,201
Furniture, Equipment and Leasehold Improvements, Net	4,889	4,808	4,963	4,684
Bank/Corporate Owned Life Insurance	30,324	30,022	29,943	29,396
Other Assets	84,309	81,780	85,621	83,096
Total Assets	\$ 4,298,243	\$ 4,174,286	\$ 4,040,343	\$ 3,928,649
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,776,642	\$ 1,704,960	\$ 1,644,635	\$ 1,597,426
Interest Bearing Transaction Accounts	427,758	415,998	388,154	394,051
Money Market and Savings Deposits	1,434,492	1,345,088	1,315,005	1,202,143
Certificates of Deposit	233,322	292,658	296,206	263,587
Total Deposits	3,872,214	3,758,704	3,644,000	3,457,207
Federal Home Loan Bank Advances / Other Borrowings	-	-	-	100,000
Other Liabilities	53,431	47,363	41,565	40,570
Total Liabilities	\$ 3,925,645	\$ 3,806,067	\$ 3,685,565	\$ 3,597,777
Shareholders' Equity:				
Common Stock	\$ 202,723	\$ 207,373	\$ 210,345	\$ 209,042
Retained Earnings	240,534	229,590	220,023	196,743
Accumulated Other Comprehensive Income / (Loss)	(70,659)	(68,744)	(75,590)	(74,913)
Total Shareholders' Equity	\$ 372,598	\$ 368,219	\$ 354,778	\$ 330,872
Total Liabilities and Shareholders' Equity	\$ 4,298,243	\$ 4,174,286	\$ 4,040,343	\$ 3,928,649
Standby Letters of Credit	\$ 47,861	\$ 47,965	\$ 47,223	\$ 43,420
Per Share Information:				
Common Shares Outstanding	8,968,494	9,066,125	9,102,461	9,094,248
Book Value Per Share	\$ 41.55	\$ 40.61	\$ 38.98	\$ 36.38
Tangible Book Value Per Share	\$ 41.55	\$ 40.61	\$ 38.98	\$ 36.38

American Business Bank*Figures in \$000, except share and per share amounts***INCOME STATEMENTS (unaudited)**

	For the three months ended:		
	June 2025	March 2025	June 2024
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 39,619	\$ 37,485	\$ 34,358
Interest on Investment Securities	6,803	6,973	7,431
Interest on Interest Earning Deposits in Other Financial Institutions	1,241	1,170	839
Total Interest Income	47,663	45,628	42,628
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	878	870	1,077
Interest on Money Market and Savings Deposits	7,918	7,626	7,900
Interest on Certificates of Deposits	2,088	2,368	2,408
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	1	2,203
Total Interest Expense	10,884	10,865	13,588
Net Interest Income	36,779	34,763	29,040
Provision for Credit Losses	363	862	12
Net Interest Income after Provision for Credit Losses	36,416	33,901	29,028
<u>Non-Interest Income:</u>			
Deposit Fees	1,219	1,162	1,077
International Fees	382	370	418
Gain (Loss) on Sale of Investment Securities, Net	(1,083)	(443)	(397)
Gain on Sale of SBA Loans, Net	185	59	12
Bank/Corporate Owned Life Insurance Income (Expense)	303	79	212
Other	434	340	367
Total Non-Interest Income	1,440	1,567	1,689
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	13,625	12,877	12,052
Occupancy and Equipment	1,355	1,300	1,195
Professional Services	2,346	2,441	2,079
Promotion Expenses	743	721	680
Other	1,688	1,720	1,509
Total Non-Interest Expense	19,757	19,059	17,515
Earnings before income taxes	18,099	16,409	13,202
Income Tax Expense	4,943	4,522	3,703
<u>NET INCOME</u>	\$ 13,156	\$ 11,887	\$ 9,499
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.43	\$ 1.28	\$ 1.03
Earnings Per Share - Diluted	\$ 1.42	\$ 1.27	\$ 1.02
Weighted Average Shares - Basic	9,178,069	9,283,258	9,259,753
Weighted Average Shares - Diluted	9,242,984	9,368,605	9,298,130

American Business Bank*Figures in \$000, except share and per share amounts***INCOME STATEMENTS (unaudited)**

	For the six months ended:	
	June 2025	June 2024
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 77,103	\$ 68,022
Interest on Investment Securities	13,776	15,088
Interest on Interest Earning Deposits in Other Financial Institutions	2,411	1,089
Total Interest Income	93,290	84,199
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	1,748	2,079
Interest on Money Market and Savings Deposits	15,544	15,165
Interest on Certificates of Deposits	4,456	4,696
Interest on Federal Home Loan Bank Advances and Other Borrowings	1	3,801
Total Interest Expense	21,749	25,741
Net Interest Income	71,541	58,458
Provision for Credit Losses	1,225	224
Net Interest Income after Provision for Credit Losses	70,316	58,234
<u>Non-Interest Income:</u>		
Deposit Fees	2,381	2,064
International Fees	752	824
Gain (Loss) on Sale of Investment Securities, Net	(1,525)	(506)
Gain on Sale of SBA Loans, Net	244	69
Bank/Corporate Owned Life Insurance Income (Expense)	382	499
Other	774	854
Total Non-Interest Income	3,008	3,804
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	26,502	23,701
Occupancy and Equipment	2,655	2,404
Professional Services	4,787	4,042
Promotion Expenses	1,463	1,208
Other	3,408	2,932
Total Non-Interest Expense	38,815	34,287
Earnings before income taxes	34,509	27,751
Income Tax Expense	9,466	7,755
<u>NET INCOME</u>	\$ 25,043	\$ 19,996
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 2.71	\$ 2.16
Earnings Per Share - Diluted	\$ 2.69	\$ 2.15
Weighted Average Shares - Basic	9,230,664	9,248,535
Weighted Average Shares - Diluted	9,305,795	9,295,974

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2025			March 2025		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 111,541	\$ 1,241	4.46%	\$ 106,348	\$ 1,170	4.46%
Investment Securities:						
US Agencies	64,610	804	4.98%	69,886	887	5.08%
Mortgage Backed Securities	618,072	2,962	1.92%	631,209	3,024	1.92%
State and Municipals	457,717	2,528	2.21%	461,153	2,539	2.20%
Corporate Bonds	16,003	180	4.49%	16,250	184	4.52%
Securities Available-for-Sale and Held-to-Maturity	1,156,402	6,474	2.24%	1,178,498	6,634	2.25%
Federal Home Loan Bank Stock	15,000	329	8.76%	15,000	339	9.03%
Total Investment Securities	1,171,402	6,803	2.32%	1,193,498	6,973	2.34%
Loans Receivable:						
Commercial Real Estate	2,111,852	27,741	5.27%	2,058,669	26,206	5.16%
Commercial and Industrial	514,569	8,623	6.72%	493,283	8,107	6.67%
Residential Real Estate	205,573	3,202	6.25%	201,129	3,099	6.25%
Installment and Other	9,546	53	2.23%	8,643	73	3.40%
Total Loans Receivable	2,841,540	39,619	5.59%	2,761,724	37,485	5.50%
Total Interest Earning Assets	\$ 4,124,483	\$ 47,663	4.57%	\$ 4,061,570	\$ 45,628	4.49%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,695,399	-	0.00%	1,660,586	-	0.00%
Interest Bearing Transaction Accounts	419,489	878	0.84%	404,820	870	0.87%
Money Market and Savings Deposits	1,369,208	7,918	2.32%	1,342,054	7,626	2.30%
Certificates of Deposit	269,409	2,088	3.11%	295,606	2,368	3.25%
Total Deposits	3,753,505	10,884	1.16%	3,703,066	10,864	1.19%
Federal Home Loan Bank Advances / Other Borrowings	1	-	4.59%	133	1	4.50%
Total Interest Bearing Deposits and Borrowings	2,058,107	10,884	2.12%	2,042,613	10,865	2.16%
Total Deposits and Borrowings	\$ 3,753,506	\$ 10,884	1.16%	\$ 3,703,199	\$ 10,865	1.19%
Net Interest Income	\$ 36,779			\$ 34,763		
Net Interest Rate Spread			3.41%			3.30%
Net Interest Margin			3.58%			3.47%

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2025			June 2024		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 111,541	\$ 1,241	4.46%	\$ 61,618	\$ 839	5.48%
Investment Securities:						
US Agencies	64,610	804	4.98%	83,020	1,170	5.64%
Mortgage Backed Securities	618,072	2,962	1.92%	662,880	3,129	1.89%
State and Municipals	457,717	2,528	2.21%	477,603	2,617	2.19%
Corporate Bonds	16,003	180	4.49%	16,250	188	4.64%
Securities Available-for-Sale and Held-to-Maturity	1,156,402	6,474	2.24%	1,239,753	7,104	2.29%
Federal Home Loan Bank Stock	15,000	329	8.76%	15,000	327	8.72%
Total Investment Securities	1,171,402	6,803	2.32%	1,254,753	7,431	2.37%
Loans Receivable:						
Commercial Real Estate	2,111,852	27,741	5.27%	1,888,292	23,086	4.92%
Commercial and Industrial	514,569	8,623	6.72%	478,868	8,088	6.79%
Residential Real Estate	205,573	3,202	6.25%	196,740	3,115	6.37%
Installment and Other	9,546	53	2.23%	8,628	69	3.23%
Total Loans Receivable	2,841,540	39,619	5.59%	2,572,528	34,358	5.37%
Total Interest Earning Assets	\$ 4,124,483	\$ 47,663	4.57%	\$ 3,888,899	\$ 42,628	4.34%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,695,399	-	0.00%	1,607,544	-	0.00%
Interest Bearing Transaction Accounts	419,489	878	0.84%	384,339	1,077	1.13%
Money Market and Savings Deposits	1,369,208	7,918	2.32%	1,145,701	7,900	2.77%
Certificates of Deposit	269,409	2,088	3.11%	261,401	2,408	3.70%
Total Deposits	3,753,505	10,884	1.16%	3,398,985	11,385	1.35%
Federal Home Loan Bank Advances / Other Borrowings	1	-	4.59%	162,533	2,203	5.45%
Total Interest Bearing Deposits and Borrowings	2,058,107	10,884	2.12%	1,953,974	13,588	2.80%
Total Deposits and Borrowings	\$ 3,753,506	\$ 10,884	1.16%	\$ 3,561,518	\$ 13,588	1.53%
Net Interest Income	\$ 36,779			\$ 29,040		
Net Interest Rate Spread			3.41%			2.81%
Net Interest Margin			3.58%			3.00%

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the six months ended:					
	June 2025			June 2024		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 108,959	\$ 2,411	4.46%	\$ 40,435	\$ 1,089	5.42%
Investment Securities:						
US Agencies	67,234	1,692	5.03%	86,022	2,455	5.71%
Mortgage Backed Securities	624,604	5,987	1.92%	668,457	6,327	1.89%
State and Municipals	459,426	5,067	2.21%	481,320	5,272	2.19%
Corporate Bonds	16,126	363	4.50%	16,250	377	4.64%
Securities Available-for-Sale and Held-to-Maturity	1,167,390	13,109	2.25%	1,252,049	14,431	2.31%
Federal Home Loan Bank Stock	15,000	667	8.89%	15,000	657	8.75%
Total Investment Securities	1,182,390	13,776	2.33%	1,267,049	15,088	2.38%
Loans Receivable:						
Commercial Real Estate	2,085,407	53,947	5.22%	1,883,338	45,903	4.90%
Commercial and Industrial	503,985	16,729	6.69%	475,008	15,828	6.70%
Residential Real Estate	203,363	6,301	6.25%	196,458	6,159	6.30%
Installment and Other	9,097	126	2.78%	8,932	132	2.98%
Total Loans Receivable	2,801,852	77,103	5.55%	2,563,736	68,022	5.34%
Total Interest Earning Assets	\$ 4,093,201	\$ 93,290	4.53%	\$ 3,871,220	\$ 84,199	4.30%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,678,089	-	0.00%	1,627,736	-	0.00%
Interest Bearing Transaction Accounts	412,195	1,748	0.86%	383,213	2,079	1.09%
Money Market and Savings Deposits	1,355,706	15,544	2.31%	1,135,401	15,165	2.69%
Certificates of Deposit	282,435	4,456	3.18%	258,445	4,696	3.65%
Total Deposits	3,728,425	21,748	1.18%	3,404,795	21,940	1.30%
Federal Home Loan Bank Advances / Other Borrowings	67	1	4.50%	142,778	3,801	5.35%
Total Interest Bearing Deposits and Borrowings	2,050,403	21,749	2.14%	1,919,837	25,741	2.70%
Total Deposits and Borrowings	\$ 3,728,492	\$ 21,749	1.18%	\$ 3,547,573	\$ 25,741	1.46%
Net Interest Income	\$ 71,541			\$ 58,458		
Net Interest Rate Spread	3.35%			2.84%		
Net Interest Margin	3.52%			3.04%		

American Business Bank

Figures in \$000

SUPPLEMENTAL DATA (unaudited)

	June 2025	March 2025	December 2024	June 2024
<u>Performance Ratios:</u>				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	1.26%	1.16%	1.21%	0.97%
Return on Average Equity (ROAE)	14.34%	13.18%	14.03%	11.93%
Efficiency Ratio	50.01%	51.50%	48.07%	54.86%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	1.21%	1.16%	1.08%	1.02%
Return on Average Equity (ROAE)	13.76%	13.18%	13.02%	12.67%
Efficiency Ratio	50.73%	51.50%	52.46%	54.63%
<u>Capital Adequacy:</u>				
Total Risk Based Capital Ratio	12.80%	12.84%	13.02%	12.84%
Common Equity Tier 1 Capital Ratio	11.92%	11.96%	12.14%	11.94%
Tier 1 Risk Based Capital Ratio	11.92%	11.96%	12.14%	11.94%
Tier 1 Leverage Ratio	10.45%	10.44%	10.21%	10.14%
Tangible Common Equity / Tangible Assets	8.67%	8.82%	8.78%	8.42%
<u>Asset Quality Overview</u>				
Non-Performing Loans	\$ 11,553	\$ 11,750	\$ 8,830	\$ 6,641
Loans 90+ Days Past Due and Still Accruing	-	48	-	-
Total Non-Performing Loans	11,553	11,799	8,830	6,641
Loans Modified with Financial Difficulty	\$ 6,434	\$ 8,534	\$ 5,573	\$ 4,696
Other Real Estate Owned	-	-	-	-
ACL / Loans Receivable	1.10%	1.11%	1.11%	1.11%
Non-Performing Loans / Total Loans Receivable	0.40%	0.42%	0.32%	0.36%
Non-Performing Assets / Total Assets	0.27%	0.28%	0.22%	0.24%
Net Charge-Offs (Recoveries) quarterly	\$ -	\$ -	\$ 7	\$ (58)
Net Charge-Offs (Recoveries) year-to-date	\$ -	\$ -	\$ (148)	\$ (159)
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	0.00%	0.00%	(0.01%)	(0.01%)