

ABB 2021

Above and Beyond for Business

• Q2 REPORT

BALANCE SHEETS

Unaudited - 000s omitted

	2021	2020
June 30,		
ASSETS		
Cash & cash equivalents	\$ 343,838	\$ 300,842
Investment securities	1,281,002	812,995
Loans receivable	2,053,991	2,131,258
Allowance for loan losses	(23,341)	(22,399)
Loans receivable, net	2,030,650	2,108,859
Furniture, equipment & leasehold improvements, net	7,074	8,520
Bank/Corp owned life insurance	28,325	26,651
Other assets	41,440	37,396
TOTAL ASSETS	\$3,732,329	\$ 3,295,263
LIABILITIES		
Deposits:		
Non-interest bearing demand deposits	\$ 1,830,832	\$ 1,684,662
Interest bearing transaction accounts	257,726	204,133
Money market & savings deposits	1,311,603	1,100,191
Certificates of deposits	34,543	35,713
Total Deposits	3,434,704	3,024,699
FHLB Advances/Other borrowings	-	-
Other liabilities	35,031	43,206
TOTAL LIABILITIES	\$ 3,469,735	\$ 3,067,905
SHAREHOLDERS' EQUITY		
Common stock & retained earnings	\$ 261,241	\$ 223,391
Accumulated other comprehensive income/(loss)	(1,353)	(3,967)
TOTAL SHAREHOLDERS' EQUITY	\$ 262,594	\$ 227,358
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$3,732,329	\$ 3,295,263
Standby Letters of Credit	\$ 33,184	\$ 37,259

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

	2021	2020
Six months ended June 30,		
INTEREST INCOME		
Loans	\$ 43,635	\$ 36,464
Investments	8,748	6,997
Interest earning deposits in other financial institutions	165	147
TOTAL INTEREST INCOME	52,548	43,608
INTEREST EXPENSE		
Interest bearing transaction accounts	81	141
Money market & savings deposits	840	1,505
Certificates of deposits	26	69
FHLB Advances/Other borrowings	-	131
TOTAL INTEREST EXPENSE	947	1,846
NET INTEREST INCOME	51,601	41,762
Provision for loan losses	-	2,114
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	51,601	39,648
TOTAL NONINTEREST INCOME	2,996	2,208
TOTAL NONINTEREST EXPENSE	30,398	25,972
EARNINGS BEFORE INCOME TAXES	24,199	15,884
Income tax expense	6,224	4,310
NET INCOME	\$ 17,975	\$ 11,574
Earnings per share* - basic	\$ 2.01	\$ 1.31
Earnings per share* - diluted	\$ 1.98	\$ 1.30
Weighted average shares - basic	8,941,869	8,845,307
Weighted average shares - diluted	9,064,349	8,920,840

* Share and per share amounts have the 10% stock dividend retroactively applied.

SHAREHOLDERS & CLIENTS,

ABB achieved several key milestones in the 2nd quarter of 2021, resulting in stellar, well-rounded financial results for your Bank.



In the second quarter of 2021, excluding PPP loans, ABB realized exceptional loan growth of \$118 million or 8% over the first quarter of 2021, and \$212 million or 14.5% over the second quarter of 2020. This tremendous growth represents a 30% annualized rate, primarily from new relationships. Despite ongoing COVID disruption, business momentum remains strong. Our teams continue to deliver exceptionally high levels of service which resonate with entrepreneurial owners coming out of the pandemic. Our unparalleled commitment to our customers sets us apart with every single interaction.

Additionally our strong participation in the PPP program has placed the Bank in the upper echelon of the entire U.S. as measured by PPP loans as a percentage of total loans. Approximately 79% of PPP loan balances originated in 2020 have been forgiven, and the income from the program has enabled ABB to step up our community support by realizing our plan to fund a small business grant program to benefit minority and women-owned businesses.

Finally, ABB's net interest income continues to increase nicely over time showing \$51.6 million for the six months ended 6/30/21 as compared to \$41.8 million for the same period a year ago. Much of this 24% increase is in interest from PPP processing fees and increase in loan and investment portfolio income. Our second quarter earnings of \$9.1 million represent a 35% increase over prior year quarter. The fruits of our labor drove a 10% stock dividend which was awarded in the month of July.

We remain true to our original value proposition and strong ABB culture which helps guide the Bank and the decisions we make daily. This vision to be the best and most complete business bank in Southern California can only be accomplished with the help of our outstanding clients, shareholders, and staff. Thank you all for your involvement and for your loyalty to the Bank.

At your service,

- Leon Blankstein

President, Chief Executive Officer, Director

American Business Bank has seven offices in strategic locations including: Los Angeles, Irvine, Anaheim, Torrance, Woodland Hills, Corona and Ontario.



www.americanbb.bank