



AMERICAN BUSINESS BANK REPORTS RECORD QUARTERLY CORE LOAN GROWTH

Record Full Year 2021 Net Income of \$39 million

Full Year 2021 Highlights

- **Total loans, excluding PPP loans, increased** \$424 million or 28% over prior year
- **Total deposits increased** \$425 million or 13% from a year ago
- **Non-interest bearing demand deposits** were 54% of total deposits
- **Cost of average deposits of 0.05%**, a decline of 0.05% over prior year
- **Nonperforming assets to total assets of 0.01%**, excluding PPP loans
- **No delinquencies** in 30-89 day loan category
- **Net interest income increased** by \$17 million or 18% over the prior year
- **Tangible book value per share increased** by \$3.17 to \$31.54 from a year ago
- **Continued status as well-capitalized**, the highest regulatory category

Fourth Quarter 2021 Highlights

- **Total loans, excluding PPP loans, increased** \$163 million or 9% over prior quarter
- **Total PPP loans outstanding of \$147 million** with \$3.8 million of net deferred processing fees
- **Net interest income includes accelerated PPP fees** of \$1.1 million on loan forgiveness
- **Net interest income increased 20%**, excluding accelerated PPP fees, over prior year quarter
- **Net income increased \$338 thousand or 4%** over prior year quarter

Los Angeles, California, January 28, 2022. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$9.7 million or \$1.06 per fully diluted share for the fourth quarter of 2021 compared to \$11.5 million or \$1.29 per fully diluted share for the third quarter of 2021, a decrease of 16%. For the quarter ended December 31, 2021, net income associated with the PPP program was \$1.3 million or \$0.14 per fully diluted share, a decrease of 62% compared to \$3.3 million or \$0.37 per fully diluted share for the third quarter of 2021. For the year ending December 31, 2021, net income was \$39.2 million or \$4.33 per fully diluted share, compared to \$28.8 million or \$3.22 per fully diluted share for the year ended December 31, 2020. For the year ended December 31, 2021, net income associated with the PPP program was \$12.4 million or \$1.37 per fully diluted share compared to \$8.7 million or \$0.97 per fully diluted share for the year ended December 31, 2020.

“Our record earnings for the year and record core loan growth (non-PPP) for the quarter finishes an exceptional period in the history of ABB. Despite a challenging environment, our employees thrived, delivered a high level of service to customers and generated outstanding results for shareholders. We continue to execute on serving small to middle-market business customers with loan growth in the quarter concentrated in C&I and owner occupied commercial real estate. Core loan growth, annualized at 37% in the fourth quarter, will transition the Bank from a heavy reliance on PPP income and meaningfully increase core net interest income in 2022. We are confident in our ability to grow loans and begin 2022 with a robust

loan pipeline. This will help us continue to deploy liquidity into higher yielding earning assets with the backdrop of historical outstanding credit quality. Our new client solicitations are well received, continuing our tradition of being a trusted advisor.” commented Leon Blankstein, ABB’s President, CEO, and Director.

For the quarter ending December 31, 2021, net interest income was \$27.6 million, a 1% decrease over the third quarter of 2021 as interest income including fees on PPP loans decreased by \$3 million. This decrease was offset by a \$1.4 million increase in interest income on securities as the average balance of the investment portfolio increased by \$198 million. Additionally, interest income on loans increased by \$1.1 million to help offset the decline in PPP income. The Bank’s strong “core”, excluding PPP, loan growth increased the average balance of the loan portfolio by \$126 million compared to the third quarter of 2021. For the quarters ending December 31, 2021 and September 30, 2021, the cost of deposits was 0.05%.

For the quarter ending December 31, 2021, the provision for loan losses was \$1.5 million commensurate with the record core loan growth in the quarter. The allowance for loan losses as a percentage of loans, excluding PPP loans, was 1.30% at December 31, 2021.

For the full year 2021, the increase in net income over 2020 was primarily due to an \$8.4 million increase in acceleration of net deferred PPP processing fees on forgiven PPP loans and a \$6.2 million increase in interest on investment securities. This additional income was offset by a \$2 million nonrecurring legal settlement and a \$2.5 million increase in salary and bonus expenses.

Net Interest Margin

Net interest margin for the fourth quarter of 2021 was 2.82% compared to 2.94% in the third quarter of 2021 and 3.00% in the fourth quarter of 2020. Excluding the impact of PPP loans, the net interest margin was 2.75% for the fourth quarter of 2021 compared to 2.64% for the third quarter of 2021. Without the acceleration of fees on forgiveness, the yield on PPP loans was 1.66% for the fourth quarter of 2021. As of December 31, 2021, 37% of the loan portfolio had variable rates, with approximately half of the Bank’s variable-rate loans indexed to prime and 79% of these loans are at or above interest rate floors by 52 bps.

Net Interest Income

For the quarter ending December 31, 2021, net interest income decreased by \$256,000, or 1%, compared to the third quarter of 2021 and increased by \$2.3 million, or 9%, compared to the quarter ending December 31, 2020. Despite growth in core loans and investment securities, the accelerated realization of net deferred PPP processing fees was less in the fourth quarter compared to the third quarter of 2021 and is the primary reason for the current quarter decline.

For the year ended December 31, 2021, net interest income was \$107.1 million compared to \$90.4 million for the year ended December 31, 2020 primarily due to a \$6.2 million increase in interest income on the investment portfolio which increased by an average balance of \$427 million in 2021 compared to 2020. In addition, participation in PPP generated pre-tax income of \$17.6 million in 2021 compared to \$12.3 million in 2020.

	As of or For the Year Ended:		As of or For the Three Months Ended:	
	December 2021	December 2020	December 2021	September 2021
(Figures in \$000s, except per share amounts)				
PPP loans - first round, net	\$ 10,361	\$ 551,190	\$ 10,361	\$ 18,741
PPP loans - second round, net	133,224	-	133,224	169,564
PPP Total Loans, net	\$ 143,585	\$ 551,190	\$ 143,585	\$ 188,305
1% Coupon Interest	\$ 4,086	\$ 4,744	\$ 418	\$ 738
Amortized fees	1,924	4,332	254	382
Accelerated fees	11,589	3,198	1,118	3,580
Total PPP loan income	\$ 17,599	\$ 12,273	\$ 1,789	\$ 4,700
Total PPP loan income after tax	\$ 12,413	\$ 8,676	\$ 1,262	\$ 3,315
Total PPP loan income after tax per share - diluted	\$ 1.37	\$ 0.97	\$ 0.14	\$ 0.37

As of January 20, 2022, approximately 98% of PPP loans originated in 2020 and 53% of PPP loans originated in 2021 have been forgiven. Of the remaining PPP loans originated in 2020 and 2021, approximately 2% are in the forgiveness review or submission process.

Non-Interest Income

The increases in non-interest income for the quarter and year-to-date periods are primarily due to deposit fees as a result of new commercial business customers and lower earnings credit. For the year ending December 31, 2021, Bank/Corporate owned life insurance (BOLI) income decreased by \$177,000 as a result of the decline in the value of the policies that are invested in mutual funds compared to the year ending December 31, 2020.

Non-Interest Expense

For the quarter ending December 31, 2021, total non-interest expense increased \$1.7 million compared to the prior quarter primarily due to higher bonus expense tied to loan production. Total non-interest expense increased by \$469,000 in the fourth quarter of 2021 compared to the fourth quarter of 2020 primarily due to donations fulfilling the Bank's PPP Grant Program benefiting minority and women-owned businesses in the fourth quarter of 2021. The efficiency ratio decreased to 51.8% compared to 52.0% for the third quarter compared to 56.4% for the fourth quarter of 2021.

There were 203 full time equivalent employees at December 31, 2021 compared to 194 a year ago and 202 at September 30, 2021. The Bank has 37 relationship managers in eight offices representing an increase of four from a year ago and remained the same from the prior quarter. Other increases in FTE are primarily to support the growing loan portfolio.

For the year ending December 31, 2021, non-interest expense increased \$4.6 million or 9% compared to the same period a year ago primarily due to the \$2 million legal settlement and higher bonus expense tied to loan production and higher net income.

Balance Sheet

From September 30, 2021 to December 31, 2021, total core loans, excluding PPP loans, increased \$164 million, or 9%. During the fourth quarter of 2021, CRE loans, primarily owner-occupied, increased by \$110.6 million, and C&I loans increased by \$54 million, benefiting from higher line utilization. At December 31, 2021, the utilization rate for the Bank's commercial lines of credit was 30% compared to 29% at September 30, 2021. Investment securities increased by \$36 million from the third quarter of 2021 to \$1.5 billion. As of December 31, 2021, the duration of the securities portfolio increased to 4.5 years from 4.4 years as of September 30, 2021.

During 2021, total assets increased \$458 million, or 13%, and total deposits grew by \$426 million, (with a majority of the increase attributable to the proceeds of PPP loans), and new deposit relationships of approximately \$133 million. Total loans, excluding PPP loans, grew \$424 million or 28%.

At December 31, 2021, the tangible common equity ratio was 7.1%.

Asset Quality

The following table presents asset quality overview as of the dates indicated:

	December 31, 2021	September 30, 2021
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 338	\$ 349
Loans 90+ Days Past Due and Still Accruing	-	-
Total NPA	\$ 338	\$ 349
NPA as a % of total assets, excluding PPP	0.01%	0.01%
Past Due as a % of total Loans, excluding PPP	0.00%	0.06%
Criticized as a % of total Loans, excluding PPP	3.50%	3.64%
Classified as a % of total Loans, excluding PPP	0.12%	0.14%

As of December 31, 2021, the Bank had total specific reserve of \$3,000 related to one \$338,000 impaired SBA loan relationship.

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

	Three Months Ended	
	December 31, 2021	September 30, 2021
(Figures in \$000s)		
Beginning Balance	\$ 23,550	\$ 23,341
Charge-offs	-	(278)
Recoveries	27	19
Net (charge-offs) / recoveries	\$ 27	\$ (259)
Provision	1,485	468
Ending Balance	\$ 25,062	\$ 23,550
Allowance as a % of total assets, excluding PPP	1.30%	1.33%

All PPP loans are 100% guaranteed by the SBA and as such, no allowance for loan losses is allocated to these loans. The Bank is required to adopt CECL, or Current Expected Credit Loss, on January 1, 2023. During 2021, the Bank recorded loan charge-offs of \$278 thousand with the largest related to a TDR and received \$457 thousand of recoveries for the year. There are no loans on a loan payment deferment program.

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 seven 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 and LA Coastal in Long Beach.

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)

	December 2021	September 2021	December 2020
Assets:			
Cash and Due from Banks	\$ 33,246	\$ 77,145	\$ 44,334
Interest Earning Deposits in Other Financial Institutions	195,624	301,265	201,719
<u>Investment Securities:</u>			
US Agencies	185,170	198,886	228,102
Mortgage Backed Securities	808,496	771,601	419,393
State and Municipals	231,917	233,630	279,045
US Treasuries	-	-	-
Corporate Bonds	12,903	12,966	12,725
Securities Available-for-Sale, at Fair Value	1,238,486	1,217,083	939,265
State and Municipals Securities Held-to-Maturity, at Amortized Cost	298,651	284,166	143,229
Federal Home Loan Bank Stock, at Cost	11,779	11,779	10,864
Total Investment Securities	1,548,916	1,513,028	1,093,358
<u>Loans Receivable:</u>			
Commercial Real Estate	1,371,475	1,260,887	1,095,811
Commercial and Industrial	444,009	389,683	333,021
SBA Payroll Protection Program	143,584	188,305	551,190
Residential Real Estate	112,817	115,349	76,483
Installment and Other	5,897	4,738	4,405
Total Loans Receivable	2,077,782	1,958,962	2,060,910
Allowance for Loan Losses	(25,062)	(23,550)	(22,931)
Loans Receivable, Net	2,052,720	1,935,412	2,037,979
Furniture, Equipment and Leasehold Improvements, Net	6,580	6,750	7,857
Bank/Corporate Owned Life Insurance	28,851	28,543	27,738
Other Assets	46,339	40,709	41,277
Total Assets	\$ 3,912,276	\$ 3,902,852	\$ 3,454,262
Liabilities:			
Non-Interest Bearing Demand Deposits	\$ 1,934,444	\$ 1,919,131	\$ 1,686,091
Interest Bearing Transaction Accounts	287,224	261,887	258,950
Money Market and Savings Deposits	1,337,035	1,371,834	1,191,591
Certificates of Deposit	39,445	38,040	35,778
Total Deposits	3,598,148	3,590,892	3,172,410
Federal Home Loan Bank Advances / Other Borrowings	-	-	-
Other Liabilities	35,574	38,436	34,014
Total Liabilities	\$ 3,633,722	\$ 3,629,328	\$ 3,206,424
Shareholders' Equity:			
Common Stock	\$ 202,199	\$ 201,625	\$ 166,263
Retained Earnings	81,521	71,858	75,557
Accumulated Other Comprehensive Income / (Loss)	(5,166)	41	6,018
Total Shareholders' Equity	\$ 278,554	\$ 273,524	\$ 247,838
Total Liabilities and Shareholders' Equity	\$ 3,912,276	\$ 3,902,852	\$ 3,454,262
Standby Letters of Credit	\$ 35,891	\$ 33,935	\$ 33,469
Per Share Information:			
Common Shares Outstanding	8,832,797	8,817,433	8,736,605
Book Value Per Share	\$ 31.54	\$ 31.02	\$ 28.37
Tangible Book Value Per Share	\$ 31.54	\$ 31.02	\$ 28.37

* All per share amounts and number of shares outstanding have been retroactively applied for the 10% stock dividend paid in July 2021

American Business Bank

Figures in \$000, except share and per share amounts

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	December 2021	September 2021	December 2020
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 20,729	\$ 22,437	\$ 21,339
Interest on Investment Securities	7,158	5,711	4,358
Interest on Interest Earning Deposits in Other Financial Institutions	135	162	77
Total Interest Income	28,022	28,310	25,774
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	33	38	45
Interest on Money Market and Savings Deposits	377	403	414
Interest on Certificates of Deposits	10	11	16
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	-	-
Total Interest Expense	420	452	475
Net Interest Income	27,602	27,858	25,299
Provision for Loan Losses	1,485	468	-
Net Interest Income after Provision for Loan Losses	26,117	27,390	25,299
<u>Non-Interest Income:</u>			
Deposit Fees	912	895	719
International Fees	357	330	275
Gain (Loss) on Sale of Investment Securities, Net	(18)	-	-
Gain on Sale of SBA Loans, Net	-	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	308	218	725
Other	280	248	143
Total Non-Interest Income	1,839	1,691	1,862
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	10,459	9,515	10,215
Occupancy and Equipment	1,157	1,135	959
Professional Services	1,462	1,318	2,018
Promotion Expenses	800	415	390
Other	1,176	983	1,003
Total Non-Interest Expense	15,054	13,366	14,585
Earnings before income taxes	12,902	15,715	12,576
Income Tax Expense	3,240	4,190	3,252
<u>NET INCOME</u>	\$ 9,662	\$ 11,525	\$ 9,324
<i>Add back:</i>			
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ 13	\$ -	\$ -
<u>Core Net Income</u>	\$ 9,675	\$ 11,525	\$ 9,324
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.07	\$ 1.31	\$ 1.05
Earnings Per Share - Diluted	\$ 1.06	\$ 1.29	\$ 1.04
Core Earnings Per Share - Diluted	\$ 1.06	\$ 1.29	\$ 1.04
Weighted Average Shares - Basic	9,002,011	8,790,001	8,900,504
Weighted Average Shares - Diluted	9,143,933	8,920,789	8,968,277

* All per share amounts and number of shares outstanding have been retroactively applied for the 10% stock dividend paid in July 2021

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

	For the twelve months ended:	
	December 2021	December 2020
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 86,800	\$ 77,596
Interest on Investment Securities	21,617	15,403
Interest on Interest Earning Deposits in Other Financial Institutions	462	295
Total Interest Income	108,879	93,294
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	152	227
Interest on Money Market and Savings Deposits	1,621	2,418
Interest on Certificates of Deposits	47	106
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	131
Total Interest Expense	1,820	2,882
Net Interest Income	107,059	90,412
Provision for Loan Losses	1,953	2,564
Net Interest Income after Provision for Loan Losses	105,106	87,848
<u>Non-Interest Income:</u>		
Deposit Fees	3,314	2,651
International Fees	1,210	1,038
Gain (Loss) on Sale of Investment Securities, Net	(33)	(168)
Gain on Sale of SBA Loans, Net	-	19
Bank/Corporate Owned Life Insurance Income (Expense)	1,113	1,290
Other	921	675
Total Non-Interest Income	6,525	5,505
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	39,867	37,312
Occupancy and Equipment	4,589	3,798
Professional Services	6,043	6,790
Promotion Expenses	1,734	1,220
Other	6,581	5,073
Total Non-Interest Expense	58,814	54,193
Earnings before income taxes	52,817	39,160
Income Tax Expense	13,654	10,387
<u>NET INCOME</u>	\$ 39,163	\$ 28,773
<i>Add back:</i>		
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ 24	\$ 124
<u>Core Net Income</u>	\$ 39,187	\$ 28,897
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 4.39	\$ 3.24
Earnings Per Share - Diluted	\$ 4.33	\$ 3.22
Core Earnings Per Share - Diluted	\$ 4.33	\$ 3.24
Weighted Average Shares - Basic	8,918,938	8,867,194
Weighted Average Shares - Diluted	9,048,355	8,932,598

* All per share amounts and number of shares outstanding have been retroactively applied for the 10% stock dividend paid in July 2021

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	December 2021			September 2021		
	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	\$ 326,356	\$ 135	0.16%	\$ 404,686	\$ 162	0.16%
Investment Securities:						
US Agencies	191,544	278	0.58%	205,251	341	0.66%
Mortgage Backed Securities	818,689	3,728	1.82%	646,607	2,514	1.56%
State and Municipals	520,354	2,863	2.20%	481,594	2,561	2.13%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	12,750	109	3.42%	11,395	118	4.15%
Securities Available-for-Sale and Held-to-Maturity	1,543,337	6,978	1.81%	1,344,847	5,534	1.65%
Federal Home Loan Bank Stock	11,779	180	6.10%	11,779	177	6.01%
Total Investment Securities	1,555,116	7,158	1.84%	1,356,626	5,711	1.68%
Loans Receivable:						
Commercial Real Estate	1,318,877	13,610	4.09%	1,219,958	12,664	4.12%
Commercial and Industrial	401,559	4,211	4.16%	379,774	3,979	4.16%
SBA Payroll Protection Program	161,986	1,789	4.38%	287,736	4,700	6.48%
Residential Real Estate	113,660	1,059	3.70%	109,682	1,034	3.74%
Installment and Other	6,658	60	3.58%	5,063	60	4.67%
Total Loans Receivable	2,002,740	20,729	4.11%	2,002,213	22,437	4.45%
Total Interest Earning Assets	\$ 3,884,212	\$ 28,022	2.82%	\$ 3,763,525	\$ 28,310	2.94%
Liabilities:						
Non-Interest Bearing Demand Deposits	2,019,342	-	0.00%	1,956,996	-	0.00%
Interest Bearing Transaction Accounts	267,881	33	0.05%	261,017	38	0.06%
Money Market and Savings Deposits	1,363,415	377	0.11%	1,323,828	403	0.12%
Certificates of Deposit	39,414	10	0.10%	36,425	11	0.12%
Total Deposits	3,690,052	420	0.05%	3,578,266	452	0.05%
Federal Home Loan Bank Advances / Other Borrowings	-	-	0.00%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,670,710	420	0.10%	1,621,270	452	0.11%
Total Deposits and Borrowings	\$ 3,690,052	\$ 420	0.05%	\$ 3,578,266	\$ 452	0.05%
Net Interest Income	\$ 27,602			\$ 27,858		
Net Interest Rate Spread			2.77%			2.89%
Net Interest Margin			2.82%			2.94%
Net Interest Margin, excluding SBA PPP			2.75%			2.64%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	December 2021			December 2020		
	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	\$ 326,356	\$ 135	0.16%	\$ 224,487	\$ 77	0.14%
Investment Securities:						
US Agencies	191,544	278	0.58%	227,960	338	0.59%
Mortgage Backed Securities	818,689	3,728	1.82%	372,987	1,544	1.66%
State and Municipals	520,354	2,863	2.20%	381,965	2,201	2.31%
US Treasuries	-	-	0.00%	9,896	37	1.47%
Corporate Bonds	12,750	109	3.42%	13,106	101	3.08%
Securities Available-for-Sale and Held-to-Maturity	1,543,337	6,978	1.81%	1,005,914	4,221	1.68%
Federal Home Loan Bank Stock	11,779	180	6.10%	10,864	137	5.04%
Total Investment Securities	1,555,116	7,158	1.84%	1,016,778	4,358	1.71%
Loans Receivable:						
Commercial Real Estate	1,318,877	13,610	4.09%	1,070,812	11,482	4.27%
Commercial and Industrial	401,559	4,211	4.16%	337,596	3,624	4.27%
SBA Payroll Protection Program	161,986	1,789	4.38%	627,003	5,442	3.45%
Residential Real Estate	113,660	1,059	3.70%	73,470	737	3.99%
Installment and Other	6,658	60	3.58%	5,270	54	4.10%
Total Loans Receivable	2,002,740	20,729	4.11%	2,114,151	21,339	4.02%
Total Interest Earning Assets	\$ 3,884,212	\$ 28,022	2.82%	\$ 3,355,416	\$ 25,774	3.01%
Liabilities:						
Non-Interest Bearing Demand Deposits	2,019,342	-	0.00%	1,724,816	-	0.00%
Interest Bearing Transaction Accounts	267,881	33	0.05%	247,980	45	0.07%
Money Market and Savings Deposits	1,363,415	377	0.11%	1,181,043	414	0.14%
Certificates of Deposit	39,414	10	0.10%	36,223	16	0.18%
Total Deposits	3,690,052	420	0.05%	3,190,062	475	0.06%
Federal Home Loan Bank Advances / Other Borrowings	-	-	0.00%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,670,710	420	0.10%	1,465,246	475	0.13%
Total Deposits and Borrowings	\$ 3,690,052	\$ 420	0.05%	\$ 3,190,062	\$ 475	0.06%
Net Interest Income	\$ 27,602			\$ 25,299		
Net Interest Rate Spread	2.77%			2.95%		
Net Interest Margin	2.82%			3.00%		
Net Interest Margin, excluding SBA PPP	2.75%			2.90%		

YEAR-TO-DATE AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the twelve months ended:					
	December 2021			December 2020		
	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	\$ 319,720	\$ 462	0.14%	\$ 177,348	\$ 295	0.17%
<u>Investment Securities:</u>						
US Agencies	209,417	1,409	0.67%	250,717	1,715	0.68%
Mortgage Backed Securities	583,907	9,035	1.55%	314,532	6,262	1.99%
State and Municipals	463,422	10,086	2.18%	248,230	6,218	2.50%
US Treasuries	-	-	0.00%	9,987	147	1.47%
Corporate Bonds	11,133	392	3.52%	17,346	524	3.02%
Securities Available-for-Sale and Held-to-Maturity	1,267,879	20,922	1.65%	840,812	14,866	1.77%
Federal Home Loan Bank Stock	11,515	695	6.03%	10,710	537	5.02%
Total Investment Securities	1,279,394	21,617	1.69%	851,522	15,403	1.81%
<u>Loans Receivable:</u>						
Commercial Real Estate	1,202,622	49,679	4.13%	1,026,656	45,035	4.39%
Commercial and Industrial	363,284	15,572	4.29%	384,991	17,015	4.42%
SBA Payroll Protection Program	402,131	17,599	4.38%	463,562	12,273	2.65%
Residential Real Estate	98,753	3,741	3.79%	73,511	3,063	4.17%
Installment and Other	5,576	209	3.74%	5,192	210	4.05%
Total Loans Receivable	2,072,366	86,800	4.19%	1,953,912	77,596	3.97%
Total Interest Earning Assets	\$ 3,671,480	\$ 108,879	2.92%	\$ 2,982,782	\$ 93,294	3.08%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,895,685	-	0.00%	1,533,304	-	0.00%
Interest Bearing Transaction Accounts	262,980	152	0.06%	216,759	227	0.10%
Money Market and Savings Deposits	1,297,730	1,621	0.12%	1,037,688	2,418	0.23%
Certificates of Deposit	36,300	47	0.13%	36,279	106	0.29%
Total Deposits	3,492,695	1,820	0.05%	2,824,030	2,751	0.10%
Federal Home Loan Bank Advances / Other Borrowings	2	-	0.37%	7,885	131	1.66%
Total Interest Bearing Deposits and Borrowings	1,597,012	1,820	0.11%	1,298,611	2,882	0.22%
Total Deposits and Borrowings	\$ 3,492,697	\$ 1,820	0.05%	\$ 2,831,915	\$ 2,882	0.10%
Net Interest Income	\$ 107,059			\$ 90,412		
Net Interest Rate Spread			2.87%			2.98%
Net Interest Margin			2.92%			3.03%
Net Interest Margin, excluding SBA PPP			2.74%			3.10%

American Business Bank
Figures in \$000
SUPPLEMENTAL DATA (unaudited)
Performance Ratios:
Quarterly:

Return on Average Assets (ROAA)	0.97%	1.19%	1.08%
Core Return on Average Assets (ROAA)	0.97%	1.19%	1.08%

Return on Average Equity (ROAE)	14.17%	17.02%	15.57%
Core Return on Average Equity (ROAE)	14.19%	17.02%	15.57%

Efficiency Ratio	51.10%	45.23%	53.70%
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Year-to-Date

Return on Average Assets (ROAA)	1.03%	1.06%	0.93%
Core Return on Average Assets (ROAA)	1.03%	1.06%	0.93%

Return on Average Equity (ROAE)	14.95%	15.22%	12.70%
Core Return on Average Equity (ROAE)	14.95%	15.23%	12.76%

Efficiency Ratio	51.77%	52.00%	56.40%
Core Efficiency Ratio	51.77%	52.00%	56.40%

Capital Adequacy:

Total Risk Based Capital Ratio	13.21%	13.74%	14.65%
Common Equity Tier 1 Capital Ratio	12.09%	12.59%	13.40%
Tier 1 Risk Based Capital Ratio	12.09%	12.59%	13.40%
Tier 1 Leverage Ratio	7.09%	7.04%	6.98%
Tangible Common Equity / Tangible Assets	7.12%	7.01%	7.17%

Asset Quality Overview

Non-Performing Loans	\$ 338	\$ 349	\$ 2,405
Loans 90+ Days Past Due and Still Accruing	-	-	-
Total Non-Performing Loans	338	349	2,405
Restructured Loans	-	-	218
Other Real Estate Owned	-	-	-
ALLL / Loans Receivable	1.21%	1.20%	1.11%
Non-Performing Loans / Total Loans Receivable *	0.02%	0.02%	0.13%
Non-Performing Loans / Total Loans Receivable *, excluding PPP **	0.02%	0.02%	0.17%
Non-Performing Assets / Total Assets *	0.01%	0.01%	0.08%
Non-Performing Assets / Total Assets *, excluding PPP **	0.01%	0.01%	0.09%
Net Charge-Offs (Recoveries) quarterly	\$ (27)	\$ 260	\$ (21)
Net Charge-Offs (Recoveries) year-to-date	\$ (178)	\$ (151)	\$ 457
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.01%)	(0.01%)	0.02%

* Includes non-accrual loans, accruing loans past due 90+ days and Troubled Debt Restructurings (TDRs).

** SBA Paycheck Protection Program (PPP)