



AMERICAN BUSINESS BANK REPORTS SECOND QUARTER EARNINGS OF \$11.4 MILLION

Core loans increased by \$129 million or 25% annualized in the quarter

Second Quarter 2022 Highlights

- **Total core loans, excluding PPP loans, increased \$129 million or 6% over prior quarter**
- **Net interest income increased 23%**, excluding accelerated PPP fees, over prior year quarter
- **Net income increased \$2.4 million or 26%** over prior year quarter
- **Total PPP loans outstanding of \$23 million** with \$588 thousand of net deferred processing fees
- **Nonperforming assets to total assets of 0.03%**
- **Non-interest bearing demand deposits** were 53% of total deposits
- **Net interest income includes accelerated PPP fees** of \$1.5 million on loan forgiveness
- **Cost of average deposits of 0.04%**, a decline of 0.02% over prior year quarter
- **Continued status as well capitalized**, the highest regulatory standard

Los Angeles, California, July 28, 2022. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$11.4 million or \$1.24 per fully diluted share for the second quarter of 2022 compared to \$9.9 million or \$1.08 per fully diluted share for the first quarter of 2022, an increase of 15%. For the quarter ended June 30, 2022, net income associated with the PPP program was \$1.2 million or \$0.14 per fully diluted share, a decrease of 6% compared to \$1.3 million or \$0.14 per fully diluted share for the first quarter of 2022.

“The highlight for the quarter was again generating strong core loan growth (non-PPP) which continues a shift in our assets from investments to quality loans serving the needs of our community. As a result of the loan growth the last twelve months, loan interest income (non-PPP) has increased meaningfully in the second quarter of 2022 over 2021. Core loan growth from the second half of 2021 through the second quarter of 2022 has enabled the Bank to replace and surpass the significant income generated from PPP that was essential to bridge the pandemic rate shock. The strength of the Bank’s balance sheet coupled with our disciplined approach to business banking has enabled us to capitalize on opportunities. Although, core loan production has slowed somewhat from recent record highs, the pipeline remains robust with the addition of new relationship managers this year,” commented Leon Blankstein, ABB’s President, CEO, and Director.

For the quarter ending June 30, 2022, net interest income was \$29.9 million, a 6% increase over the first quarter of 2022, as interest income on loans increased by \$2.1 million as the average loan portfolio, (excluding PPP), grew by \$159 million. This increase was offset by a decline of \$0.4 million in interest income on securities mainly due to a non-recurring prepayment penalty. For the quarters ending June 30, 2022 and March 31, 2022, the cost of deposits remained at 0.04%. The provision for loan losses was \$1.0 million in the quarter commensurate with the growth in core loans. The allowance for loan losses as a percentage of loans, excluding PPP loans, was 1.24% at June 30, 2022.

For the six months ended June 30, 2022, net income was \$21.4 million or \$2.33 per fully diluted share compared to \$18.0 million or \$1.98 per fully diluted share for the six months ended June 30, 2021. The increase was primarily due to an increase in interest on investment securities of \$4.2 million as a result of an increase in average investment securities and an increase in interest on loans of \$2.1 million as a result of core loan growth. This additional income was partially offset by the \$2.5 million provision for loan losses recorded in the first half of 2022.

Net Interest Margin

Net interest margin for the second quarter of 2022 was 3.21% compared to 3.00% in the first quarter of 2022 and 3.00% in the second quarter of 2021. Excluding the impact of PPP loans, the net interest margin was 3.06% for the second quarter of 2022 compared to 2.89% for the first quarter of 2022 reflecting the higher percentage of core loans to assets. As of June 30, 2022, 63% of the loan portfolio was fixed rate, of the variable rate loans, approximately half are indexed to prime and 81% of these loans are at or above interest rate floors.

Net Interest Income

For the quarter ending June 30, 2022, net interest income increased by \$1.7 million, or 6%, compared to the first quarter of 2022 and increased by \$2.8 million, or 10% compared to the quarter ended June 30, 2021. The increase is a result of the Bank's strong core loan growth and rising interest rates offset by the decrease in the accelerated realization of net deferred PPP processing fees and decrease in interest income on securities. The increase is a result strong core loan growth and increase in investment securities offset by the decrease in the accelerated realization of net deferred PPP processing fees.

(Figures in \$000s, except per share amounts)	As of or For the Six Months Ended:		As of or For the Three Months Ended:		
	June 2022	June 2021	June 2022	March 2022	June 2021
PPP loans - first round, net	\$ 4,877	\$ 152,827	\$ 4,877	\$ 6,391	\$ 152,827
PPP loans - second round, net	18,054	233,561	18,054	79,997	233,561
PPP Total Loans, net	\$ 22,931	\$ 386,388	\$ 22,931	\$ 86,388	\$ 386,388
1% Coupon Interest	\$ 422	\$ 2,930	\$ 145	\$ 277	\$ 1,403
Amortized fees	254	1,288	82	171	620
Accelerated fees	2,962	6,891	1,535	1,427	4,046
Total PPP loan income	\$ 3,637	\$ 11,109	\$ 1,762	\$ 1,875	\$ 6,069
Total PPP loan income after tax	\$ 2,565	\$ 7,835	\$ 1,242	\$ 1,322	\$ 4,280
Total PPP loan income after tax per share - diluted	\$ 0.28	\$ 0.86	\$ 0.14	\$ 0.14	\$ 0.47

As of July 12, 2022, approximately 98% of PPP loans originated in 2020 and 95% of PPP loans originated in 2021 have been forgiven. Of the remaining PPP loans originated in 2020 and 2021, approximately 21% are in the forgiveness review or submission process.

On a year-to-date basis, net interest income was \$58.1 million for the six months ended June 30, 2022, compared to \$51.6 million for the same period a year ago. The increase of \$6.5 million or 13% is primarily due to an increase in interest on core loans of \$9.6 million due to strong core loan growth and an increase in interest on investment securities of \$4.2 million as a result of an increase in the average balance of investment securities. These increases were offset by the decrease in PPP loan income of \$7.5 million.

Non-Interest Income

The decreases in non-interest income from the prior quarter and the same quarter a year ago as well as year-to-date are primarily due to the decline in the value of Bank/Corporate owned life insurance (BOLI) policies that are invested in mutual funds.

Non-Interest Expense

For the quarter ending June 30, 2022, total non-interest expense decreased \$685 thousand compared to the first quarter of 2022 primarily due to a decrease in salaries and employee benefits. The efficiency ratio decreased to 45% compared to 50% for the first quarter of 2022.

Non-interest expense decreased \$2.5 million for the quarter ended June 30, 2022 compared to the second quarter of 2021. This was driven by a decrease in salaries and employee benefits related to less expense for the deferred compensation plan associated with the decline in BOLI that are invested in mutual funds. The efficiency ratio declined to 45% for the second quarter of 2022 compared to 58% for the second quarter of 2021.

There were 205 full time equivalent employees at June 30, 2022 compared to 192 a year ago and 198 at March 31, 2022. The Bank has 41 relationship managers in eight offices representing an increase of six from a year ago and an increase of three from the prior quarter.

On a year-to-date basis, non-interest expense for the six months ended June 30, 2022 decreased \$1.7 million or 6% compared to the same period a year ago, mainly due to the settlement of a legal matter which occurred in the second quarter of 2021.

Balance Sheet

From March 31, 2022 to June 30, 2022, total core loans, excluding PPP loans, increased \$129 million, or 6%. During the second quarter of 2022, CRE loans increased by \$104 million, primarily due to increases of \$73 million in non-owner-occupied and \$23 million in owner-occupied CRE.

	June 30, 2022	March 31, 2022
(Figures in \$000s)		
RE - Owner Occupied	\$ 928,248	\$ 903,372
RE - Non Owner Occupied	600,180	526,898
Multifamily	10,157	11,327
Construction & Land	61,910	55,087
Total CRE Loans	<u>\$ 1,600,494</u>	<u>\$ 1,496,684</u>

In addition, C&I loans increased by \$17 million during the second quarter of 2022, benefitting from higher line utilization. At June 30, 2022, the utilization rate for the Bank's commercial lines of credit increased to 32% from 30% at March 31, 2022.

Investment securities decreased from the first quarter of 2022 to \$1.36 billion. As of June 30, 2022, the duration of the securities portfolio increased to 6.5 years from 5.7 years as of March 31, 2022 as market interest rates increased. Accumulated other comprehensive loss increased to \$67.6 million as of June 30, 2022 from \$39.6 million as of March 31, 2022 due to the increase in net unrealized loss on the available-for-sale securities portfolio.

During the second quarter of 2022, total assets decreased \$50 million, or 1%, and total deposits decreased by \$71 million.

At June 30, 2022, the tangible common equity ratio was 6.3%, as the benefit of second quarter net income was more than offset by a larger Accumulated Other Comprehensive Loss, reflecting the impact of higher rates on net unrealized securities losses. The loan growth over the last year has increased risk-weighted assets resulting in a decrease in those capital ratios, which remain well above regulatory requirements.

Asset Quality

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

	June 30, 2022	March 31, 2022
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 1,208	\$ -
Loans 90+ Days Past Due and Still Accruing	-	-
Total NPA	\$ 1,208	\$ -
NPA as a % of total assets, excluding PPP	0.03%	0.00%
Past Due as a % of total Loans, excluding PPP	0.00%	0.00%
Criticized as a % of total Loans, excluding PPP	2.41%	2.49%
Classified as a % of total Loans, excluding PPP	0.20%	0.14%

As of June 30, 2022, the Bank had \$30 thousand specific reserve related to two C&I impaired loan relationships.

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2022	June 30, 2021
(Figures in \$000s)				
Beginning Balance	\$ 26,561	\$ 25,062	\$ 25,062	\$ 22,931
Charge-offs	-	-	-	-
Recoveries	23	13	36	410
Net (charge-offs) / recoveries	\$ 23	\$ 13	\$ 36	\$ 410
Provision	1,024	1,486	2,510	-
Ending Balance	\$ 27,608	\$ 26,561	\$ 27,608	\$ 23,341
Allowance as a % of total assets, excluding PPP	1.24%	1.27%	1.24%	1.40%

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. 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.

Contact: Karen Schoenbaum
EVP/CFO
(213) 430-4000
www.americanbb.bank

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

	June 2022	March 2022	December 2021	June 2021
Assets:				
Cash and Due from Banks	\$ 68,512	\$ 48,531	\$ 33,246	\$ 74,242
Interest Earning Deposits in Other Financial Institutions	22,277	63,022	195,624	269,596
Investment Securities:				
US Agencies	145,380	169,832	185,170	210,849
Mortgage Backed Securities	479,027	545,447	808,496	577,726
State and Municipals	110,586	122,868	231,917	213,729
US Treasuries	-	-	-	-
Corporate Bonds	13,758	14,044	12,903	10,966
Securities Available-for-Sale, at Fair Value	748,751	852,191	1,238,486	1,013,270
Mortgage Backed Securities	198,021	204,025	-	-
State and Municipals	395,679	396,748	298,651	255,953
Securities Held-to-Maturity, at Amortized Cost	593,700	600,773	298,651	255,953
Federal Home Loan Bank Stock, at Cost	15,000	11,779	11,779	11,779
Total Investment Securities	1,357,451	1,464,743	1,548,916	1,281,002
Loans Receivable:				
Commercial Real Estate	1,600,494	1,496,684	1,371,475	1,193,612
Commercial and Industrial	510,020	492,822	444,009	364,019
SBA Payroll Protection Program	22,931	86,387	143,584	386,388
Residential Real Estate	109,853	102,305	112,817	105,711
Installment and Other	6,103	5,756	5,897	4,261
Total Loans Receivable	2,249,401	2,183,954	2,077,782	2,053,991
Allowance for Loan Losses	(27,608)	(26,561)	(25,062)	(23,341)
Loans Receivable, Net	2,221,793	2,157,393	2,052,720	2,030,650
Furniture, Equipment and Leasehold Improvements, Net	6,025	6,327	6,580	7,074
Bank/Corporate Owned Life Insurance	28,013	28,622	28,851	28,325
Other Assets	73,301	58,242	46,339	41,440
Total Assets	\$ 3,777,372	\$ 3,826,880	\$ 3,912,276	\$ 3,732,329
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,850,325	\$ 1,920,015	\$ 1,934,444	\$ 1,830,832
Interest Bearing Transaction Accounts	287,444	277,016	287,224	257,726
Money Market and Savings Deposits	1,284,994	1,297,039	1,337,035	1,311,603
Certificates of Deposit	41,446	40,998	39,445	34,543
Total Deposits	3,464,209	3,535,068	3,598,148	3,434,704
Federal Home Loan Bank Advances / Other Borrowings	40,000	-	-	-
Other Liabilities	33,785	36,588	35,574	35,031
Total Liabilities	\$ 3,537,994	\$ 3,571,656	\$ 3,633,722	\$ 3,469,735
Shareholders' Equity:				
Common Stock	\$ 204,057	\$ 203,400	\$ 202,199	\$ 200,904
Retained Earnings	102,878	91,443	81,521	60,337
Accumulated Other Comprehensive Income / (Loss)	(67,557)	(39,619)	(5,166)	1,353
Total Shareholders' Equity	\$ 239,378	\$ 255,224	\$ 278,554	\$ 262,594
Total Liabilities and Shareholders' Equity	\$ 3,777,372	\$ 3,826,880	\$ 3,912,276	\$ 3,732,329
Standby Letters of Credit	\$ 36,793	\$ 36,698	\$ 35,891	\$ 33,184
Per Share Information:				
Common Shares Outstanding	8,929,796	8,913,974	8,832,797	8,799,072
Book Value Per Share	\$ 26.81	\$ 28.63	\$ 31.54	\$ 29.84
Tangible Book Value Per Share	\$ 26.81	\$ 28.63	\$ 31.54	\$ 29.84

* 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:		
	June 2022	March 2022	June 2021
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 23,985	\$ 21,809	\$ 22,861
Interest on Investment Securities	6,282	6,658	4,626
Interest on Interest Earning Deposits in Other Financial Institutions	63	80	99
Total Interest Income	30,330	28,547	27,586
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	31	26	40
Interest on Money Market and Savings Deposits	308	323	426
Interest on Certificates of Deposits	10	10	12
Interest on Federal Home Loan Bank Advances and Other Borrowings	93	-	-
Total Interest Expense	442	359	478
Net Interest Income	29,888	28,188	27,108
Provision for Loan Losses	1,024	1,486	-
Net Interest Income after Provision for Loan Losses	28,864	26,702	27,108
<u>Non-Interest Income:</u>			
Deposit Fees	1,018	960	763
International Fees	378	337	260
Gain (Loss) on Sale of Investment Securities, Net	(97)	30	-
Gain on Sale of SBA Loans, Net	-	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	(609)	(229)	255
Other	404	293	192
Total Non-Interest Income	1,094	1,391	1,470
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	9,487	10,475	10,231
Occupancy and Equipment	1,113	1,165	1,151
Professional Services	1,744	1,681	1,560
Promotion Expenses	403	320	297
Other	1,273	1,064	3,226
Total Non-Interest Expense	14,020	14,705	16,465
Earnings before income taxes	15,938	13,388	12,113
Income Tax Expense	4,504	3,465	3,054
NET INCOME	\$ 11,434	\$ 9,923	\$ 9,059
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.26	\$ 1.10	\$ 1.01
Earnings Per Share - Diluted	\$ 1.24	\$ 1.08	\$ 1.00
Weighted Average Shares - Basic	9,098,568	9,040,825	8,961,797
Weighted Average Shares - Diluted	9,189,551	9,167,184	9,095,569

* 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 six months ended:	
	June 2022	June 2021
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 45,794	\$ 43,635
Interest on Investment Securities	12,939	8,748
Interest on Interest Earning Deposits in Other Financial Institutions	143	165
Total Interest Income	58,876	52,548
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	57	81
Interest on Money Market and Savings Deposits	630	840
Interest on Certificates of Deposits	20	26
Interest on Federal Home Loan Bank Advances and Other Borrowings	93	-
Total Interest Expense	800	947
Net Interest Income	58,076	51,601
Provision for Loan Losses	2,510	-
Net Interest Income after Provision for Loan Losses	55,566	51,601
<u>Non-Interest Income:</u>		
Deposit Fees	1,978	1,507
International Fees	715	523
Gain (Loss) on Sale of Investment Securities, Net	(67)	(15)
Gain on Sale of SBA Loans, Net	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	(838)	587
Other	697	394
Total Non-Interest Income	2,485	2,996
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	19,963	19,893
Occupancy and Equipment	2,278	2,297
Professional Services	3,424	3,263
Promotion Expenses	724	519
Other	2,336	4,426
Total Non-Interest Expense	28,725	30,398
Earnings before income taxes	29,326	24,199
Income Tax Expense	7,969	6,224
<u>NET INCOME</u>	\$ 21,357	\$ 17,975
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 2.35	\$ 2.01
Earnings Per Share - Diluted	\$ 2.33	\$ 1.98
Weighted Average Shares - Basic	9,069,697	8,941,869
Weighted Average Shares - Diluted	9,178,368	9,064,349

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

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2022			March 2022		
	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	\$ 41,523	\$ 63	0.61%	\$ 162,969	\$ 80	0.20%
<u>Investment Securities:</u>						
US Agencies	157,180	1	0.00%	177,077	91	0.21%
Mortgage Backed Securities	775,309	3,054	1.58%	805,321	3,361	1.67%
State and Municipals	519,137	2,870	2.21%	523,835	2,913	2.22%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	14,250	132	3.71%	13,000	113	3.47%
Securities Available-for-Sale and Held-to-Maturity	1,465,876	6,057	1.65%	1,519,233	6,478	1.71%
Federal Home Loan Bank Stock	14,363	225	6.27%	11,779	180	6.10%
Total Investment Securities	1,480,239	6,282	1.70%	1,531,012	6,658	1.74%
<u>Loans Receivable:</u>						
Commercial Real Estate	1,540,228	15,686	4.08%	1,418,952	14,180	4.05%
Commercial and Industrial	506,220	5,371	4.26%	465,403	4,691	4.09%
SBA Payroll Protection Program	57,428	1,762	12.31%	110,355	1,875	6.89%
Residential Real Estate	106,847	1,092	4.10%	109,759	1,011	3.74%
Installment and Other	7,024	74	4.23%	6,746	52	3.10%
Total Loans Receivable	2,217,747	23,985	4.34%	2,111,215	21,809	4.19%
Total Interest Earning Assets	\$ 3,739,509	\$ 30,330	3.21%	\$ 3,805,196	\$ 28,547	3.00%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,902,386	-	0.00%	1,984,694	-	0.00%
Interest Bearing Transaction Accounts	278,539	31	0.04%	274,988	26	0.04%
Money Market and Savings Deposits	1,254,257	308	0.10%	1,303,545	323	0.10%
Certificates of Deposit	41,303	10	0.10%	40,270	10	0.10%
Total Deposits	3,476,485	349	0.04%	3,603,497	359	0.04%
Federal Home Loan Bank Advances / Other Borrowings	46,473	93	0.80%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,620,572	442	0.11%	1,618,803	359	0.09%
Total Deposits and Borrowings	\$ 3,522,958	\$ 442	0.05%	\$ 3,603,497	\$ 359	0.04%
Net Interest Income	\$ 29,888			\$ 28,188		
Net Interest Rate Spread			3.16%			2.96%
Net Interest Margin			3.21%			3.00%
Net Interest Margin, excluding SBA PPP			3.06%			2.89%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2022			June 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	\$ 41,523	\$ 63	0.61%	\$ 329,324	\$ 99	0.12%
<u>Investment Securities:</u>						
US Agencies	157,180	1	0.00%	216,143	383	0.71%
Mortgage Backed Securities	775,309	3,054	1.58%	466,148	1,565	1.34%
State and Municipals	519,137	2,870	2.21%	435,608	2,394	2.20%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	14,250	132	3.71%	10,085	82	3.25%
Securities Available-for-Sale and Held-to-Maturity	1,465,876	6,057	1.65%	1,127,984	4,424	1.57%
Federal Home Loan Bank Stock	14,363	225	6.27%	11,628	202	6.95%
Total Investment Securities	1,480,239	6,282	1.70%	1,139,612	4,626	1.62%
<u>Loans Receivable:</u>						
Commercial Real Estate	1,540,228	15,686	4.08%	1,163,231	11,944	4.12%
Commercial and Industrial	506,220	5,371	4.26%	340,067	3,921	4.62%
SBA Payroll Protection Program	57,428	1,762	12.31%	555,338	6,069	4.38%
Residential Real Estate	106,847	1,092	4.10%	93,126	889	3.83%
Installment and Other	7,024	74	4.23%	5,613	38	2.75%
Total Loans Receivable	2,217,747	23,985	4.34%	2,157,375	22,861	4.25%
Total Interest Earning Assets	\$ 3,739,509	\$ 30,330	3.21%	\$ 3,626,311	\$ 27,586	3.01%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,902,386	-	0.00%	1,871,930	-	0.00%
Interest Bearing Transaction Accounts	278,539	31	0.04%	267,490	40	0.06%
Money Market and Savings Deposits	1,254,257	308	0.10%	1,278,436	426	0.13%
Certificates of Deposit	41,303	10	0.10%	34,446	12	0.14%
Total Deposits	3,476,485	349	0.04%	3,452,302	478	0.06%
Federal Home Loan Bank Advances / Other Borrowings	46,473	93	0.80%	7	-	0.37%
Total Interest Bearing Deposits and Borrowings	1,620,572	442	0.11%	1,580,379	478	0.12%
Total Deposits and Borrowings	\$ 3,522,958	\$ 442	0.05%	\$ 3,452,309	\$ 478	0.06%
Net Interest Income	\$ 29,888			\$ 27,108		
Net Interest Rate Spread			3.16%			2.95%
Net Interest Margin			3.21%			3.00%
Net Interest Margin, excluding SBA PPP			3.06%			2.75%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the six months ended:					
	June 2022			June 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	\$ 101,911	\$ 143	0.28%	\$ 273,160	\$ 165	0.12%
Investment Securities:						
US Agencies	167,073	92	0.11%	220,619	790	0.72%
Mortgage Backed Securities	790,232	6,415	1.62%	432,702	2,794	1.29%
State and Municipals	521,473	5,782	2.22%	425,248	4,662	2.19%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	13,628	245	3.59%	10,179	164	3.23%
Securities Available-for-Sale and Held-to-Maturity	1,492,406	12,534	1.68%	1,088,748	8,410	1.54%
Federal Home Loan Bank Stock	13,078	405	6.19%	11,248	338	6.01%
Total Investment Securities	1,505,484	12,939	1.72%	1,099,996	8,748	1.59%
Loans Receivable:						
Commercial Real Estate	1,479,925	29,866	4.07%	1,134,719	23,405	4.16%
Commercial and Industrial	485,924	10,062	4.18%	335,448	7,383	4.44%
SBA Payroll Protection Program	83,746	3,637	8.76%	582,338	11,110	3.85%
Residential Real Estate	108,295	2,103	3.92%	85,622	1,648	3.88%
Installment and Other	6,886	126	3.68%	5,287	89	3.40%
Total Loans Receivable	2,164,776	45,794	4.27%	2,143,414	43,635	4.11%
Total Interest Earning Assets	\$ 3,772,171	\$ 58,876	3.10%	\$ 3,516,570	\$ 52,548	2.97%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,943,313	-	0.00%	1,801,668	-	0.00%
Interest Bearing Transaction Accounts	276,773	57	0.04%	261,487	81	0.06%
Money Market and Savings Deposits	1,278,765	630	0.10%	1,251,077	840	0.14%
Certificates of Deposit	40,789	20	0.10%	34,654	26	0.15%
Total Deposits	3,539,640	707	0.04%	3,348,886	947	0.06%
Federal Home Loan Bank Advances / Other Borrowings	23,365	93	0.80%	4	-	0.37%
Total Interest Bearing Deposits and Borrowings	1,619,692	800	0.10%	1,547,222	947	0.12%
Total Deposits and Borrowings	\$ 3,563,005	\$ 800	0.05%	\$ 3,348,890	\$ 947	0.06%
Net Interest Income	\$ 58,076			\$ 51,601		
Net Interest Rate Spread			3.05%			2.91%
Net Interest Margin			3.10%			2.96%
Net Interest Margin, excluding SBA PPP			2.98%			2.78%

American Business Bank
Figures in \$000
SUPPLEMENTAL DATA (unaudited)

	June 2022	March 2022	December 2021	June 2021
<u>Performance Ratios:</u>				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	1.20%	1.01%	0.97%	0.97%
Return on Average Equity (ROAE)	18.56%	14.48%	14.17%	14.21%
Efficiency Ratio	45.11%	49.77%	51.10%	57.61%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	1.11%	1.01%	1.03%	0.99%
Return on Average Equity (ROAE)	16.42%	14.48%	14.95%	14.26%
Efficiency Ratio	47.38%	49.77%	51.77%	55.66%
<u>Capital Adequacy:</u>				
Total Risk Based Capital Ratio	12.66%	12.82%	13.21%	14.26%
Common Equity Tier 1 Capital Ratio	11.58%	11.72%	12.09%	13.01%
Tier 1 Risk Based Capital Ratio	11.58%	11.72%	12.09%	13.01%
Tier 1 Leverage Ratio	8.07%	7.53%	7.09%	6.98%
Tangible Common Equity / Tangible Assets	6.34%	6.67%	7.12%	7.04%
<u>Asset Quality Overview</u>				
Non-Performing Loans	\$ 1,208	\$ -	\$ 338	\$ 54
Loans 90+ Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	1,208	-	338	54
Restructured Loans	-	-	-	214
Other Real Estate Owned	-	-	-	-
ALLL / Loans Receivable	1.23%	1.22%	1.21%	1.14%
Non-Performing Loans / Total Loans Receivable *	0.05%	0.00%	0.02%	0.01%
Non-Performing Loans / Total Loans Receivable *, excluding PPP **	0.05%	0.00%	0.02%	0.02%
Non-Performing Assets / Total Assets *	0.03%	0.00%	0.01%	0.01%
Non-Performing Assets / Total Assets *, excluding PPP **	0.03%	0.00%	0.01%	0.01%
Net Charge-Offs (Recoveries) quarterly	\$ (23)	\$ (13)	\$ (27)	\$ (395)
Net Charge-Offs (Recoveries) year-to-date	\$ (37)	\$ (13)	\$ (178)	\$ (411)
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.00%)	(0.00%)	(0.01%)	(0.02%)

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

** SBA Paycheck Protection Program (PPP)