

The background of the entire page is a complex geometric pattern composed of various-sized triangles. The primary colors are shades of blue, ranging from a deep navy to a lighter, muted blue. On the right side, there is a prominent white triangle, and below it, a large orange triangle. The overall effect is a modern, abstract design.

ABB

AMERICAN BUSINESS BANK

2023
Q1 REPORT

BALANCE SHEETS

Unaudited - 000s omitted

| March 31, | 2023 | 2022 |
|---|--------------------|--------------------|
| ASSETS | | |
| Cash & cash equivalents | \$ 53,374 | \$ 111,553 |
| Investment securities | 1,267,848 | 1,464,743 |
| Loans receivable | 2,477,725 | 2,183,954 |
| Allowance for credit losses | (26,073) | (26,561) |
| Loans receivable, net | 2,451,652 | 2,157,393 |
| Furniture, equipment & leasehold improvements, net | 5,334 | 6,327 |
| Bank/Corp owned life insurance | 27,863 | 28,622 |
| Other assets | 73,048 | 58,242 |
| TOTAL ASSETS | \$3,879,119 | \$3,826,880 |
| LIABILITIES | | |
| Deposits: | | |
| Non-interest bearing demand deposits | \$ 1,708,750 | \$ 1,920,015 |
| Interest bearing transaction accounts | 276,059 | 277,016 |
| Money market & savings deposits | 997,720 | 1,297,039 |
| Certificates of deposits | 93,624 | 40,998 |
| Total Deposits | 3,076,153 | 3,535,068 |
| FHLB Advances/Other borrowings | 486,000 | - |
| Other liabilities | 37,285 | 36,588 |
| TOTAL LIABILITIES | \$3,599,438 | \$3,571,656 |
| SHAREHOLDERS' EQUITY | | |
| Common stock & retained earnings | \$ 351,656 | \$ 294,843 |
| Accumulated other comprehensive income/(loss) | (71,975) | (39,619) |
| TOTAL SHAREHOLDERS' EQUITY | \$ 279,681 | \$ 255,224 |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | \$3,879,119 | \$3,826,880 |
| Standby Letters of Credit | \$ 40,641 | \$ 36,698 |

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

| Three months ended March 31, | 2023 | 2022 |
|--|------------------|-----------------|
| INTEREST INCOME | | |
| Loans | \$ 29,743 | \$ 21,809 |
| Investments | 7,861 | 6,658 |
| Interest earning deposits in other financial institutions | 208 | 80 |
| TOTAL INTEREST INCOME | 37,812 | 28,547 |
| INTEREST EXPENSE | | |
| Interest bearing transaction accounts | 231 | 26 |
| Money market & savings deposits | 2,230 | 323 |
| Certificates of deposits | 267 | 10 |
| FHLB Advances/Other borrowings | 3,086 | - |
| TOTAL INTEREST EXPENSE | 5,814 | 359 |
| NET INTEREST INCOME | 31,998 | 28,188 |
| Provision for credit losses | 463 | 1,486 |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES | 31,535 | 26,702 |
| TOTAL NONINTEREST INCOME | 2,593 | 1,391 |
| TOTAL NONINTEREST EXPENSE | 16,171 | 14,705 |
| EARNINGS BEFORE INCOME TAXES | | |
| Income tax expense | 17,957 | 13,388 |
| NET INCOME | \$ 13,085 | \$ 9,923 |
| Earnings per share - basic | \$ 1.43 | \$ 1.10 |
| Earnings per share - diluted | \$ 1.42 | \$ 1.08 |
| Weighted average shares - basic | 9,153,915 | 9,040,825 |
| Weighted average shares - diluted | 9,228,602 | 9,167,184 |

SHAREHOLDERS & CLIENTS,

I am gratified to report another outstanding quarter for ABB. Financial highlights show a net income of \$13.1 million or \$1.42 per fully diluted share for the first quarter of 2023 compared to \$9.9 million or \$1.08 per fully diluted share for the first quarter of 2022, an increase of 32%.



As I'm sure that many of you are aware that the government has raised rates rapidly in order to draw liquidity from the financial system. As such our deposits are down by 9% from year end or \$314 million, and we are borrowing on short term basis to fill the gap.

For the past 25 years, we have been building the bank and our balance sheet to weather periods of economic and industry instability. Your bank remains strong by practicing its fundamental philosophy of running the bank conservatively, and in doing so we sustain an abundance of liquidity. Our ethos of only banking straightforward businesses and supporting our clients through every season of business has only strengthened our partnerships, encouraging our clients and their future with us. During periods of uncertainty, many clients view the bank as a safe haven. We are proud to say we have not lost a single client during the recent storm.

To our remarkable clients, we appreciate your partnership and your trust as we face the seasons of business together.

We thank our amazing staff and officers for their dedication and commitment to supporting our clients with sincere relationships and excellent service. This successful quarter is owed to you all, thank you.

At your service,

- Leon Blankstein

President, Chief Executive Officer, Director



www.americanbb.bank