

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
Q2 REPORT

BALANCE SHEETS

Unaudited - 000s omitted

	June 30,	2023	2022
ASSETS			
Cash & cash equivalents	\$	88,192	\$ 90,789
Investment securities		1,230,802	1,357,451
Loans receivable		2,499,392	2,249,401
Allowance for credit losses		(27,172)	(27,608)
Loans receivable, net		<u>2,472,220</u>	<u>2,221,793</u>
Furniture, equipment & leasehold improvements, net		5,099	6,025
Bank/Corp owned life insurance		28,302	28,013
Other assets		<u>78,021</u>	<u>73,301</u>
TOTAL ASSETS		<u>\$3,902,636</u>	<u>\$3,777,372</u>
LIABILITIES			
Deposits:			
Non-interest bearing demand deposits	\$	1,758,435	\$ 1,850,325
Interest bearing transaction accounts		292,443	287,444
Money market & savings deposits		1,010,012	1,284,994
Certificates of deposits		<u>193,141</u>	<u>41,446</u>
Total Deposits		<u>3,254,031</u>	<u>3,464,209</u>
FHLB Advances/Other borrowings		320,000	40,000
Other liabilities		<u>45,555</u>	<u>33,785</u>
TOTAL LIABILITIES		<u>\$3,619,586</u>	<u>\$3,537,994</u>
SHAREHOLDERS' EQUITY			
Common stock & retained earnings	\$	361,787	\$ 306,935
Accumulated other comprehensive income/(loss)		<u>(78,737)</u>	<u>(67,557)</u>
TOTAL SHAREHOLDERS' EQUITY	\$	<u>283,050</u>	<u>\$ 239,378</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		<u>\$3,902,636</u>	<u>\$3,777,372</u>
Standby Letters of Credit	\$	41,083	\$ 36,793

INCOME STATEMENTS

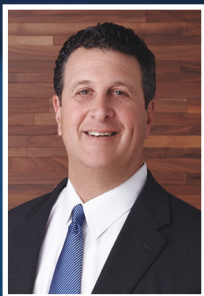
Unaudited - 000s omitted except share and per share amounts

	Six months ended June 30,	2023	2022
INTEREST INCOME			
Loans	\$	61,023	\$ 45,794
Investments		15,649	12,939
Interest earning deposits in other financial institutions		460	143
TOTAL INTEREST INCOME		<u>77,132</u>	<u>58,876</u>
INTEREST EXPENSE			
Interest bearing transaction accounts		638	57
Money market & savings deposits		6,553	630
Certificates of deposits		1,291	20
FHLB Advances/Other borrowings		<u>7,961</u>	<u>93</u>
TOTAL INTEREST EXPENSE		<u>16,443</u>	<u>800</u>
NET INTEREST INCOME		60,689	58,076
Provision for credit losses		<u>1,991</u>	<u>2,510</u>
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES		58,698	55,566
TOTAL NONINTEREST INCOME		4,958	2,485
TOTAL NONINTEREST EXPENSE		32,820	28,725
EARNINGS BEFORE INCOME TAXES			
Income tax expense		30,836	29,326
		<u>8,427</u>	<u>7,969</u>
NET INCOME	\$	<u>22,409</u>	<u>\$ 21,357</u>
Earnings per share - basic	\$	2.44	\$ 2.35
Earnings per share - diluted	\$	2.43	\$ 2.33
Weighted average shares - basic		9,166,752	9,069,697
Weighted average shares - diluted		9,223,461	9,178,368

ABB

SHAREHOLDERS & CLIENTS,

As we have passed the midpoint of 2023, I am pleased to report that ABB posted excellent results during the second quarter, despite significant headwinds presented to the banking industry this year. The relationship between our bankers and our clients continually proves to be the dominant contributor to the Bank's ability to perform well amidst volatile markets. Clarity and resiliency are key tenets we possess in common with our clients — qualities that have allowed us to thrive particularly during challenging times.



The second quarter results are strong and punctuate our focus on providing the best expertise and support to Southern California's middle market business community. We reported net income of \$9.3 million or \$1.01 per fully diluted share for the quarter ended June 30, 2023. Net income for the first half of 2023 of \$22.4 million or \$2.43 per fully diluted share, which equates to a 5% increase over the same period in the prior year.

While most Banks reported a loss of deposits for the 1st Quarter, ABB was able to grow deposits by \$178 million during the second quarter. The pipeline for the remaining half of the year looks promising as additional new business is expected to join our existing client base. We have maintained superior credit quality in the loan portfolio with non-performing assets to total assets of 0.15%. Our status as well-capitalized, the highest regulatory category also continued. ABB's total staff grew by 27 people compared to a year ago.

Along with marking nearly 25 years of caring for our clients, we also celebrated two C-Suite promotions with the appointment of Philip Feghali as President, and Jeffrey Munson as Chief Credit Officer. Both will continue the legacy of ABB and hold fast to the character and culture of the Bank that has carried us this far.

Thank you to our staff. Thank you to our loyal clients. Thank you to our shareholders. The trust and confidence you have placed in our fine Bank is incredibly rewarding and I look forward to seeing us all continue to exceed expectations over the remainder of the year.

At your service,

- Leon Blankstein

President, Chief Executive Officer, Director



www.americanbb.bank