



AMERICAN BUSINESS BANK REPORTS SECOND QUARTER EARNINGS

Net Income for the quarter increased over the prior year quarter

Second Quarter 2024 Highlights

- **Net income for the quarter totaled \$9.5 million**, or \$1.02 per diluted share
- **Net yield on interest earning assets increased 7 basis points** over the prior quarter
- **Total deposits increased \$148 million** or 4.5% over prior quarter
- **Cost of average deposits of 1.35%** compared with 1.24% in the prior quarter
- **Non-interest bearing demand deposits** represent 46% of total deposits
- **Net interest margin contracted** to 3.00% over prior quarter of 3.07%
- **Total loans increased \$28 million** or 1.1% over prior quarter
- **Minimal past due loans**
- **Total borrowings decreased \$110 million** or 52% over prior quarter
- **Tangible book value per share** of \$36.38
- **Continued status as well-capitalized**, the highest regulatory category

Los Angeles, California, July 29, 2024. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$9.5 million or \$1.02 per fully diluted share for the quarter ended June 30, 2024 compared to \$10.5 million or \$1.13 per fully diluted share for the quarter ended March 31, 2024, and \$9.3 million or \$1.01 per fully diluted share for the quarter ending June 30, 2023, representing a decline of 9% and an increase of 2%, respectively.

Net income for the first half of 2024 was \$20.0 million or \$2.15 per fully diluted share, a decrease of \$2.4 million or 11%, from the \$22.4 million net income or \$2.43 per fully diluted share for the first half of the prior year.

“We are pleased that our customers continue to grow their businesses and provide deposits for the Bank to lend in our community. The deposit growth in the quarter from existing customers was significant, however, some of the deposit inflows were event driven and will not remain in the Bank over the long term. We continue to focus on building an outstanding core deposit franchise to eliminate borrowings and enhance the net interest margin as evidenced as we progressed through the second quarter. We currently have a strong deposit pipeline of new customers and new relationships who joined the Bank recently that will drive growth in the last half of the year. Additionally, the potential for a reduction in interest rates by the Federal Reserve in the last half of the year could relieve some of the upward pressure on the cost of deposits. The key to our success continues to be the generation of new clients and we are well positioned to do so.

“Much has been talked about Commercial Real Estate related to the banking industry. Certainly some have acknowledged that not all commercial real estate is the same. We are proud to provide high touch community banking services to business clients with a conservative risk approach. Our commercial real estate lending is primarily owner-occupied which is not dependent on rent rolls, but reliant on the cash flows of the operating business that occupies the property. Currently, 60% of total loans consist of the C&I

and Owner Occupied commercial real estate portfolios. These portfolios highlight our position as the premier relationship-banking franchise for small to mid-size businesses in Southern California.

“The Bank continues to attract new experienced relationship managers. We recently enhanced personnel in a number of offices and are pleased another senior relationship manager joined since the end of June. The addition of experienced relationship managers, although an expense, is an investment in future revenue.

“We continue to deliver superior service and are able to couple that with a return on average assets of 1.02% and a return on average equity of 12.7% for the first six months of the year” commented Leon Blankstein, ABB’s CEO and Director.

For the quarter ending June 30, 2024, non-interest expense increased \$742 thousand compared to the first quarter of 2024 leading to a decline in net income. However, net income in the second quarter of 2024 benefitted from a lower provision for credit losses as compared to the prior quarter and the prior year quarter. The decrease in provision for credit losses was a result of a reduction in the reserve for unfunded loan commitments and \$58k of loan recoveries offset by an increase in the allowance for credit losses mainly due to growth in the loan portfolio. The allowance for credit losses as a percentage of loans was 1.11% at June 30, 2024 which is a 1 bps increase compared to March 31, 2024.

For the six months ended June 30, 2024, net income was lower compared to the six months ended June 30, 2023 due to an increase in the cost of deposits offset by a decrease in the cost of borrowings.

Net Interest Margin

Net interest margin for the second quarter of 2024 decreased to 3.00% from 3.07% for the first quarter of 2024 primarily due to an increase in average borrowings. Net interest margin for the second quarter of 2024 increased to 3.00% from 2.99% for the second quarter of 2023 primarily due to a decline in average borrowings. As of June 30, 2024, 62% of the loan portfolio was fixed rate with a weighted average remaining life of 72 months. Of the variable rate loans, approximately 45% are indexed to prime of which \$399 million are adjustable within 90 days of a change in prime. The net interest margin for the month of June 2024 was 3.05%.

Net Interest Income

For the quarter ended June 30, 2024, net interest income decreased by \$0.4 million, or 1%, compared to the first quarter of 2024. The current quarter was negatively impacted by a decline in securities income and an increase in the cost of deposits and borrowings exceeding the increase in interest earned on loans. For the quarter ending June 30, 2024, the cost of deposits was 1.35% representing an increase of 11 bps compared to the quarter ending March 31, 2024.

For the quarter ended June 30, 2024, net interest income increased by \$0.3 million, or 1%, compared to the second quarter of 2023. The increase compared to the prior year quarter is primarily due to a decrease in average borrowings. The Loan to Deposit ratio was 75% and 77% as of June 30, 2024 and 2023, respectively.

Provision for Credit Losses

The following table presents details of the provision for credit losses for the periods indicated:

	Three Months Ended			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Figures in \$000s)					
Addition (recapture) to allowance for loan losses	\$ 450	\$ (226)	\$ 1,268	\$ 224	\$ 1,581
Addition (recapture) to reserve for unfunded loan commitments	(438)	438	260	-	410
Total loan-related provision	\$ 12	\$ 212	\$ 1,528	\$ 224	\$ 1,991
Addition to allowance for held-to-maturity securities	-	-	-	-	-
Total provision for credit losses	\$ 12	\$ 212	\$ 1,528	\$ 224	\$ 1,991

Non-Interest Income

The decrease in non-interest income compared to the prior quarter is primarily due to the loss on the sale of municipal investment securities of \$397 thousand. The decrease in non-interest income compared to the prior year quarter is primarily due to a reduction in the gain on sales of SBA loans. In 2023, seasoned SBA loans were sold unlike in 2024 when only current production was sold.

Non-Interest Expense

For the quarter ending June 30, 2024, total non-interest expense increased \$0.7 million compared to the prior quarter and increased \$0.9 million compared to the prior year quarter. The increase compared to the prior quarter and prior year quarter is primarily due to an increase in salaries and employee benefits due to an increase in full time equivalent employees. The efficiency ratio increased to 55% for the second quarter of 2024 compared to 54% for the first quarter of 2024 and 54% for the second quarter of 2023.

There were 243 full time equivalent employees at June 30, 2024 compared to 231 a year ago and 233 at March 31, 2024. In July of 2024, Mark Christian, EVP/Chief Operations Officer, departed from the Bank. The Bank has 42 relationship managers in eight offices representing no change from a year ago and an increase of two from the prior quarter.

For the six months ended June 30, 2024, non-interest expense increased \$1.5 million or 4.5% compared to the same period a year ago, mainly due to increases in salaries and employee benefits.

Income Taxes

The effective income tax rate was 28.0% for the quarter ended June 30, 2024, 27.9% for the quarter ended March 31, 2024, and 27.6% for the quarter ended June 30, 2023.

Balance Sheet

For the quarter ended June 30, 2024, total loans increased \$28 million, or 1.1% compared to the prior quarter. The majority of this increase was in Commercial and industrial (C&I) loans mainly due to an increase in line utilization. At June 30, 2024, the utilization rate for the Bank's commercial lines of credit increased to 27% from 26% at March 31, 2024. In addition, Commercial real estate (CRE) loans increased this quarter compared to prior quarter. The increase in construction loans is primarily related to off campus university student housing in greater Los Angeles.

	June 30, 2024	March 31, 2024
(Figures in \$000s)		
RE - Owner occupied	\$ 1,095,538	\$ 1,120,822
RE - Non owner occupied	737,525	718,439
Construction & Land	76,760	62,359
Total CRE Loans	<u>\$ 1,909,822</u>	<u>\$ 1,901,621</u>

The following table is the composition of the Owner occupied and Non owner occupied CRE loans by collateral type:

	as of June 30, 2024	
	Owner occupied	Non owner occupied
(Figures in \$000s)		
Industrial	\$ 662,079	\$ 310,681
Office	163,740	98,820
Retail	22,102	184,942
Automobile Service Facilities	64,910	22,792
Contractor's Yard	61,698	8,250
Other	29,146	36,162
Miscellaneous	91,863	75,879
Total	<u>\$ 1,095,538</u>	<u>\$ 737,525</u>

Total investment securities declined to \$1.1 billion at June 30, 2024, which include \$561 million or 46% in held-to-maturity (HTM) securities based on book value. The Bank has no non-agency mortgage-backed securities in its portfolio. As of June 30, 2024, the duration of the available-for-sale (AFS) securities portfolio was 5.8 years, unchanged from March 31, 2024, and an increase from 5.6 years as of June 30, 2023. Accumulated other comprehensive loss (AOCI) decreased to \$74.9 million as of June 30, 2024 from \$79.6 million as of March 31, 2024 as market rates relevant to securities pricing declined. The duration on the held-to-maturity portfolio, which consists primarily of municipal securities, is 7.7 years. As of June 30, 2024, the unrealized after tax loss on HTM securities was \$71 million.

During the second quarter of 2024, deposits grew by \$148 million or 5% to \$3.5 billion. During 2024, new deposit relationships have totaled approximately \$20 million from 68 new clients. The Bank's off-balance sheet products of treasury securities held for clients decreased by \$26 million during the second quarter of 2024 to \$221 million and declined by \$57 million from prior year quarter. The Bank has no brokered deposits nor internet solicited deposits.

During the second quarter of 2024, total assets increased \$52 million, or 1.4%, total loans increased by \$28 million, or 1.1%, total deposits increased by \$148 million, or 4.5%, and borrowings decreased by \$110 million. Borrowings have continued to decline in July.

The Federal Reserve Bank (FRB) Term Funding Program ended March 11, 2024; however, \$100 million is outstanding with a maturity date of March 11, 2025 at a rate of 5.4%. As of June 30, 2024, the Bank has \$1.7 Billion in borrowing capacity including the outstanding FRTB borrowing, the FRB discount window and loans pledged at the Federal Home Loan Bank of San Francisco.

Asset Quality

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

	June 30, 2024	March 31, 2024
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 6,641	\$ 7,440
Loans 90+ Days Past Due and Still Accruing	-	-
Total NPA	\$ 6,641	\$ 7,440
NPA as a % of total assets	0.24%	0.19%
Past Due as a % of total Loans	0.13%	0.00%
Criticized as a % of total Loans	5.06%	5.67%
Classified as a % of total Loans	1.03%	0.88%

During the second quarter of 2024, non-performing assets (NPAs) decreased by \$0.8 million to \$6.6 million mainly due to the paydown of two loans. As of June 30, 2024, NPAs have a \$211 thousand allowance on individually evaluated loans related to four C&I non-performing loan relationships of which the majority of the loans have a partial guarantee by the state of California or the SBA. The increase in classified loans is mainly due to one owner occupied CRE loan which migrated from the criticized category since the prior quarter.

The loan portfolio has approximately 10% in office collateral of which the majority is owner-occupied, and substantially all are three stories or under and located in suburban markets.

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

	Three Months Ended			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Figures in \$000s)					
Balance, beginning of period	\$ 28,335	\$ 28,460	\$ 26,073	\$ 28,460	\$ 29,635
Cumulative effect of change in accounting principle - CECL	-	-	-	-	(3,885)
Charge-offs	-	(99)	(179)	(99)	(179)
Recoveries	58	200	10	258	20
Net (charge-offs) / recoveries	\$ 58	\$ 101	\$ (169)	\$ 159	\$ (159)
Provision	450	(226)	1,268	224	1,581
Balance, end of period	\$ 28,843	\$ 28,335	\$ 27,172	\$ 28,843	\$ 27,172
Allowance as a % of loans	1.11%	1.10%	1.09%	1.11%	1.09%

The allowance for credit losses for loans increased to \$28.8 million during the second quarter of 2024 primarily as a result of an increase in the loan portfolio. There were no charge offs in the second quarter of 2024 compared to charge offs of \$179 thousand during the prior year quarter. The Bank recovered \$258 thousand in the first half of 2024; the majority of which had been charged off in the fourth quarter of 2023. The Bank has four restructured loans totaling \$4.7 million involving borrowers experiencing financial difficulty.

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)**

	June 2024	March 2024	December 2023	June 2023
Assets:				
Cash and Due from Banks	\$ 84,836	\$ 52,198	\$ 32,354	\$ 74,634
Interest Earning Deposits in Other Financial Institutions	15,511	10,368	10,804	13,558
Investment Securities:				
US Agencies	79,700	85,678	91,226	104,916
Mortgage Backed Securities	390,886	394,124	413,870	424,316
State and Municipals	81,884	86,535	91,949	97,005
Corporate Bonds	14,478	13,870	14,157	13,443
Securities Available-for-Sale, at Fair Value	566,948	580,207	611,202	639,680
Mortgage Backed Securities	172,984	176,317	178,985	184,796
State and Municipals	384,048	384,612	390,184	391,381
Allowance for Credit Losses, Held-To-Maturity	(55)	(55)	(55)	(55)
Securities Held-to-Maturity, at Amortized Cost, Net of Allowance for Credit Losses	556,977	560,874	569,114	576,122
Federal Home Loan Bank Stock, at Cost	15,000	15,000	15,000	15,000
Total Investment Securities	1,138,925	1,156,081	1,195,316	1,230,802
Loans Receivable:				
Commercial Real Estate	1,909,822	1,901,621	1,884,085	1,825,594
Commercial and Industrial	487,557	470,294	491,698	493,615
Residential Real Estate	196,194	194,059	197,281	171,593
Installment and Other	7,471	6,685	6,577	8,590
Total Loans Receivable	2,601,044	2,572,659	2,579,641	2,499,392
Allowance for Credit Losses	(28,843)	(28,335)	(28,460)	(27,172)
Loans Receivable, Net	2,572,201	2,544,324	2,551,181	2,472,220
Furniture, Equipment and Leasehold Improvements, Net	4,684	4,380	4,589	5,099
Bank/Corporate Owned Life Insurance	29,396	29,185	28,898	28,302
Other Assets	83,096	79,639	79,582	78,021
Total Assets	\$ 3,928,649	\$ 3,876,175	\$ 3,902,724	\$ 3,902,636
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,597,426	\$ 1,601,795	\$ 1,699,560	\$ 1,758,435
Interest Bearing Transaction Accounts	394,051	367,903	388,152	292,443
Money Market and Savings Deposits	1,202,143	1,083,008	1,145,389	1,010,012
Certificates of Deposit	263,587	256,309	264,312	193,141
Total Deposits	3,457,207	3,309,015	3,497,413	3,254,031
Federal Home Loan Bank Advances / Other Borrowings	100,000	210,000	55,000	320,000
Other Liabilities	40,570	41,186	36,257	45,555
Total Liabilities	\$ 3,597,777	\$ 3,560,201	\$ 3,588,670	\$ 3,619,586
Shareholders' Equity:				
Common Stock	\$ 209,042	\$ 208,336	\$ 208,048	\$ 206,597
Retained Earnings	196,743	187,243	176,747	155,190
Accumulated Other Comprehensive Income / (Loss)	(74,913)	(79,605)	(70,741)	(78,737)
Total Shareholders' Equity	\$ 330,872	\$ 315,974	\$ 314,054	\$ 283,050
Total Liabilities and Shareholders' Equity	\$ 3,928,649	\$ 3,876,175	\$ 3,902,724	\$ 3,902,636
Standby Letters of Credit	\$ 43,420	\$ 43,810	\$ 43,178	\$ 41,083
Per Share Information:				
Common Shares Outstanding	9,094,248	9,078,782	9,041,911	9,021,739
Book Value Per Share	\$ 36.38	\$ 34.80	\$ 34.73	\$ 31.37
Tangible Book Value Per Share	\$ 36.38	\$ 34.80	\$ 34.73	\$ 31.37

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

	For the three months ended:		
	June 2024	March 2024	June 2023
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 34,358	\$ 33,664	\$ 31,280
Interest on Investment Securities	7,431	7,658	7,788
Interest on Interest Earning Deposits in Other Financial Institutions	839	250	252
Total Interest Income	42,628	41,572	39,320
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	1,077	1,002	407
Interest on Money Market and Savings Deposits	7,900	7,265	4,323
Interest on Certificates of Deposits	2,408	2,288	1,024
Interest on Federal Home Loan Bank Advances and Other Borrowings	2,203	1,598	4,875
Total Interest Expense	13,588	12,153	10,629
Net Interest Income	29,040	29,419	28,691
Provision for Credit Losses	12	212	1,528
Net Interest Income after Provision for Credit Losses	29,028	29,207	27,163
<u>Non-Interest Income:</u>			
Deposit Fees	1,077	988	994
International Fees	418	406	441
Gain (Loss) on Sale of Investment Securities, Net	(397)	(110)	(378)
Gain on Sale of SBA Loans, Net	12	57	235
Bank/Corporate Owned Life Insurance Income (Expense)	212	287	439
Other	367	487	634
Total Non-Interest Income	1,689	2,115	2,365
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	12,052	11,649	11,624
Occupancy and Equipment	1,195	1,209	1,200
Professional Services	2,079	1,963	1,812
Promotion Expenses	680	528	606
Other	1,509	1,424	1,406
Total Non-Interest Expense	17,515	16,773	16,648
Earnings before income taxes	13,202	14,549	12,880
Income Tax Expense	3,703	4,052	3,554
<u>NET INCOME</u>	\$ 9,499	\$ 10,497	\$ 9,326
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.03	\$ 1.14	\$ 1.02
Earnings Per Share - Diluted	\$ 1.02	\$ 1.13	\$ 1.01
Weighted Average Shares - Basic	9,259,562	9,237,317	9,179,590
Weighted Average Shares - Diluted	9,297,939	9,293,818	9,218,320

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

	For the six months ended:	
	June 2024	June 2023
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 68,022	\$ 61,023
Interest on Investment Securities	15,088	15,649
Interest on Interest Earning Deposits in Other Financial Institutions	1,089	460
Total Interest Income	84,199	77,132
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	2,079	638
Interest on Money Market and Savings Deposits	15,165	6,553
Interest on Certificates of Deposits	4,696	1,291
Interest on Federal Home Loan Bank Advances and Other Borrowings	3,801	7,961
Total Interest Expense	25,741	16,443
Net Interest Income	58,458	60,689
Provision for Credit Losses	224	1,991
Net Interest Income after Provision for Credit Losses	58,234	58,698
<u>Non-Interest Income:</u>		
Deposit Fees	2,064	2,018
International Fees	824	710
Gain (Loss) on Sale of Investment Securities, Net	(506)	(589)
Gain on Sale of SBA Loans, Net	69	846
Bank/Corporate Owned Life Insurance Income (Expense)	499	633
Other	854	1,340
Total Non-Interest Income	3,804	4,958
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	23,701	22,962
Occupancy and Equipment	2,404	2,393
Professional Services	4,042	3,731
Promotion Expenses	1,208	1,047
Other	2,932	2,686
Total Non-Interest Expense	34,287	32,819
Earnings before income taxes	27,751	30,837
Income Tax Expense	7,755	8,427
<u>NET INCOME</u>	\$ 19,996	\$ 22,410
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 2.16	\$ 2.44
Earnings Per Share - Diluted	\$ 2.15	\$ 2.43
Weighted Average Shares - Basic	9,248,440	9,166,753
Weighted Average Shares - Diluted	9,295,879	9,223,461

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2024			March 2024		
	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	\$ 61,618	\$ 839	5.48%	\$ 19,252	\$ 250	5.23%
<u>Investment Securities:</u>						
US Agencies	83,020	1,170	5.64%	89,024	1,285	5.77%
Mortgage Backed Securities	662,880	3,129	1.89%	674,033	3,199	1.90%
State and Municipals	477,603	2,617	2.19%	485,036	2,656	2.19%
Corporate Bonds	16,250	188	4.64%	16,250	188	4.64%
Securities Available-for-Sale and Held-to-Maturity	1,239,753	7,104	2.29%	1,264,343	7,328	2.32%
Federal Home Loan Bank Stock	15,000	327	8.72%	15,000	330	8.79%
Total Investment Securities	1,254,753	7,431	2.37%	1,279,343	7,658	2.39%
<u>Loans Receivable:</u>						
Commercial Real Estate	1,888,292	23,086	4.92%	1,878,384	22,817	4.89%
Commercial and Industrial	478,868	8,088	6.79%	471,147	7,740	6.61%
Residential Real Estate	196,740	3,115	6.37%	196,176	3,044	6.24%
Installment and Other	8,628	69	3.23%	9,235	63	2.74%
Total Loans Receivable	2,572,528	34,358	5.37%	2,554,942	33,664	5.30%
Total Interest Earning Assets	\$ 3,888,899	\$ 42,628	4.34%	\$ 3,853,537	\$ 41,572	4.27%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,607,544	-	0.00%	1,647,928	-	0.00%
Interest Bearing Transaction Accounts	384,339	1,077	1.13%	382,086	1,002	1.05%
Money Market and Savings Deposits	1,145,701	7,900	2.77%	1,125,101	7,265	2.60%
Certificates of Deposit	261,401	2,408	3.70%	255,490	2,288	3.60%
Total Deposits	3,398,985	11,385	1.35%	3,410,605	10,555	1.24%
Federal Home Loan Bank Advances / Other Borrowings	162,533	2,203	5.45%	123,022	1,598	5.22%
Total Interest Bearing Deposits and Borrowings	1,953,974	13,588	2.80%	1,885,699	12,153	2.59%
Total Deposits and Borrowings	\$ 3,561,518	\$ 13,588	1.53%	\$ 3,533,627	\$ 12,153	1.38%
Net Interest Income	\$ 29,040			\$ 29,419		
Net Interest Rate Spread			2.81%			2.89%
Net Interest Margin			3.00%			3.07%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2024			June 2023		
	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	\$ 61,618	\$ 839	5.48%	\$ 20,808	\$ 252	4.86%
<u>Investment Securities:</u>						
US Agencies	83,020	1,170	5.64%	109,816	1,255	4.57%
Mortgage Backed Securities	662,880	3,129	1.89%	708,368	3,325	1.88%
State and Municipals	477,603	2,617	2.19%	500,033	2,759	2.21%
Corporate Bonds	16,250	188	4.64%	16,250	186	4.58%
Securities Available-for-Sale and Held-to-Maturity	1,239,753	7,104	2.29%	1,334,467	7,525	2.26%
Federal Home Loan Bank Stock	15,000	327	8.72%	15,000	263	7.00%
Total Investment Securities	1,254,753	7,431	2.37%	1,349,467	7,788	2.31%
<u>Loans Receivable:</u>						
Commercial Real Estate	1,888,292	23,086	4.92%	1,815,531	21,136	4.67%
Commercial and Industrial	478,868	8,088	6.79%	482,506	7,533	6.26%
Residential Real Estate	196,740	3,115	6.37%	173,644	2,552	5.89%
Installment and Other	8,628	69	3.23%	7,711	59	3.05%
Total Loans Receivable	2,572,528	34,358	5.37%	2,479,392	31,280	5.06%
Total Interest Earning Assets	\$ 3,888,899	\$ 42,628	4.34%	\$ 3,849,667	\$ 39,320	4.04%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,607,544	-	0.00%	1,726,401	-	0.00%
Interest Bearing Transaction Accounts	384,339	1,077	1.13%	295,110	407	0.55%
Money Market and Savings Deposits	1,145,701	7,900	2.77%	1,003,941	4,323	1.73%
Certificates of Deposit	261,401	2,408	3.70%	140,114	1,024	2.93%
Total Deposits	3,398,985	11,385	1.35%	3,165,566	5,754	0.73%
Federal Home Loan Bank Advances / Other Borrowings	162,533	2,203	5.45%	392,968	4,875	4.98%
Total Interest Bearing Deposits and Borrowings	1,953,974	13,588	2.80%	1,832,133	10,629	2.33%
Total Deposits and Borrowings	\$ 3,561,518	\$ 13,588	1.53%	\$ 3,558,534	\$ 10,629	1.20%
Net Interest Income	\$ 29,040			\$ 28,691		
Net Interest Rate Spread						
Net Interest Margin						

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the six months ended:					
	June 2024			June 2023		
	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	\$ 40,435	\$ 1,089	5.42%	\$ 19,882	\$ 460	4.67%
<u>Investment Securities:</u>						
US Agencies	86,022	2,455	5.71%	114,116	2,458	4.31%
Mortgage Backed Securities	668,457	6,327	1.89%	713,865	6,742	1.89%
State and Municipals	481,320	5,272	2.19%	502,955	5,551	2.21%
Corporate Bonds	16,250	377	4.64%	16,250	370	4.55%
Securities Available-for-Sale and Held-to-Maturity	1,252,049	14,431	2.31%	1,347,186	15,121	2.24%
Federal Home Loan Bank Stock	15,000	657	8.75%	15,000	528	7.03%
Total Investment Securities	1,267,049	15,088	2.38%	1,362,186	15,649	2.30%
<u>Loans Receivable:</u>						
Commercial Real Estate	1,883,338	45,903	4.90%	1,786,498	40,767	4.60%
Commercial and Industrial	475,008	15,828	6.70%	495,877	15,120	6.15%
Residential Real Estate	196,458	6,159	6.30%	174,333	4,992	5.77%
Installment and Other	8,932	132	2.98%	7,594	144	3.83%
Total Loans Receivable	2,563,736	68,022	5.34%	2,464,302	61,023	4.99%
Total Interest Earning Assets	\$ 3,871,220	\$ 84,199	4.30%	\$ 3,846,370	\$ 77,132	3.99%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,627,736	-	0.00%	1,779,155	-	0.00%
Interest Bearing Transaction Accounts	383,213	2,079	1.09%	290,550	638	0.44%
Money Market and Savings Deposits	1,135,401	15,165	2.69%	1,068,460	6,553	1.24%
Certificates of Deposit	258,445	4,696	3.65%	102,348	1,291	2.54%
Total Deposits	3,404,795	21,940	1.30%	3,240,513	8,482	0.53%
Federal Home Loan Bank Advances / Other Borrowings	142,778	3,801	5.35%	325,713	7,961	4.93%
Total Interest Bearing Deposits and Borrowings	1,919,837	25,741	2.70%	1,787,071	16,443	1.86%
Total Deposits and Borrowings	\$ 3,547,573	\$ 25,741	1.46%	\$ 3,566,226	\$ 16,443	0.93%
Net Interest Income	\$ 58,458			\$ 60,689		
Net Interest Rate Spread	2.84%			3.06%		
Net Interest Margin	3.04%			3.18%		

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

	June 2024	March 2024	December 2023	June 2023
<u>Performance Ratios:</u>				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	0.97%	1.08%	1.17%	0.96%
Return on Average Equity (ROAE)	11.93%	13.42%	16.05%	13.23%
Efficiency Ratio	54.86%	54.39%	48.45%	53.79%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	1.02%	1.08%	1.13%	1.16%
Return on Average Equity (ROAE)	12.67%	13.42%	15.70%	16.30%
Efficiency Ratio	54.63%	54.39%	50.82%	50.17%
<u>Capital Adequacy:</u>				
Total Risk Based Capital Ratio	12.84%	12.62%	12.37%	12.54%
Common Equity Tier 1 Capital Ratio	11.94%	11.72%	11.47%	11.61%
Tier 1 Risk Based Capital Ratio	11.94%	11.72%	11.47%	11.61%
Tier 1 Leverage Ratio	10.14%	9.99%	9.64%	9.15%
Tangible Common Equity / Tangible Assets	8.42%	8.15%	8.05%	7.25%
<u>Asset Quality Overview</u>				
Non-Performing Loans	\$ 6,641	\$ 7,440	\$ 7,859	\$ 5,788
Loans 90+ Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	6,641	7,440	7,859	5,788
Loans Modified with Financial Difficulty	\$ 4,696	\$ 229	\$ 231	\$ 239
Other Real Estate Owned	-	-	-	-
ACL / Loans Receivable	1.11%	1.10%	1.10%	1.09%
Non-Performing Loans / Total Loans Receivable	0.36%	0.29%	0.30%	0.23%
Non-Performing Assets / Total Assets	0.24%	0.19%	0.20%	0.15%
Net Charge-Offs (Recoveries) quarterly	\$ (58)	\$ (101)	\$ 190	\$ 170
Net Charge-Offs (Recoveries) year-to-date	\$ (159)	\$ (101)	\$ 344	\$ 159
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.01%)	(0.00%)	0.01%	0.01%