



AMERICAN BUSINESS BANK REPORTS RECORD QUARTERLY CORE LOAN GROWTH

Second Quarter Earnings of \$9.1 million increases 35% over Prior Year Quarter

Second Quarter 2021 Highlights

- **Total loans, excluding PPP loans, increased** \$118 million or 8% over prior quarter
- **Total PPP loans outstanding of \$386 million** with \$9 million of net deferred processing fees
- **Cost of average deposits of 0.06%**, same as year to date
- **Non-interest bearing demand deposits** were 53% of total deposits
- **Net interest income includes accelerated PPP fees** of \$4 million on loan forgiveness
- **Net Interest income increased**, excluding accelerated PPP fees 6.1%, over prior year quarter
- **Net income increased \$2 million or 35%** over prior year quarter
- **Nonperforming assets to total assets of 0.01%**, excluding PPP loans
- **Continued status as well-capitalized**, the highest regulatory category
- **Board of Directors declared** a Stock Dividend of 10%, retroactively applied

Los Angeles, California, July 28, 2021. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$9.1 million or \$1.00 per fully diluted share for the second quarter of 2021 compared to \$8.9 million or \$0.99 per fully diluted share for the first quarter of 2021, an increase of 2%. For the quarter ended June 30, 2021 net income associated with the PPP program was \$4.3 million or \$0.47 per fully diluted share, an increase of 20% compared to \$3.6 million or \$0.39 per fully diluted share for the first quarter of 2021.

“The Bank realized exceptional loan growth in the second quarter of 2021 at a 30% annualized rate primarily from new relationships. Growth was diversified in owner and non-owner occupied commercial real estate and C&I loans across all of the regional offices. Business momentum remains strong new relationships join the Bank which will also drive core deposit growth. The Bank’s level of demonstrated high service resonates with entrepreneurial owners coming out of the pandemic as larger banks struggle to deliver. Additional loan growth allows the net interest income to grow despite continued compression to the net interest margin in this low rate environment.

“ABB’s high level of participation in the PPP program places the bank in the upper echelon in the entire U.S. as measured by PPP loans as a percentage of total loans. The timing of PPP loan forgiveness has met expectations, and income from the program has enabled ABB to step up our community support with planned funding of a small business grant program to benefit minority and women-owned businesses.

“Additionally, we remain true to our original value proposition and culture to help guide and bank the best small to middle market companies in Southern California. Our ability to not only be excellent bankers in all the traditional sense, of deposits and loans as well as consultants and stewards, delivers an unmatched banking relationship,” said Leon Blankstein, ABB’s President, CEO and Director.

Net interest income for the second quarter of 2021 was \$27.1 million, an 11% increase over the first quarter of 2021 as realized deferred fees on PPP loans increased by \$1.2 million driven by an increase in PPP loan forgiveness. Interest income on loans, excluding PPP loan income, increased by \$1.1 million in the second quarter of 2021 compared to the first quarter of 2021 as loans, excluding PPP loans, increased by an average of \$82 million. Additionally, during the second quarter of 2021, the Bank recovered \$342,000 of interest on a nonaccrual loan and a previously charged off loan. Interest income on the securities portfolio increased by \$504,000 in the second quarter of 2021 compared to the first quarter of 2021, as investment securities increased by an average of \$80 million. For the quarters ending June 30, 2021 and March 31, 2021, the cost of deposits was 0.06%. For the quarter ending June 30, 2021, there was no provision for loan losses as the economy continues to improve and the Bank received a recovery on a previously charged off loan. The allowance for loan losses as a percentage of loans, excluding PPP loans, was 1.40% at June 30, 2021.

Net income was \$18.0 million or \$1.98 per fully diluted share for the six months ended June 30, 2021, compared to \$11.6 million or \$1.30 per fully diluted share for the six months ended June 30, 2020. The increase was primarily due to \$6.9 million of accelerated realization of net deferred PPP processing fees on forgiven PPP loans, an increase in interest on investment securities of \$1.8 million as a result of an increase in investment securities and no provision for loan losses. This additional income was offset by a \$2 million nonrecurring legal settlement expense and a \$1.8 million increase in salary and bonus expense.

Net Interest Margin

Net interest margin for the second quarter of 2021 was 3.00% compared to 2.92% in the first quarter of 2021 and 2.88% in the second quarter of 2020. Excluding the impact of PPP loans the net interest margin was 2.75% for the second quarter of 2021 and 2.82% for the first quarter of 2021. The recovery of interest on nonaccrual/charged off loans in the second quarter increased the net interest margin by 0.04% and the loan yield by 0.06%. Without the acceleration of fees on forgiveness, the yield on PPP loans was 1.46% for the second quarter of 2021. The decrease in the net interest margin excluding the impact of PPP loans compared to the prior year is due to a decline of the core loan yield to 4.12% offset by loan growth and an increase in investment securities. As of June 30, 2021, approximately 47% of the Bank's variable-rate loans are indexed to prime and 76% of these loans are at or above interest rate floors.

Net Interest Income

Net interest income increased for the second quarter of 2021 compared to second quarter of 2020 by \$5.4 million, or 25%, and increased compared to the first quarter of 2021 by \$2.6 million, or 11%. This was primarily due to the accelerated realization of net deferred PPP processing fees as 40% and 18% of PPP loans originated in 2020 were forgiven in the second quarter of 2021 and the first quarter of 2021, respectively. The Bank received \$342,000 of interest on a payoff of a nonaccrual loan and in a full recovery of a charged off loan.

(Figures in \$000s, except per share amounts)	As of or For the Six Months Ended:		As of or For the Three Months Ended:	
	June 2021	June 2020	June 2021	March 2021
PPP loans - first round, net	\$ 152,827	\$ 675,666	\$ 152,827	\$ 424,327
PPP loans - second round, net	233,561	-	233,561	217,780
PPP Total Loans, net	\$ 386,388	\$ 675,666	\$ 386,388	\$ 642,107
1% Coupon Interest	\$ 2,930	\$ 1,381	\$ 1,403	\$ 1,527
Amortized fees	1,288	1,613	620	668
Accelerated fees	6,891	-	4,046	2,845
Total PPP loan income	\$ 11,109	\$ 2,994	\$ 6,069	\$ 5,040
Total PPP loan income after tax	\$ 7,835	\$ 2,117	\$ 4,280	\$ 3,555
Total PPP loan income after tax per share - diluted	\$ 0.86	\$ 0.24	\$ 0.47	\$ 0.39

As of July 8, 2021, approximately 79% of PPP loan balances originated in 2020 have been forgiven, approximately 9% of balances are in the forgiveness review or submission process and approximately 12% of balances have yet to apply for forgiveness.

On a year-to-date basis, net interest income was \$51.6 million for the six months ended June 30, 2021, compared to \$41.8 million for the same period a year ago. The increase of \$9.8 million or 24% is primarily due to the accelerated realization of net deferred PPP processing fees on forgiven PPP loans of \$6.9 million and an increase in interest on investment securities of \$1.8 million as a result of an increase in investment securities.

Non Interest Income

Fluctuations in non-interest income between quarter and year-to-date are primarily due to Bank/Corporate owned life insurance (BOLI) income as a result of the decrease in the value of the policies that are invested in mutual funds. On a year-to-date basis, deposit fees increased \$252,000 from the period a year ago due to growth in commercial business customers and lower earnings credit.

Non Interest Expense

For the second quarter of 2021, total non-interest expense increased \$2.5 million compared to the first quarter of 2021 and second quarter of 2020 primarily due to a \$2 million expense for settlement of a legal matter and an increase in bonus expense as a result of higher loan production. The efficiency ratio increased/decreased to 58% for the second quarter of 2021 compared to 54% for the first quarter of 2021 and 59% for the second quarter of 2020.

Full time equivalent employees at June 30, 2021 were 192 compared to 195 a year ago. Full time equivalent employees were 192 at March 31, 2021. The Bank has 35 relationship managers in seven offices, an increase over the year of five and the prior quarter of one. The higher mix of relationship managers to back office personnel is the result of technology implementations that continue in 2021.

On a year-to-date basis, non-interest expense for the six months ended June 30, 2021 increased \$4.4 million or 17% compared to the same period a year ago, due to the settlement of a legal matter, an increase in

salaries and bonus expense reflective of higher loan growth and PPP1 forgiveness with added expense for the deferred compensation plan (DCP) as a result of the market performance of DCP investment balances.

Balance Sheet

Total assets increased \$27 million, or 1% from March 31, 2021 to \$3.7 billion. Total loans, excluding PPP loans, increased \$118 million, to \$1.7 billion from the first quarter of 2021 as CRE loans increased by \$56 million, C&I loan growth and line utilization increased by \$37 million and residential real estate loans increased by \$25 million. At June 30, 2021, the utilization rate for the Bank's commercial lines of credit was 27% compared to 24% at March 31, 2021. Investment securities increased by \$214 million from the first quarter of 2021 to \$1.3 billion. During the second quarter, the Bank designated \$73 million of municipal bonds from available-for-sale to held-to-maturity to reduce volatility to equity in a rising rate environment. The duration of the securities portfolio declined from 4.7 to 4.5 years from March 31, 2021 to June 30, 2021.

At June 30, 2021, the tangible common equity ratio was 7.0%; excluding PPP loans, the tangible common equity ratio was 7.9%.

On June 23, 2021, the Bank declared a ten percent stock dividend per common share to be payable on July 22, 2021 to shareholders of record at the close of business on June 23, 2021.

Asset Quality

Non-performing assets declined to \$54,000 at June 30, 2021 from \$2.2 million at March 31, 2021, representing 0.01% of total assets (excluding PPP loans). The Bank continues to have no Other Real Estate Owned. Loans that were past due, criticized and classifieds represented 0.00%, 4.24%, and 0.68%, respectively of total loans at June 30, 2021 compared to 0.00%, 6.02%, and 0.98%, respectively of total loans at March 31, 2021 (excluding PPP loans in all periods). As of June 30, 2021, the Bank had total specific reserve of \$52,000 related to one \$214,000 impaired loan relationship. As of June 30, 2021, the allowance for loan losses totaled \$23.3 million, or 1.40% of total loans (excluding PPP loans); compared to 1.48% at March 31, 2021. 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 the second quarter of 2021, the Bank recorded no loan charge-offs and recoveries of \$395,000.

In response to the COVID-19 pandemic, the Bank established a loan payment deferment program to assist its customers who are experiencing short-term financial or operational problems. As of June 30, 2021, there were no loans on a loan payment deferment program. As of March 31, 2021, there were five loans with a total principal balance of \$11.2 million (0.5% of total loans) on a loan payment deferment program subsequently all have made their payments.

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 six 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 and Inland Empire in Ontario.

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

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

BALANCE SHEETS (unaudited)

	June 2021	March 2021	December 2020	June 2020
Assets:				
Cash and Due from Banks	\$ 74,242	\$ 38,637	\$ 44,334	\$ 68,072
Interest Earning Deposits in Other Financial Institutions	269,596	350,354	201,719	232,770
Investment Securities:				
US Agencies	210,849	218,794	228,102	240,012
Mortgage Backed Securities	577,726	407,651	419,393	313,119
State and Municipals	213,729	270,161	279,045	133,128
US Treasuries	-	-	-	10,081
Corporate Bonds	10,966	8,848	12,725	19,502
Securities Available-for-Sale, at Fair Value	1,013,270	905,454	939,265	715,842
State and Municipals Securities Held-to-Maturity, at Amortized Cost	255,953	151,041	143,229	86,289
Federal Home Loan Bank Stock, at Cost	11,779	10,864	10,864	10,864
Total Investment Securities	1,281,002	1,067,359	1,093,358	812,995
Loans Receivable:				
Commercial Real Estate	1,193,612	1,137,493	1,095,811	1,007,655
Commercial and Industrial	364,019	327,519	333,021	370,786
SBA Payroll Protection Program	386,388	642,107	551,190	675,666
Residential Real Estate	105,711	80,686	76,483	71,112
Installment and Other	4,261	4,212	4,405	6,039
Total Loans Receivable	2,053,991	2,192,017	2,060,910	2,131,258
Allowance for Loan Losses	(23,341)	(22,946)	(22,931)	(22,399)
Loans Receivable, Net	2,030,650	2,169,071	2,037,979	2,108,859
Furniture, Equipment and Leasehold Improvements, Net	7,074	7,472	7,857	8,520
Bank/Corporate Owned Life Insurance	28,325	28,070	27,738	26,651
Other Assets	41,440	44,247	41,277	37,396
Total Assets	\$ 3,732,329	\$ 3,705,210	\$ 3,454,262	\$ 3,295,263
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,830,832	\$ 1,855,756	\$ 1,686,091	\$ 1,684,662
Interest Bearing Transaction Accounts	257,726	260,610	258,950	204,133
Money Market and Savings Deposits	1,311,603	1,270,228	1,191,591	1,100,191
Certificates of Deposit	34,543	34,267	35,778	35,713
Total Deposits	3,434,704	3,420,861	3,172,410	3,024,699
Federal Home Loan Bank Advances / Other Borrowings	-	-	-	-
Other Liabilities	35,031	36,265	34,014	43,206
Total Liabilities	\$ 3,469,735	\$ 3,457,126	\$ 3,206,424	\$ 3,067,905
Shareholders' Equity:				
Common Stock	\$ 200,904	\$ 166,956	\$ 166,263	\$ 165,032
Retained Earnings	60,337	84,473	75,557	58,359
Accumulated Other Comprehensive Income / (Loss)	1,353	(3,345)	6,018	3,967
Total Shareholders' Equity	\$ 262,594	\$ 248,084	\$ 247,838	\$ 227,358
Total Liabilities and Shareholders' Equity	\$ 3,732,329	\$ 3,705,210	\$ 3,454,262	\$ 3,295,263
Standby Letters of Credit	\$ 33,184	\$ 32,115	\$ 33,469	\$ 37,259
Per Share Information:				
Common Shares Outstanding	8,799,072	8,775,324	8,736,605	8,694,516
Book Value Per Share	\$ 29.84	\$ 28.27	\$ 28.37	\$ 26.15
Tangible Book Value Per Share	\$ 29.84	\$ 28.27	\$ 28.37	\$ 26.15

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

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

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	June 2021	March 2021	June 2020
Interest Income:			
Interest and Fees on Loans	\$ 22,861	\$ 20,774	\$ 19,169
Interest on Investment Securities	4,626	4,122	3,084
Interest on Interest Earning Deposits in Other Financial Institutions	99	66	93
Total Interest Income	27,586	24,962	22,346
Interest Expense:			
Interest on Interest Bearing Transaction Accounts	40	41	37
Interest on Money Market and Savings Deposits	426	414	538
Interest on Certificates of Deposits	12	14	28
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	-	-
Total Interest Expense	478	469	603
Net Interest Income	27,108	24,493	21,743
Provision for Loan Losses	-	-	680
Net Interest Income after Provision for Loan Losses	27,108	24,493	21,063
Non-Interest Income:			
Deposit Fees	763	745	640
International Fees	260	263	244
Gain (Loss) on Sale of Investment Securities, Net	-	(15)	(184)
Gain on Sale of SBA Loans, Net	-	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	255	332	953
Other	192	202	143
Total Non-Interest Income	1,470	1,527	1,796
Non-Interest Expense:			
Salaries and Employee Benefits	10,231	9,663	9,384
Occupancy and Equipment	1,151	1,146	953
Professional Services	1,560	1,703	1,627
Promotion Expenses	297	222	267
Other	3,226	1,200	1,693
Total Non-Interest Expense	16,465	13,934	13,924
Earnings before income taxes	12,113	12,086	8,935
Income Tax Expense	3,054	3,170	2,200
NET INCOME	\$ 9,059	\$ 8,916	\$ 6,735
<i>Add back:</i>			
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ -	\$ 11	\$ 139
Core Net Income	\$ 9,059	\$ 8,927	\$ 6,874
Per Share Information:			
Earnings Per Share - Basic	\$ 1.01	\$ 1.00	\$ 0.76
Earnings Per Share - Diluted	\$ 1.00	\$ 0.99	\$ 0.76
<i>Core Earnings Per Share - Diluted</i>	<i>\$ 1.00</i>	<i>\$ 0.99</i>	<i>\$ 0.77</i>
Weighted Average Shares - Basic	8,961,797	8,921,941	8,850,734
Weighted Average Shares - Diluted	9,095,569	9,033,128	8,907,089

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

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

INCOME STATEMENTS (unaudited)

	For the six months ended:	
	June 2021	June 2020
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 43,635	\$ 36,464
Interest on Investment Securities	8,748	6,997
Interest on Interest Earning Deposits in Other Financial Institutions	165	147
Total Interest Income	52,548	43,608
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	81	141
Interest on Money Market and Savings Deposits	840	1,505
Interest on Certificates of Deposits	26	69
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	131
Total Interest Expense	947	1,846
Net Interest Income	51,601	41,762
Provision for Loan Losses	-	2,114
Net Interest Income after Provision for Loan Losses	51,601	39,648
<u>Non-Interest Income:</u>		
Deposit Fees	1,507	1,255
International Fees	523	527
Gain (Loss) on Sale of Investment Securities, Net	(15)	(137)
Gain on Sale of SBA Loans, Net	-	19
Bank/Corporate Owned Life Insurance Income (Expense)	587	203
Other	394	341
Total Non-Interest Income	2,996	2,208
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	19,893	17,603
Occupancy and Equipment	2,297	1,873
Professional Services	3,263	3,108
Promotion Expenses	519	633
Other	4,426	2,755
Total Non-Interest Expense	30,398	25,972
Earnings before income taxes	24,199	15,884
Income Tax Expense	6,224	4,310
<u>NET INCOME</u>	\$ 17,975	\$ 11,574
<i>Add back:</i>		
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ 11	\$ 100
Core Net Income	\$ 17,986	\$ 11,674
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 2.01	\$ 1.31
Earnings Per Share - Diluted	\$ 1.98	\$ 1.30
Core Earnings Per Share - Diluted	\$ 1.98	\$ 1.31
Weighted Average Shares - Basic	8,941,869	8,845,307
Weighted Average Shares - Diluted	9,064,349	8,920,840

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

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Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2021			March 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	\$ 329,324	\$ 99	0.12%	\$ 216,373	\$ 66	0.12%
Investment Securities:						
US Agencies	216,143	383	0.71%	225,144	408	0.72%
Mortgage Backed Securities	466,148	1,565	1.34%	398,884	1,229	1.23%
State and Municipals	435,608	2,394	2.20%	414,773	2,267	2.19%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	10,085	82	3.25%	10,273	82	3.20%
Securities Available-for-Sale and Held-to-Maturity	1,127,984	4,424	1.57%	1,049,074	3,986	1.52%
Federal Home Loan Bank Stock	11,628	202	6.95%	10,864	136	5.01%
Total Investment Securities	1,139,612	4,626	1.62%	1,059,938	4,122	1.56%
Loans Receivable:						
Commercial Real Estate	1,163,231	11,944	4.12%	1,105,890	11,463	4.20%
Commercial and Industrial	340,067	3,921	4.62%	330,778	3,462	4.24%
SBA Payroll Protection Program	555,338	6,069	4.38%	609,638	5,040	3.35%
Residential Real Estate	93,126	889	3.83%	78,034	758	3.94%
Installment and Other	5,613	38	2.75%	4,957	51	4.15%
Total Loans Receivable	2,157,375	22,861	4.25%	2,129,297	20,774	3.96%
Total Interest Earning Assets	\$ 3,626,311	\$ 27,586	3.01%	\$ 3,405,608	\$ 24,962	2.93%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,871,930	-	0.00%	1,730,626	-	0.00%
Interest Bearing Transaction Accounts	267,490	40	0.06%	255,416	41	0.07%
Money Market and Savings Deposits	1,278,436	426	0.13%	1,223,414	414	0.14%
Certificates of Deposit	34,446	12	0.14%	34,865	14	0.16%
Total Deposits	3,452,302	478	0.06%	3,244,321	469	0.06%
Federal Home Loan Bank Advances / Other Borrowings	7	-	0.37%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,580,379	478	0.12%	1,513,695	469	0.13%
Total Deposits and Borrowings	\$ 3,452,309	\$ 478	0.06%	\$ 3,244,321	\$ 469	0.06%
Net Interest Income		<u>\$ 27,108</u>			<u>\$ 24,493</u>	
Net Interest Rate Spread			<u>2.95%</u>			<u>2.87%</u>
Net Interest Margin			<u>3.00%</u>			<u>2.92%</u>
Net Interest Margin, excluding SBA PPP			<u>2.75%</u>			<u>2.82%</u>

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	June 2021			June 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	\$ 329,324	\$ 99	0.12%	\$ 264,722	\$ 93	0.14%
Investment Securities:						
US Agencies	216,143	383	0.71%	260,033	270	0.41%
Mortgage Backed Securities	466,148	1,565	1.34%	271,173	1,434	2.12%
State and Municipals	435,608	2,394	2.20%	174,950	1,196	2.73%
US Treasuries	-	-	0.00%	10,018	37	1.48%
Corporate Bonds	10,085	82	3.25%	19,908	147	2.95%
Securities Available-for-Sale and Held-to-Maturity	1,127,984	4,424	1.57%	736,082	3,084	1.68%
Federal Home Loan Bank Stock	11,628	202	6.95%	10,753	-	0.00%
Total Investment Securities	1,139,612	4,626	1.62%	746,835	3,084	1.65%
Loans Receivable:						
Commercial Real Estate	1,163,231	11,944	4.12%	1,003,318	11,031	4.42%
Commercial and Industrial	340,067	3,921	4.62%	402,179	4,380	4.38%
SBA Payroll Protection Program	555,338	6,069	4.38%	539,535	2,994	2.23%
Residential Real Estate	93,126	889	3.83%	70,984	705	4.00%
Installment and Other	5,613	38	2.75%	5,037	59	4.75%
Total Loans Receivable	2,157,375	22,861	4.25%	2,021,053	19,169	3.81%
Total Interest Earning Assets	\$ 3,626,311	\$ 27,586	3.01%	\$ 3,032,610	\$ 22,346	2.91%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,871,930	-	0.00%	1,624,250	-	0.00%
Interest Bearing Transaction Accounts	267,490	40	0.06%	201,439	37	0.07%
Money Market and Savings Deposits	1,278,436	426	0.13%	1,027,292	538	0.21%
Certificates of Deposit	34,446	12	0.14%	35,614	28	0.31%
Total Deposits	3,452,302	478	0.06%	2,888,595	603	0.08%
Federal Home Loan Bank Advances / Other Borrowings	7	-	0.37%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,580,379	478	0.12%	1,264,345	603	0.19%
Total Deposits and Borrowings	\$ 3,452,309	\$ 478	0.06%	\$ 2,888,595	\$ 603	0.08%
Net Interest Income		<u>\$ 27,108</u>			<u>\$ 21,743</u>	
Net Interest Rate Spread			<u>2.95%</u>			<u>2.83%</u>
Net Interest Margin			<u>3.00%</u>			<u>2.88%</u>
Net Interest Margin, excluding SBA PPP			<u>2.75%</u>			<u>3.02%</u>

American Business Bank
Figures in \$000

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

	For the six months ended:					
	June 2021			June 2020		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits with Other Financial Institutions	\$ 273,160	\$ 165	0.12%	\$ 146,139	\$ 147	0.20%
Investment Securities:						
US Agencies	220,619	790	0.72%	268,943	946	0.70%
Mortgage Backed Securities	432,702	2,794	1.29%	279,234	3,177	2.28%
State and Municipals	425,248	4,662	2.19%	169,050	2,317	2.74%
US Treasuries	-	-	0.00%	10,022	74	1.48%
Corporate Bonds	10,179	164	3.23%	19,928	297	2.98%
Securities Available-for-Sale and Held-to-Maturity	1,088,748	8,410	1.54%	747,177	6,811	1.82%
Federal Home Loan Bank Stock	11,248	338	6.01%	10,554	186	3.52%
Total Investment Securities	1,099,996	8,748	1.59%	757,731	6,997	1.85%
Loans Receivable:						
Commercial Real Estate	1,134,719	23,405	4.16%	1,004,366	22,374	4.48%
Commercial and Industrial	335,448	7,383	4.44%	419,181	9,404	4.51%
SBA Payroll Protection Program	582,338	11,110	3.85%	269,767	2,994	2.23%
Residential Real Estate	85,622	1,648	3.88%	73,643	1,592	4.35%
Installment and Other	5,287	89	3.40%	5,343	100	3.76%
Total Loans Receivable	2,143,414	43,635	4.11%	1,772,300	36,464	4.14%
Total Interest Earning Assets	\$ 3,516,570	\$ 52,548	2.97%	\$ 2,676,170	\$ 43,608	3.22%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,801,668	-	0.00%	1,364,422	-	0.00%
Interest Bearing Transaction Accounts	261,487	81	0.06%	201,845	141	0.14%
Money Market and Savings Deposits	1,251,077	840	0.14%	917,213	1,505	0.33%
Certificates of Deposit	34,654	26	0.15%	36,020	69	0.39%
Total Deposits	3,348,886	947	0.06%	2,519,500	1,715	0.14%
Federal Home Loan Bank Advances / Other Borrowings	4	-	0.37%	15,857	131	1.66%
Total Interest Bearing Deposits and Borrowings	1,547,222	947	0.12%	1,170,935	1,846	0.32%
Total Deposits and Borrowings	\$ 3,348,890	\$ 947	0.06%	\$ 2,535,357	\$ 1,846	0.15%
Net Interest Income		\$ 51,601			\$ 41,762	
Net Interest Rate Spread			2.91%			3.07%
Net Interest Margin			2.96%			3.14%
Net Interest Margin, excluding SBA PPP			2.78%			3.24%

American Business Bank

Figures in \$000

SUPPLEMENTAL DATA (unaudited)

	June 2021	March 2021	December 2020	June 2020
Performance Ratios:				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	0.97%	1.01%	1.08%	0.86%
<i>Core Return on Average Assets (ROAA)</i>	0.97%	1.01%	1.08%	0.87%
Return on Average Equity (ROAE)	14.21%	14.32%	15.57%	12.14%
<i>Core Return on Average Equity (ROAE)</i>	14.21%	14.34%	15.57%	12.39%
Efficiency Ratio	57.61%	53.52%	53.70%	58.70%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	0.99%	1.01%	0.93%	0.83%
<i>Core Return on Average Assets (ROAA)</i>	0.99%	1.01%	0.93%	0.84%
Return on Average Equity (ROAE)	14.26%	14.32%	12.70%	10.68%
<i>Core Return on Average Equity (ROAE)</i>	14.27%	14.34%	12.76%	10.77%
Efficiency Ratio	55.66%	53.52%	56.40%	58.88%
<i>Core Efficiency Ratio</i>	55.66%	53.52%	56.40%	58.88%
Capital Adequacy:				
Total Risk Based Capital Ratio	14.26%	14.85%	14.65%	14.64%
Common Equity Tier 1 Capital Ratio	13.01%	13.60%	13.40%	13.38%
Tier 1 Risk Based Capital Ratio	13.01%	13.60%	13.40%	13.38%
Tier 1 Leverage Ratio	6.98%	7.13%	6.98%	7.10%
Tangible Common Equity / Tangible Assets	7.04%	6.70%	7.17%	6.90%
Asset Quality Overview				
Non-Performing Loans	\$ 54	\$ 2,172	\$ 2,405	\$ 2,601
Loans 90+ Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	54	2,172	2,405	2,601
Restructured Loans	214	216	218	223
Other Real Estate Owned	-	-	-	-
ALLL / Loans Receivable	1.14%	1.05%	1.11%	1.05%
Non-Performing Loans / Total Loans Receivable *	0.01%	0.11%	0.13%	0.13%
Non-Performing Loans / Total Loans Receivable *, excluding PPP **	0.02%	0.15%	0.17%	0.19%
Non-Performing Assets / Total Assets *	0.01%	0.06%	0.08%	0.09%
Non-Performing Assets / Total Assets *, excluding PPP **	0.01%	0.08%	0.09%	0.11%
Net Charge-Offs (Recoveries) quarterly	\$ (395)	\$ (16)	\$ (21)	\$ 168
Net Charge-Offs (Recoveries) year-to-date	\$ (411)	\$ (16)	\$ 457	\$ 538
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	-0.02%	0.00%	0.02%	0.03%

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

** SBA Paycheck Protection Program (PPP)