



AMERICAN BUSINESS BANK REPORTS RECORD QUARTERLY INCOME

Third Quarter Earnings of \$11.5 million increases 46% over Prior Year Quarter

Third Quarter 2021 Highlights

- **Total loans, excluding PPP loans, increased \$103 million** or 6% over prior quarter
- **Total PPP loans outstanding of \$188 million** with \$5 million of net deferred processing fees
- **Cost of average deposits of 0.05%**, a decline of 0.02% over prior year quarter
- **Non-interest bearing demand deposits** were 53% of total deposits
- **Net interest income includes accelerated PPP fees** of \$3.6 million on loan forgiveness
- **Net interest income increased**, excluding accelerated PPP fees, 4.0% over prior year quarter
- **Net income increased \$3.7 million or 46%** over prior year quarter
- **Nonperforming assets to total assets of 0.01%**, excluding PPP loans
- **Continued status as well-capitalized**, the highest regulatory category
- **Opened new loan production office** in Long Beach, California

Los Angeles, California, October 28, 2021. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$11.5 million or \$1.29 per fully diluted share for the third quarter of 2021 compared to \$9.1 million or \$1.00 per fully diluted share for the second quarter of 2021, an increase of 27%. For the quarter ended September 30, 2021 net income associated with the PPP program was \$3.3 million or \$0.37 per fully diluted share, a decrease of 23% compared to \$4.3 million or \$0.47 per fully diluted share for the second quarter of 2021.

“The third quarter of 2021 was characterized by significant core loan and deposit growth, increased net interest income, tangible book value growth and continued strong credit quality. We are pleased with our results as we near \$4 billion in assets, going above and beyond for our business customers.

“The Bank experienced significant core loan growth, excluding PPP loans, of 23% on an annualized basis in the third quarter of 2021, including growth in its commercial real estate and commercial and industrial lending portfolios. Growth was particularly strong in the commercial loan portfolio due to new customer relationships and an increase in line of credit utilization. This double digit growth is following last quarter’s record core loan growth. We are confident that we can continue to grow loans given our robust loan pipeline and diversified production efforts across all our regional offices.

“Net interest income increased by \$0.9 million in the third quarter of 2021, excluding PPP accelerated fees, compared to the prior year quarter primarily due to core loan growth. This demonstrates that our strategy of providing market leading service to businesses continues to resonate in the market with prospective customers as new relationships join the Bank to replace PPP loans. Especially noteworthy this quarter was the increase in the net interest margin, excluding accelerated PPP fees and second quarter non-recurring interest benefits. The balance sheet remains asset sensitive which should allow net interest income and net interest margin to benefit from future increases in interest rates.

“Our grant program to benefit minority and women-owned businesses started in September with educational business classes sponsored by the Bank with additional grant money to be disbursed later this year.

“We are focused on taking advantage of market opportunities to prudently deploy excess liquidity into core loan relationships supplemented by investment securities while remaining cognizant of the potential impact of changes to interest rates,” commented Leon Blankstein, ABB’s President, CEO, and Director.

For the quarter ending September 30, 2021, net interest income was \$27.9 million, a 3% increase over the second quarter of 2021 as interest income on the securities portfolio increased by \$1.1 million as the securities portfolio increased by an average of \$217 million. Interest income on core loans increased by \$1 million in the third quarter of 2021 compared to the second quarter of 2021 as core loans increased by an average of \$112 million. Interest income on PPP loans decreased by \$1.4 million in the third quarter of 2021 compared to the second quarter of 2021 as PPP loans and associated fees declined. For the quarter ending September 30, 2021, the cost of deposits was 0.05% representing a decrease of 0.01% compared to the quarter ending June 30, 2021.

For the quarter ending September 30, 2021, the provision for loan losses was \$468,000. The allowance for loan losses as a percentage of loans, excluding PPP loans, was 1.33% at September 30, 2021.

For the nine months ending September 30, 2021, net income was \$29.5 million or \$3.27 per fully diluted share, compared to \$19.5 million or \$2.18 per fully diluted share for the nine months ended September 30, 2020. The increase was primarily due to \$10.5 million of acceleration of net deferred PPP processing fees on forgiven PPP loans and a \$3.4 million increase in interest on investment securities. This additional income was offset by a \$2 million nonrecurring legal settlement and a \$2 million increase in salary and bonus expenses.

Net Interest Margin

Net interest margin for the third quarter of 2021 was 2.94% compared to 3.00% in the second quarter of 2021 and 2.89% in the third quarter of 2020. Excluding the impact of PPP loans, the net interest margin was 2.64% for the third quarter of 2021 and 2.75% for the second quarter of 2021. Without the acceleration of fees on forgiveness, the yield on PPP loans was 1.54% for the third quarter of 2021. The recovery of interest on nonaccrual/charged off loans in the second quarter benefitted that quarter’s net interest margin by 0.04% and the loan yield by 0.06%. As of September 30, 2021, approximately 46% of the Bank’s variable-rate loans are indexed to prime and 79% of these loans are at or above interest rate floors.

Net Interest Income

For the quarter ending September 30, 2021, net interest income increased by \$750,000, or 3%, compared to the second quarter of 2021 and \$4.5 million, or 19%, compared to the quarter ending September 30, 2020. This was primarily due to growth in core loans and investment securities supplemented by the accelerated realization of net deferred PPP processing fees.

	As of or For the Nine Months Ended:		As of or For the Three Months Ended:	
	September 2021	September 2020	September 2021	June 2021
(Figures in \$000s, except per share amounts)				
PPP loans - first round, net	\$ 18,741	\$ 688,336	\$ 18,741	\$ 152,827
PPP loans - second round, net	169,564	-	169,564	233,561
PPP Total Loans, net	\$ 188,305	\$ 688,336	\$ 188,305	\$ 386,388
1% Coupon Interest	\$ 3,669	\$ 3,141	\$ 738	\$ 1,403
Amortized fees	1,671	3,691	382	620
Accelerated fees	10,471	-	3,580	4,046
Total PPP loan income	\$ 15,811	\$ 6,832	\$ 4,700	\$ 6,069
Total PPP loan income after tax	\$ 11,151	\$ 4,830	\$ 3,315	\$ 4,280
Total PPP loan income after tax per share - diluted	\$ 1.24	\$ 0.54	\$ 0.37	\$ 0.47

As of September 30, 2021, approximately 96% of PPP loans originated in 2020 and 30% of PPP loans originated in 2021 have been forgiven. Of the remaining PPP loans originated in 2020 and 2021, approximately 6% are in the forgiveness review or submission process.

For the nine months ended September 30, 2021, net interest income was \$79.5 million compared to \$65.1 million for the same period a year ago. The increase of \$14.3 million, or 22%, is primarily due to the acceleration of \$10.5 million of net deferred PPP processing fees and a \$3.4 million increase in interest on investment securities.

Non Interest Income

The increases in non-interest income for the quarter and year-to-date periods are primarily due to deposit fees as a result of new commercial business customers and lower earnings credit. On a year-to-date basis, Bank/Corporate owned life insurance (BOLI) income increased by \$241,000 as a result of the increase in the value of the policies that are invested in mutual funds.

Non Interest Expense

For the quarter ending September 30, 2021, total non-interest expense decreased \$3.1 million compared to the prior quarter primarily due to a \$2 million legal settlement and higher bonus expenses tied to loan production that were recorded in the second quarter. Total non-interest expense decreased by \$271,000 in the third quarter of 2021 compared to the third quarter of 2020 reflecting reimbursed legal fees of \$257,000 in the third quarter of 2021. The efficiency ratio, excluding PPP accelerated fees, decreased to 52% for the third quarter compared to 67% for the second quarter of 2021 and 55% for the third quarter of 2020.

There were 202 full time equivalent employees at September 30, 2021 compared to 193 a year ago and 192 at June 30, 2021. The Bank has 37 relationship managers in eight offices representing an increase of five from a year ago and two from the prior quarter. Other increases in FTE are primarily to support the growing loan portfolio.

For the nine months ending September 30, 2021, non-interest expense increased \$4.2 million or 10.5% compared to the same period a year ago primarily due to the \$2 million legal settlement and higher bonus expenses tied to loan production and PPP1 forgiveness that were recorded in the first half of the year.

Balance Sheet

From June 30, 2021 to September 30, 2021, total assets increased \$171 million, or 5%, total deposits increased \$156 million, or 5% and total loans, excluding PPP loans, increased \$103 million, or 6%. During the third quarter of 2021, CRE loans, primarily owner-occupied, increased by \$67 million, C&I loans benefitting from higher line utilization increased by \$26 million and residential real estate loans increased by \$9 million. At September 30, 2021, the utilization rate for the Bank's commercial lines of credit was 29% compared to 27% at June 30, 2021. Investment securities increased by \$232 million from the second quarter of 2021 to \$1.5 billion. As of September 30, 2021, the duration of the securities portfolio declined to 4.4 years.

At September 30, 2021, the tangible common equity ratio was 7.0%; excluding PPP loans, the tangible common equity ratio was 7.36%.

Asset Quality

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

	September 30, 2021	June 30, 2021	Increase (Decrease)
(Figures in \$000s)			
Non-performing assets (NPA)	\$ 349	\$ 268	\$ 81
Loans 90+ Days Past Due and Still Accruing	-	-	-
Total NPA	\$ 349	\$ 268	\$ 81
NPA as a % of total assets, excluding PPP	0.01%	0.01%	
Past Due as a % of total Loans, excluding PPP	0.06%	0.00%	
Criticized as a % of total Loans, excluding PPP	3.64%	4.24%	
Classified as a % of total Loans, excluding PPP	0.14%	0.68%	

As of September 30, 2021, the Bank had total specific reserve of \$11,000 related to one \$350,000 impaired SBA loan relationship.

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

	September 30, 2021	June 30, 2021
(Figures in \$000s)		
Beginning Balance	\$ 23,341	\$ 22,946
Charge-offs	(278)	-
Recoveries	19	395
Net (charge-offs) / recoveries	\$ (259)	\$ 395
Provision	468	-
Ending Balance	\$ 23,550	\$ 23,341
Allowance as a % of total assets, excluding PPP	1.33%	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. During the third quarter of 2021, the Bank recorded loan charge-offs with the largest related to the prior quarter TDR. 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.

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

BALANCE SHEETS (unaudited)

	September 2021	June 2021	December 2020	September 2020
Assets:				
Cash and Due from Banks	\$ 77,145	\$ 74,242	\$ 44,334	\$ 69,786
Interest Earning Deposits in Other Financial Institutions	301,265	269,596	201,719	64,660
Investment Securities:				
US Agencies	198,886	210,849	228,102	230,637
Mortgage Backed Securities	771,601	577,726	419,393	359,974
State and Municipals	233,630	213,729	279,045	243,933
US Treasuries	-	-	-	10,044
Corporate Bonds	12,966	10,966	12,725	12,480
Securities Available-for-Sale, at Fair Value	1,217,083	1,013,270	939,265	857,068
State and Municipals Securities Held-to-Maturity, at Amortized Cost	284,166	255,953	143,229	91,717
Federal Home Loan Bank Stock, at Cost	11,779	11,779	10,864	10,864
Total Investment Securities	1,513,028	1,281,002	1,093,358	959,649
Loans Receivable:				
Commercial Real Estate	1,260,887	1,193,612	1,095,811	1,047,100
Commercial and Industrial	389,683	364,019	333,021	362,258
SBA Payroll Protection Program	188,305	386,388	551,190	688,336
Residential Real Estate	115,349	105,711	76,483	74,170
Installment and Other	4,738	4,261	4,405	4,131
Total Loans Receivable	1,958,962	2,053,991	2,060,910	2,175,995
Allowance for Loan Losses	(23,550)	(23,341)	(22,931)	(22,910)
Loans Receivable, Net	1,935,412	2,030,650	2,037,979	2,153,085
Furniture, Equipment and Leasehold Improvements, Net	6,750	7,074	7,857	8,145
Bank/Corporate Owned Life Insurance	28,543	28,325	27,738	27,013
Other Assets	40,709	41,440	41,277	39,041
Total Assets	\$ 3,902,852	\$ 3,732,329	\$ 3,454,262	\$ 3,321,379
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,919,131	\$ 1,830,832	\$ 1,686,091	\$ 1,658,673
Interest Bearing Transaction Accounts	261,887	257,726	258,950	228,585
Money Market and Savings Deposits	1,371,834	1,311,603	1,191,591	1,124,329
Certificates of Deposit	38,040	34,543	35,778	36,981
Total Deposits	3,590,892	3,434,704	3,172,410	3,048,568
Federal Home Loan Bank Advances / Other Borrowings	-	-	-	-
Other Liabilities	38,436	35,031	34,014	36,822
Total Liabilities	\$ 3,629,328	\$ 3,469,735	\$ 3,206,424	\$ 3,085,390
Shareholders' Equity:				
Common Stock	\$ 201,625	\$ 200,904	\$ 166,263	\$ 165,789
Retained Earnings	71,858	60,337	75,557	66,233
Accumulated Other Comprehensive Income / (Loss)	41	1,353	6,018	3,967
Total Shareholders' Equity	\$ 273,524	\$ 262,594	\$ 247,838	\$ 235,989
Total Liabilities and Shareholders' Equity	\$ 3,902,852	\$ 3,732,329	\$ 3,454,262	\$ 3,321,379
Standby Letters of Credit	\$ 33,935	\$ 33,184	\$ 33,469	\$ 35,131
Per Share Information:				
Common Shares Outstanding	8,817,409	8,799,072	8,736,605	8,719,516
Book Value Per Share	\$ 31.02	\$ 29.84	\$ 28.37	\$ 27.06
Tangible Book Value Per Share	\$ 31.02	\$ 29.84	\$ 28.37	\$ 27.06

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

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

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	September 2021	June 2021	September 2020
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 22,437	\$ 22,861	\$ 19,793
Interest on Investment Securities	5,711	4,626	4,048
Interest on Interest Earning Deposits in Other Financial Institutions	162	99	71
Total Interest Income	28,310	27,586	23,912
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	38	40	41
Interest on Money Market and Savings Deposits	403	426	499
Interest on Certificates of Deposits	11	12	21
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	-	-
Total Interest Expense	452	478	561
Net Interest Income	27,858	27,108	23,351
Provision for Loan Losses	468	-	450
Net Interest Income after Provision for Loan Losses	27,390	27,108	22,901
<u>Non-Interest Income:</u>			
Deposit Fees	895	763	677
International Fees	330	260	237
Gain (Loss) on Sale of Investment Securities, Net	-	-	(32)
Gain on Sale of SBA Loans, Net	-	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	218	255	361
Other	248	192	191
Total Non-Interest Income	1,691	1,470	1,434
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	9,515	10,231	9,494
Occupancy and Equipment	1,135	1,151	966
Professional Services	1,318	1,560	1,663
Promotion Expenses	415	297	197
Other	983	3,226	1,317
Total Non-Interest Expense	13,366	16,465	13,637
Earnings before income taxes	15,715	12,113	10,698
Income Tax Expense	4,190	3,054	2,824
<u>NET INCOME</u>	\$ 11,525	\$ 9,059	\$ 7,874
<i>Add back:</i>			
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ -	\$ -	\$ 23
Core Net Income	\$ 11,525	\$ 9,059	\$ 7,897
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.31	\$ 1.01	\$ 0.89
Earnings Per Share - Diluted	\$ 1.29	\$ 1.00	\$ 0.88
Core Earnings Per Share - Diluted	\$ 1.29	\$ 1.00	\$ 0.89
Weighted Average Shares - Basic	8,790,001	8,961,797	8,877,658
Weighted Average Shares - Diluted	8,920,789	9,095,569	8,920,436

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

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

INCOME STATEMENTS (unaudited)

	For the nine months ended:	
	September 2021	September 2020
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 66,071	\$ 56,257
Interest on Investment Securities	14,459	11,045
Interest on Interest Earning Deposits in Other Financial Institutions	327	217
Total Interest Income	80,857	67,519
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	119	182
Interest on Money Market and Savings Deposits	1,243	2,004
Interest on Certificates of Deposits	36	90
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	131
Total Interest Expense	1,398	2,407
Net Interest Income	79,459	65,112
Provision for Loan Losses	468	2,564
Net Interest Income after Provision for Loan Losses	78,991	62,548
<u>Non-Interest Income:</u>		
Deposit Fees	2,402	1,932
International Fees	853	763
Gain (Loss) on Sale of Investment Securities, Net	(15)	(168)
Gain on Sale of SBA Loans, Net	-	19
Bank/Corporate Owned Life Insurance Income (Expense)	805	564
Other	642	532
Total Non-Interest Income	4,687	3,642
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	29,408	27,097
Occupancy and Equipment	3,432	2,839
Professional Services	4,581	4,771
Promotion Expenses	934	830
Other	5,409	4,071
Total Non-Interest Expense	43,764	39,608
Earnings before income taxes	39,914	26,582
Income Tax Expense	10,414	7,134
<u>NET INCOME</u>	\$ 29,500	\$ 19,448
<i>Add back:</i>		
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ 11	\$ 123
Core Net Income	\$ 29,511	\$ 19,571
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 3.32	\$ 2.20
Earnings Per Share - Diluted	\$ 3.27	\$ 2.18
Core Earnings Per Share - Diluted	\$ 3.27	\$ 2.19
Weighted Average Shares - Basic	8,891,246	8,856,091
Weighted Average Shares - Diluted	9,016,495	8,920,705

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

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Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2021			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	\$ 404,686	\$ 162	0.16%	\$ 329,324	\$ 99	0.12%
Investment Securities:						
US Agencies	205,251	341	0.66%	216,143	383	0.71%
Mortgage Backed Securities	646,607	2,514	1.56%	466,148	1,565	1.34%
State and Municipals	481,594	2,561	2.13%	435,608	2,394	2.20%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	11,395	118	4.15%	10,085	82	3.25%
Securities Available-for-Sale and Held-to-Maturity	1,344,847	5,534	1.65%	1,127,984	4,424	1.57%
Federal Home Loan Bank Stock	11,779	177	6.01%	11,628	202	6.95%
Total Investment Securities	1,356,626	5,711	1.68%	1,139,612	4,626	1.62%
Loans Receivable:						
Commercial Real Estate	1,219,958	12,664	4.12%	1,163,231	11,944	4.12%
Commercial and Industrial	379,774	3,979	4.16%	340,067	3,921	4.62%
SBA Payroll Protection Program	287,736	4,700	6.48%	555,338	6,069	4.38%
Residential Real Estate	109,682	1,034	3.74%	93,126	889	3.83%
Installment and Other	5,063	60	4.67%	5,613	38	2.75%
Total Loans Receivable	2,002,213	22,437	4.45%	2,157,375	22,861	4.25%
Total Interest Earning Assets	\$ 3,763,525	\$ 28,310	2.94%	\$ 3,626,311	\$ 27,586	3.01%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,956,996	-	0.00%	1,871,930	-	0.00%
Interest Bearing Transaction Accounts	261,017	38	0.06%	267,490	40	0.06%
Money Market and Savings Deposits	1,323,828	403	0.12%	1,278,436	426	0.13%
Certificates of Deposit	36,425	11	0.12%	34,446	12	0.14%
Total Deposits	3,578,266	452	0.05%	3,452,302	478	0.06%
Federal Home Loan Bank Advances / Other Borrowings	-	-	0.00%	7	-	0.37%
Total Interest Bearing Deposits and Borrowings	1,621,270	452	0.11%	1,580,379	478	0.12%
Total Deposits and Borrowings	\$ 3,578,266	\$ 452	0.05%	\$ 3,452,309	\$ 478	0.06%
Net Interest Income		\$ 27,858			\$ 27,108	
Net Interest Rate Spread			2.89%			2.95%
Net Interest Margin			2.94%			3.00%
Net Interest Margin, excluding SBA PPP			2.64%			2.75%

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2021			September 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	\$ 404,686	\$ 162	0.16%	\$ 191,948	\$ 71	0.15%
Investment Securities:						
US Agencies	205,251	341	0.66%	237,419	429	0.72%
Mortgage Backed Securities	646,607	2,514	1.56%	325,904	1,541	1.89%
State and Municipals	481,594	2,561	2.13%	271,133	1,700	2.51%
US Treasuries	-	-	0.00%	10,011	37	1.46%
Corporate Bonds	11,395	118	4.15%	16,479	126	3.07%
Securities Available-for-Sale and Held-to-Maturity	1,344,847	5,534	1.65%	860,946	3,833	1.78%
Federal Home Loan Bank Stock	11,779	177	6.01%	10,864	215	7.90%
Total Investment Securities	1,356,626	5,711	1.68%	871,810	4,048	1.86%
Loans Receivable:						
Commercial Real Estate	1,219,958	12,664	4.12%	1,026,594	11,179	4.33%
Commercial and Industrial	379,774	3,979	4.16%	364,750	3,987	4.35%
SBA Payroll Protection Program	287,736	4,700	6.48%	683,495	3,837	2.23%
Residential Real Estate	109,682	1,034	3.74%	73,291	734	3.98%
Installment and Other	5,063	60	4.67%	4,817	56	4.65%
Total Loans Receivable	2,002,213	22,437	4.45%	2,152,947	19,793	3.66%
Total Interest Earning Assets	\$ 3,763,525	\$ 28,310	2.94%	\$ 3,216,705	\$ 23,912	2.91%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,956,996	-	0.00%	1,675,885	-	0.00%
Interest Bearing Transaction Accounts	261,017	38	0.06%	215,041	41	0.08%
Money Market and Savings Deposits	1,323,828	403	0.12%	1,132,664	499	0.18%
Certificates of Deposit	36,425	11	0.12%	36,848	21	0.23%
Total Deposits	3,578,266	452	0.05%	3,060,438	561	0.07%
Federal Home Loan Bank Advances / Other Borrowings	-	-	0.00%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,621,270	452	0.11%	1,384,553	561	0.16%
Total Deposits and Borrowings	\$ 3,578,266	\$ 452	0.05%	\$ 3,060,438	\$ 561	0.07%
Net Interest Income	\$ 27,858			\$ 23,351		
Net Interest Rate Spread			2.89%			2.84%
Net Interest Margin			2.94%			2.89%
Net Interest Margin, excluding SBA PPP			2.64%			3.06%

American Business Bank

Figures in \$000

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

	For the nine months ended:					
	September 2021			September 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	\$ 317,484	\$ 327	0.14%	\$ 161,520	\$ 217	0.18%
Investment Securities:						
US Agencies	215,440	1,131	0.70%	258,359	1,376	0.71%
Mortgage Backed Securities	504,787	5,308	1.40%	294,904	4,718	2.13%
State and Municipals	444,236	7,223	2.17%	203,326	4,018	2.63%
US Treasuries	-	-	0.00%	10,018	110	1.47%
Corporate Bonds	10,588	282	3.56%	18,770	423	3.00%
Securities Available-for-Sale and Held-to-Maturity	1,175,051	13,944	1.58%	785,377	10,645	1.81%
Federal Home Loan Bank Stock	11,427	515	6.01%	10,658	400	5.01%
Total Investment Securities	1,186,478	14,459	1.62%	796,035	11,045	1.85%
Loans Receivable:						
Commercial Real Estate	1,163,444	36,069	4.14%	1,011,829	33,553	4.43%
Commercial and Industrial	350,385	11,361	4.34%	400,905	13,391	4.46%
SBA Payroll Protection Program	483,059	15,810	4.38%	408,683	6,832	2.23%
Residential Real Estate	93,730	2,682	3.83%	73,525	2,325	4.22%
Installment and Other	5,211	149	3.82%	5,166	156	4.04%
Total Loans Receivable	2,095,829	66,071	4.21%	1,900,108	56,257	3.95%
Total Interest Earning Assets	\$ 3,599,791	\$ 80,857	2.96%	\$ 2,857,663	\$ 67,519	3.10%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,854,013	-	0.00%	1,469,001	-	0.00%
Interest Bearing Transaction Accounts	261,329	119	0.06%	206,276	182	0.12%
Money Market and Savings Deposits	1,275,594	1,243	0.13%	989,554	2,004	0.27%
Certificates of Deposit	35,251	36	0.14%	36,298	90	0.33%
Total Deposits	3,426,187	1,398	0.05%	2,701,129	2,276	0.11%
Federal Home Loan Bank Advances / Other Borrowings	2	-	0.37%	10,533	131	1.66%
Total Interest Bearing Deposits and Borrowings	1,572,176	1,398	0.12%	1,242,661	2,407	0.26%
Total Deposits and Borrowings	\$ 3,426,189	\$ 1,398	0.05%	\$ 2,711,662	\$ 2,407	0.12%
Net Interest Income	\$ 79,459			\$ 65,112		
Net Interest Rate Spread			2.91%			2.98%
Net Interest Margin			2.95%			3.04%
Net Interest Margin, excluding SBA PPP			2.73%			3.18%

American Business Bank

Figures in \$000

SUPPLEMENTAL DATA (unaudited)

	September 2021	June 2021	December 2020	September 2020
<u>Performance Ratios:</u>				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	1.19%	0.97%	1.08%	0.95%
<i>Core Return on Average Assets (ROAA)</i>	1.19%	0.97%	1.08%	0.95%
Return on Average Equity (ROAE)	17.02%	14.21%	15.57%	13.53%
<i>Core Return on Average Equity (ROAE)</i>	17.02%	14.21%	15.57%	13.57%
Efficiency Ratio	45.23%	57.61%	53.70%	54.95%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	1.06%	0.99%	0.93%	0.87%
<i>Core Return on Average Assets (ROAA)</i>	1.06%	0.99%	0.93%	0.88%
Return on Average Equity (ROAE)	15.22%	14.26%	12.70%	11.67%
<i>Core Return on Average Equity (ROAE)</i>	15.23%	14.27%	12.76%	11.75%
Efficiency Ratio	52.00%	55.66%	56.40%	57.47%
<i>Core Efficiency Ratio</i>	52.00%	55.66%	56.40%	57.47%
<u>Capital Adequacy:</u>				
Total Risk Based Capital Ratio	13.75%	14.25%	14.65%	14.54%
Common Equity Tier 1 Capital Ratio	12.60%	13.01%	13.40%	13.29%
Tier 1 Risk Based Capital Ratio	12.60%	13.01%	13.40%	13.29%
Tier 1 Leverage Ratio	7.04%	6.98%	6.98%	6.97%
Tangible Common Equity / Tangible Assets	7.01%	7.04%	7.17%	7.11%
<u>Asset Quality Overview</u>				
Non-Performing Loans	\$ 349	\$ 54	\$ 2,405	\$ 2,563
Loans 90+ Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	349	54	2,405	2,563
Restructured Loans	-	214	218	221
Other Real Estate Owned	-	-	-	-
ALLL / Loans Receivable	1.20%	1.14%	1.11%	1.05%
Non-Performing Loans / Total Loans Receivable *	0.02%	0.01%	0.13%	0.13%
Non-Performing Loans / Total Loans Receivable *, excluding PPP **	0.02%	0.02%	0.17%	0.19%
Non-Performing Assets / Total Assets *	0.01%	0.01%	0.08%	0.08%
Non-Performing Assets / Total Assets *, excluding PPP **	0.01%	0.01%	0.09%	0.11%
Net Charge-Offs (Recoveries) quarterly	\$ 260	\$ (395)	\$ (21)	\$ (60)
Net Charge-Offs (Recoveries) year-to-date	\$ (151)	\$ (411)	\$ 457	\$ 478
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.01%)	(0.02%)	0.02%	0.03%

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

** SBA Paycheck Protection Program (PPP)