

ABB 2021

Above and Beyond for Business

● Q3 REPORT

BALANCE SHEETS

Unaudited - 000s omitted

	September 30,	2021	2020
ASSETS			
Cash & cash equivalents	\$	378,410	\$ 134,446
Investment securities		1,513,028	959,649
Loans receivable		1,958,962	2,175,995
Allowance for loan losses		(23,550)	(22,910)
Loans receivable, net		1,935,412	2,153,085
Furniture, equipment & leasehold improvements, net		6,750	8,145
Bank/Corp owned life insurance		28,543	27,013
Other assets		40,709	39,041
TOTAL ASSETS		<u>\$3,902,852</u>	<u>\$ 3,321,379</u>
LIABILITIES			
Deposits:			
Non-interest bearing demand deposits	\$	1,919,131	\$ 1,658,673
Interest bearing transaction accounts		261,887	228,585
Money market & savings deposits		1,371,834	1,124,329
Certificates of deposits		38,040	36,981
Total Deposits		3,590,892	3,048,568
FHLB Advances/Other borrowings		-	-
Other liabilities		38,436	36,822
TOTAL LIABILITIES		<u>\$ 3,629,328</u>	<u>\$3,085,390</u>
SHAREHOLDERS' EQUITY			
Common stock & retained earnings	\$	273,483	\$ 232,022
Accumulated other comprehensive income (loss)		(41)	(3,967)
TOTAL SHAREHOLDERS' EQUITY	\$	<u>273,524</u>	<u>\$ 235,989</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		<u>\$3,902,852</u>	<u>\$ 3,321,379</u>
Standby Letters of Credit	\$	33,935	\$ 35,131

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

	Nine months ended September 30,	2021	2020
INTEREST INCOME			
Loans	\$	66,071	\$ 56,257
Investments		14,459	11,045
Interest earning deposits in other financial institutions		327	217
TOTAL INTEREST INCOME		<u>80,857</u>	<u>67,519</u>
INTEREST EXPENSE			
Interest bearing transaction accounts		119	182
Money market & savings deposits		1,243	2,004
Certificates of deposits		36	90
FHLB Advances/Other borrowings		-	131
TOTAL INTEREST EXPENSE		<u>1,398</u>	<u>2,407</u>
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
TOTAL NONINTEREST INCOME		4,687	3,642
TOTAL NONINTEREST EXPENSE		43,764	39,608
EARNINGS BEFORE INCOME TAXES		39,914	26,582
Income tax expense		10,414	7,134
NET INCOME	\$	<u>29,500</u>	<u>\$ 19,448</u>
Earnings per share* - basic	\$	3.32	\$ 2.20
Earnings per share* - diluted	\$	3.27	\$ 2.18
Weighted average shares - basic		8,891,246	8,856,091
Weighted average shares - diluted		9,016,495	8,920,705

* Share and per share amounts have the 10% stock dividend paid in July 2021 retroactively applied.

SHAREHOLDERS & CLIENTS,

As we enter the Holiday Season for 2021, we must remember to be thankful for many things. Our families, faith, friends, and of course, our Bank! As the leader of ABB's management, I remain eternally grateful for our clients, shareholders, Board of Directors, and our dedicated staff.



The Bank's success is growing consistently as we approach \$4 billion in assets, with record third quarter income of \$11.5 million, which is an increase of \$3.7 million or 34%, from the third quarter of 2020. A large portion of this increase is from the realization of PPP fees collected upon government forgiveness of the loans outstanding. Additionally, we achieved significant loan growth in the 3rd quarter, of \$103 million, a 25% growth rate on an annualized basis.

Regarding PPP forgiveness, nearly 100% of PPP1 or \$703 million in loans has been forgiven, which was a tremendous boost for our clients' financial stability. Additionally, 30% of our PPP2 loans which totaled \$250 million have been forgiven at this time.

Another highlight worth mentioning is the opening of our new loan production office in Long Beach. We now have seven loan production offices and our main office in Los Angeles. ABB now boasts 37 relationship managers, which will propel us toward our growth objectives in the coming years.

These results, and more importantly these relationships, make our Bank truly unique and special. From the entire ABB family, we send you heartfelt warm wishes for a joyful holiday season!

At your service,

- Leon Blankstein

President, Chief Executive Officer, Director

American Business Bank has seven offices in strategic locations including: Los Angeles, Irvine, Anaheim, Torrance, Woodland Hills, Corona, Ontario and Long Beach.



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