



AMERICAN BUSINESS BANK REPORTS RECORD ANNUAL AND QUARTERLY EARNINGS

Core loans increased by \$136 million or 24% annualized in the quarter

Full Year 2022 Highlights

- **Total loans, excluding PPP loans, increased** \$496 million or 26% over prior year
- **Non-interest bearing demand deposits** were 53% of total deposits
- **Cost of average deposits of 0.14%**, an increase of 0.09% over prior year quarter
- **Nonperforming assets to total assets of 0.18%**
- **Near nil delinquencies** in 30-89 day loan category
- **Record net income** of \$48.6 million
- **Net interest income increased** by \$18 million or 17% over the prior year
- **Continued status as well-capitalized**, the highest regulatory category

Fourth Quarter 2022 Highlights

- **Total core loans, excluding PPP loans, increased** \$136 million or 6% over prior quarter
- **Net interest income increased 31%**, excluding accelerated PPP fees, over prior year quarter
- **Net interest margin increased to 3.6%**, from 3.4% at September 30, 2022
- **Net income increased \$4.3 million or 44%** over prior year quarter
- **Tangible book value per share increased** by \$1.97 to \$28.39 over prior quarter

Los Angeles, California, January 27, 2023. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$14.0 million or \$1.51 per fully diluted share for the fourth quarter of 2022 compared to \$13.3 million or \$1.44 per fully diluted share for the third quarter of 2022, an increase of 5%. For the quarter ended December 31, 2022, net income associated with the PPP program was \$52 thousand or \$0.01 per fully diluted share compared to \$1.3 million or \$0.14 per fully diluted share for the quarter ended December 31, 2021. For the year ending December 31, 2022, net income was \$48.6 million or \$5.28 per fully diluted share, compared to \$39.2 million or \$4.33 per fully diluted share for the year ended December 31, 2021. For the year ended December 31, 2022, net income associated with the PPP program was \$2.9 million or \$0.31 per fully diluted share compared to \$12.4 million or \$1.37 per fully diluted share for the year ended December 31, 2021.

“Our team is pleased to report record annual net income for 2022 as well as achieving a 1.46% return on average assets for the fourth quarter. These are wonderful milestones for our Bank, but many factors are changing quickly, especially interest rates over the past several months. In the last year, we have benefitted from rising interest rates, but this is starting to have an adverse effect as the government draws liquidity from the financial system at super competitive rates. As a result, at year end 2022, our deposits decreased \$207 million or 6% from a year ago, and we are borrowing overnight to fill that gap. We continue to be a strong core deposit franchise and will be leaning into that strength, focusing on gathering core deposits to replace those borrowings.

Core loans grew at a healthy pace in the quarter. With a continued focus on outstanding credit quality, the loan pipeline remains solid but has been impacted by the higher rate environment and slowing economy.

We look forward to 2023 and continuing to deliver superior service and solutions throughout the entire economic cycle for small to mid-size businesses in Southern California,” commented Leon Blankstein, ABB’s President, CEO, and Director.

For the quarter ending December 31, 2022, net interest income was \$34.6 million, a 7% increase over the third quarter of 2022. Interest income on loans increased by \$2.9 million due to core loan growth and higher interest rates. For the quarter ending December 31, 2022, the cost of deposits was 0.14% representing an increase of 0.09% compared to the quarter ending September 30, 2022 and December 31, 2021.

The provision for loan losses was \$1.2 million in the quarter commensurate with core loan growth. The allowance for loan losses as a percentage of loans, excluding PPP loans, was 1.22% at December 31, 2022.

For the full year 2022, the increase in net income over 2021 was primarily due to a \$12.2 million increase in interest income on loans and a \$6.2 million increase in interest on investment securities. This was offset by a \$2.6 million increase in provision for loan losses commensurate with core loan growth and a \$1.8 million increase in salary expense.

Net Interest Margin

Net interest margin for the fourth quarter of 2022 was 3.60% compared to 3.40% in the third quarter of 2022 and 2.82% in the fourth quarter of 2021 reflecting the higher yield on earning assets. Excluding the impact of PPP loans, the net interest margin was 3.60% for the fourth quarter of 2022 compared to 3.38% for the third quarter of 2022. As of December 31, 2022, 62% of the loan portfolio was fixed rate. Of the variable rate loans, approximately half are indexed to prime of which \$393 million are adjustable within 90 days of a change in prime.

Net Interest Income

For the quarter ended December 31, 2022, net interest income increased by \$2.3 million, or 7%, compared to the third quarter of 2022 and increased by \$7.0 million, or 26%, compared to the quarter ended December 31, 2021. This is the result of the Bank’s strong core loan growth and increases in market rates on loans and investment securities offset by the reduction in PPP loan income.

For the year ended December 31, 2022, net interest income was \$125.1 million compared to \$107.1 million for the year ended December 31, 2021. The increase of \$18 million or 17% is due to additional interest on core loans of \$25.7 million and additional interest on investment securities of \$6.2 million offset by the \$13.5 million reduction in PPP loan income.

	As of or For the Twelve Months Ended:		As of or For the Three Months Ended:		
	December	December	December	September	December
	2022	2021	2022	2022	2021
(Figures in \$000s, except per share amounts)					
PPP Total Loans, net	\$ 9,505	\$ 143,584	\$ 9,505	\$ 10,066	\$ 143,584
1% Coupon Interest	\$ 482	\$ 4,086	\$ 26	\$ 35	\$ 418
Amortized fees	298	1,924	20	25	254
Accelerated fees	3,286	11,589	28	297	1,118
Total PPP loan income	\$ 4,066	\$ 17,599	\$ 73	\$ 356	\$ 1,789
Total PPP loan income after tax	\$ 2,867	\$ 12,413	\$ 52	\$ 251	\$ 1,262
Total PPP loan income after tax per share - diluted	\$ 0.31	\$ 1.37	\$ 0.01	\$ 0.03	\$ 0.14

As of January 19, 2023, approximately 99% of PPP loans have been forgiven. Of the thirteen remaining PPP loans, four are in the forgiveness review or submission process.

Non-Interest Income

Other non-interest income increased for the quarter and year-to-date periods primarily due to fees for cash management services. The increase in total non-interest income for the year ended December 31, 2022 compared to the year ended December 31, 2021 is primarily due to the increase in fees from deposit and cash management services offset by the decline in the valuation of COLI policies that are invested in mutual funds.

Non-Interest Expense

For the quarter ending December 31, 2022, total non-interest expense increased \$0.8 million and \$1.3 million compared to the third quarter of 2022 and the fourth quarter of 2021, respectively. These increases are primarily due to salaries related to additional employees. Bonuses and commissions have fluctuated with actual results between the periods. In addition other increases are due to an increase in legal costs and non recurring software expenses. The efficiency ratio was 45% for the fourth and third quarter of 2022, compared to 51% for the fourth quarter of 2021.

For the year ended December 31, 2022, non-interest expense increased \$1.9 million or 3% compared to the prior year, mainly due to increases in salaries and employee benefits and professional services offset by the decrease in settlement expense related to a legal matter which occurred in the second quarter of 2021.

There were 225 full time equivalent employees at December 31, 2022 compared to 204 a year ago and 211 at September 30, 2022. The Bank has 40 relationship managers in eight offices representing an increase of three from a year ago and remains unchanged from the prior quarter. The Bank has invested in back office personnel commensurate with the increase in core loans over the last two years.

Balance Sheet

From September 30, 2022 to December 31, 2022, total core loans, excluding PPP loans, increased \$136 million, or 6%. During the fourth quarter of 2022, Commercial Real Estate (CRE) loans increased by \$78 million, primarily due to an increase of \$52 million in owner-occupied CRE and \$44 million in non-owner-occupied CRE offset by a decrease of \$18 million in Construction & Land loans mainly due to three loan payoffs.

	December 31, 2022	September 30, 2022
(Figures in \$000s)		
RE - Owner Occupied	\$ 1,011,913	\$ 959,677
RE - Non Owner Occupied	660,600	616,271
Construction & Land	49,398	67,833
Total CRE Loans	<u>\$ 1,721,911</u>	<u>\$ 1,643,780</u>

In addition, Residential Real Estate loans increased by \$28 million due to \$18 million in loan growth and a reclassification of \$10 million from CRE. C&I loans increased by \$20 million due to an increase in line utilization. At December 31, 2022, the utilization rate for the Bank's commercial lines of credit increased to 31% from 30% at September 30, 2022.

Investment securities decreased during the fourth quarter to \$1.3 billion. As of December 31, 2022, the duration of the available-for-sale securities portfolio decreased to 5.4 years from 5.6 years as of September 30, 2022. Accumulated other comprehensive loss decreased to \$81.2 million as of December 31, 2022 from \$84.7 million as of September 30, 2022 as market rates relevant to securities pricing decreased. The duration on the held-to-maturity portfolio which holds a significant amount of municipal securities is 7.7 years.

During 2022, total assets decreased \$71.5 million, or 1.8%, total deposits decreased by \$207 million, or 5.8% and overnight borrowings grew by \$162 million. Total loans, excluding PPP loans, grew \$496 million, or 26%.

At December 31, 2022, the tangible common equity ratio increased from September 30, 2022 to 6.6%, benefitting from fourth quarter net income and a lower Accumulated Other Comprehensive Loss. Loan growth over the last year has increased risk-weighted assets resulting in a decline in risk-based capital ratios, which remain well above regulatory requirements.

Asset Quality

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

	December 31, 2022	September 30, 2022
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 6,927	\$ 2,337
Loans 90+ Days Past Due and Still Accruing	-	-
Total NPA	\$ 6,927	\$ 2,337
NPA as a % of total assets, excluding PPP	0.18%	0.06%
Past Due as a % of total Loans, excluding PPP	0.00%	0.00%
Criticized as a % of total Loans, excluding PPP	1.59%	2.33%
Classified as a % of total Loans, excluding PPP	0.42%	0.35%

During the fourth quarter, NPA increased by \$4.6 million to \$6.9 million with the addition of three C&I loan relationships in unrelated industries. As of December 31, 2022, the NPA had a \$487 thousand specific reserve related to six C&I impaired loan relationships of which the majority have a partial guarantee by the state or the SBA. There were no charge offs in the fourth quarter of 2022 and only one during the year.

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2022	December 31, 2021
(Figures in \$000s)				
Beginning Balance	\$ 28,439	\$ 27,608	\$ 25,062	\$ 22,931
Charge-offs	-	(23)	(23)	(278)
Recoveries	27	18	81	456
Net (charge-offs) / recoveries	\$ 27	\$ (5)	\$ 58	\$ 178
Provision	1,169	836	4,515	1,953
Ending Balance	\$ 29,635	\$ 28,439	\$ 29,635	\$ 25,062
Allowance as a % of total assets, excluding PPP	1.21%	1.24%	1.21%	1.30%

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 and preliminary analysis will likely result in a decrease to the Allowance for Loan Losses. 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)

	December 2022	September 2022	December 2021
Assets:			
Cash and Due from Banks	\$ 34,644	\$ 79,490	\$ 33,246
Interest Earning Deposits in Other Financial Institutions	1,931	13,420	195,624
Investment Securities:			
US Agencies	123,164	133,686	185,170
Mortgage Backed Securities	439,376	447,488	808,496
State and Municipals	101,788	99,441	231,917
US Treasuries	-	-	-
Corporate Bonds	15,021	15,205	12,903
Securities Available-for-Sale, at Fair Value	679,349	695,820	1,238,486
Mortgage Backed Securities	190,525	193,640	-
State and Municipals	394,219	394,929	298,651
Securities Held-to-Maturity, at Amortized Cost	584,744	588,569	298,651
Federal Home Loan Bank Stock, at Cost	15,000	15,000	11,779
Total Investment Securities	1,279,093	1,299,389	1,548,916
Loans Receivable:			
Commercial Real Estate	1,721,911	1,643,780	1,371,475
Commercial and Industrial	514,787	494,681	444,009
SBA Payroll Protection Program	9,505	10,066	143,584
Residential Real Estate	179,452	151,514	112,817
Installment and Other	14,547	5,186	5,897
Total Loans Receivable	2,440,202	2,305,227	2,077,782
Allowance for Loan Losses	(29,635)	(28,439)	(25,062)
Loans Receivable, Net	2,410,567	2,276,788	2,052,720
Furniture, Equipment and Leasehold Improvements, Net	5,605	5,645	6,580
Bank/Corporate Owned Life Insurance	27,668	28,282	28,851
Other Assets	81,254	80,405	46,339
Total Assets	\$ 3,840,762	\$ 3,783,419	\$ 3,912,276
Liabilities:			
Non-Interest Bearing Demand Deposits	\$ 1,808,570	\$ 1,894,054	\$ 1,934,444
Interest Bearing Transaction Accounts	314,747	322,945	287,224
Money Market and Savings Deposits	1,225,619	1,249,575	1,337,035
Certificates of Deposit	41,858	43,530	39,445
Total Deposits	3,390,794	3,510,104	3,598,148
Federal Home Loan Bank Advances / Other Borrowings	161,500	-	-
Other Liabilities	34,018	37,218	35,574
Total Liabilities	\$ 3,586,312	\$ 3,547,322	\$ 3,633,722
Shareholders' Equity:			
Common Stock	\$ 205,558	\$ 204,682	\$ 202,199
Retained Earnings	130,080	116,128	81,521
Accumulated Other Comprehensive Income / (Loss)	(81,188)	(84,713)	(5,166)
Total Shareholders' Equity	\$ 254,450	\$ 236,097	\$ 278,554
Total Liabilities and Shareholders' Equity	\$ 3,840,762	\$ 3,783,419	\$ 3,912,276
Standby Letters of Credit	\$ 38,459	\$ 42,067	\$ 35,891
Per Share Information:			
Common Shares Outstanding	8,963,108	8,937,069	8,832,797
Book Value Per Share	\$ 28.39	\$ 26.42	\$ 31.54
Tangible Book Value Per Share	\$ 28.39	\$ 26.42	\$ 31.54

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

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	December 2022	September 2022	December 2021
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 28,068	\$ 25,134	\$ 20,729
Interest on Investment Securities	7,658	7,181	7,158
Interest on Interest Earning Deposits in Other Financial Institutions	366	467	135
Total Interest Income	36,092	32,782	28,022
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	120	40	33
Interest on Money Market and Savings Deposits	1,145	383	377
Interest on Certificates of Deposits	20	10	10
Interest on Federal Home Loan Bank Advances and Other Borrowings	159	16	-
Total Interest Expense	1,444	449	420
Net Interest Income	34,648	32,333	27,602
Provision for Loan Losses	1,169	836	1,485
Net Interest Income after Provision for Loan Losses	33,479	31,497	26,117
<u>Non-Interest Income:</u>			
Deposit Fees	1,003	1,056	912
International Fees	328	318	357
Gain (Loss) on Sale of Investment Securities, Net	(32)	24	(18)
Gain on Sale of SBA Loans, Net	-	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	181	270	308
Other	629	461	280
Total Non-Interest Income	2,109	2,129	1,839
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	10,873	10,854	10,459
Occupancy and Equipment	1,153	1,243	1,157
Professional Services	2,032	1,716	1,462
Promotion Expenses	633	618	800
Other	1,698	1,198	1,176
Total Non-Interest Expense	16,389	15,629	15,054
Earnings before income taxes	19,199	17,997	12,902
Income Tax Expense	5,247	4,747	3,240
NET INCOME	\$ 13,952	\$ 13,250	\$ 9,662
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.53	\$ 1.45	\$ 1.07
Earnings Per Share - Diluted	\$ 1.51	\$ 1.44	\$ 1.06
Weighted Average Shares - Basic	9,131,068	9,110,176	9,002,011
Weighted Average Shares - Diluted	9,219,807	9,200,981	9,143,933

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

	For the twelve months ended:	
	December 2022	December 2021
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 98,995	\$ 86,800
Interest on Investment Securities	27,778	21,617
Interest on Interest Earning Deposits in Other Financial Institutions	975	462
Total Interest Income	127,748	108,879
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	217	152
Interest on Money Market and Savings Deposits	2,158	1,621
Interest on Certificates of Deposits	51	47
Interest on Federal Home Loan Bank Advances and Other Borrowings	267	-
Total Interest Expense	2,693	1,820
Net Interest Income	125,055	107,059
Provision for Loan Losses	4,515	1,953
Net Interest Income after Provision for Loan Losses	120,540	105,106
<u>Non-Interest Income:</u>		
Deposit Fees	4,038	3,314
International Fees	1,361	1,210
Gain (Loss) on Sale of Investment Securities, Net	(75)	(33)
Gain on Sale of SBA Loans, Net	-	-
Bank/Corporate Owned Life Insurance Income (Expense)	(387)	1,113
Other	1,788	921
Total Non-Interest Income	6,725	6,525
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	41,689	39,867
Occupancy and Equipment	4,675	4,589
Professional Services	7,172	6,043
Promotion Expenses	1,974	1,734
Other	5,233	6,581
Total Non-Interest Expense	60,743	58,814
Earnings before income taxes	66,522	52,817
Income Tax Expense	17,963	13,654
NET INCOME	\$ 48,559	\$ 39,163
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 5.34	\$ 4.39
Earnings Per Share - Diluted	\$ 5.28	\$ 4.33
Weighted Average Shares - Basic	9,095,159	8,918,938
Weighted Average Shares - Diluted	9,194,381	9,048,355

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Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	December 2022			September 2022		
	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	\$ 39,054	\$ 366	3.71%	\$ 78,168	\$ 467	2.42%
Investment Securities:						
US Agencies	128,861	970	3.01%	139,525	570	1.63%
Mortgage Backed Securities	731,139	3,429	1.88%	747,130	3,404	1.82%
State and Municipals	509,687	2,816	2.21%	513,082	2,840	2.21%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	16,250	180	4.43%	14,424	142	3.93%
Securities Available-for-Sale and Held-to-Maturity	1,385,937	7,395	2.13%	1,414,161	6,956	1.97%
Federal Home Loan Bank Stock	15,000	263	7.00%	15,000	225	6.00%
Total Investment Securities	1,400,937	7,658	2.19%	1,429,161	7,181	2.01%
Loans Receivable:						
Commercial Real Estate	1,690,553	18,581	4.36%	1,609,616	16,938	4.17%
Commercial and Industrial	504,597	7,142	5.62%	493,273	6,112	4.92%
SBA Payroll Protection Program	9,796	73	2.96%	13,580	356	10.40%
Residential Real Estate	163,068	2,219	5.40%	138,437	1,678	4.81%
Installment and Other	7,352	53	2.84%	6,694	50	2.99%
Total Loans Receivable	2,375,366	28,068	4.69%	2,261,600	25,134	4.41%
Total Interest Earning Assets	\$ 3,815,357	\$ 36,092	3.70%	\$ 3,768,929	\$ 32,782	3.40%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,948,872	-	0.00%	1,942,800	-	0.00%
Interest Bearing Transaction Accounts	319,496	120	0.15%	307,736	40	0.05%
Money Market and Savings Deposits	1,231,241	1,145	0.37%	1,237,809	383	0.12%
Certificates of Deposit	44,427	20	0.18%	42,396	10	0.10%
Total Deposits	3,544,036	1,285	0.14%	3,530,741	433	0.05%
Federal Home Loan Bank Advances / Other Borrowings	15,989	159	3.94%	2,609	16	2.37%
Total Interest Bearing Deposits and Borrowings	1,611,153	1,444	0.36%	1,590,550	449	0.11%
Total Deposits and Borrowings	\$ 3,560,025	\$ 1,444	0.16%	\$ 3,533,350	\$ 449	0.05%
Net Interest Income		\$ 34,648			\$ 32,333	
Net Interest Rate Spread			3.54%			3.35%
Net Interest Margin			3.60%			3.40%
Net Interest Margin, excluding SBA PPP			3.60%			3.38%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	December 2022			December 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	\$ 39,054	\$ 366	3.71%	\$ 326,356	\$ 135	0.17%
Investment Securities:						
US Agencies	128,861	970	3.01%	191,544	278	0.58%
Mortgage Backed Securities	731,139	3,429	1.88%	818,689	3,728	1.82%
State and Municipals	509,687	2,816	2.21%	520,354	2,863	2.20%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	16,250	180	4.43%	12,750	109	3.42%
Securities Available-for-Sale and Held-to-Maturity	1,385,937	7,395	2.13%	1,543,337	6,978	1.81%
Federal Home Loan Bank Stock	15,000	263	7.00%	11,779	180	6.10%
Total Investment Securities	1,400,937	7,658	2.19%	1,555,116	7,158	1.84%
Loans Receivable:						
Commercial Real Estate	1,690,553	18,581	4.36%	1,318,877	13,624	4.10%
Commercial and Industrial	504,597	7,142	5.62%	401,559	4,211	4.16%
SBA Payroll Protection Program	9,796	73	2.96%	161,986	1,789	4.38%
Residential Real Estate	163,068	2,219	5.40%	113,660	1,059	3.70%
Installment and Other	7,352	53	2.84%	6,658	46	2.75%
Total Loans Receivable	2,375,366	28,068	4.69%	2,002,740	20,729	4.11%
Total Interest Earning Assets	\$ 3,815,357	\$ 36,092	3.70%	\$ 3,884,212	\$ 28,022	2.82%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,948,872	-	0.00%	2,019,342	-	0.00%
Interest Bearing Transaction Accounts	319,496	120	0.15%	267,881	33	0.05%
Money Market and Savings Deposits	1,231,241	1,145	0.37%	1,363,415	377	0.11%
Certificates of Deposit	44,427	20	0.18%	39,414	10	0.10%
Total Deposits	3,544,036	1,285	0.14%	3,690,052	420	0.05%
Federal Home Loan Bank Advances / Other Borrowings	15,989	159	3.94%	-	-	0.00%
Total Interest Bearing Deposits and Borrowings	1,611,153	1,444	0.36%	1,670,710	420	0.10%
Total Deposits and Borrowings	\$ 3,560,025	\$ 1,444	0.16%	\$ 3,690,052	\$ 420	0.05%
Net Interest Income		\$ 34,648			\$ 27,602	
Net Interest Rate Spread			3.54%			2.77%
Net Interest Margin			3.60%			2.82%
Net Interest Margin, excluding SBA PPP			3.60%			2.75%

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the twelve months ended:					
	December 2022			December 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	\$ 80,083	\$ 975	1.22%	\$ 319,720	\$ 462	0.15%
Investment Securities:						
US Agencies	150,498	1,632	1.08%	209,417	1,409	0.67%
Mortgage Backed Securities	764,473	13,250	1.73%	583,907	9,035	1.55%
State and Municipals	516,387	11,438	2.22%	463,422	10,086	2.18%
US Treasuries	-	-	0.00%	-	-	0.00%
Corporate Bonds	14,490	566	3.91%	11,133	392	3.52%
Securities Available-for-Sale and Held-to-Maturity	1,445,848	26,886	1.86%	1,267,879	20,922	1.65%
Federal Home Loan Bank Stock	14,047	892	6.35%	11,515	695	6.03%
Total Investment Securities	1,459,895	27,778	1.90%	1,279,394	21,617	1.69%
Loans Receivable:						
Commercial Real Estate	1,565,704	65,417	4.18%	1,202,622	49,713	4.13%
Commercial and Industrial	492,483	23,315	4.73%	363,284	15,572	4.29%
SBA Payroll Protection Program	47,421	4,066	8.58%	402,131	17,599	4.38%
Residential Real Estate	129,698	6,000	4.63%	98,753	3,741	3.79%
Installment and Other	6,955	197	2.83%	5,576	175	3.13%
Total Loans Receivable	2,242,261	98,995	4.41%	2,072,366	86,800	4.19%
Total Interest Earning Assets	\$ 3,782,239	\$ 127,748	3.33%	\$ 3,671,480	\$ 108,879	2.92%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,944,585	-	0.00%	1,895,685	-	0.00%
Interest Bearing Transaction Accounts	295,346	217	0.07%	262,980	152	0.06%
Money Market and Savings Deposits	1,256,463	2,158	0.17%	1,297,730	1,621	0.12%
Certificates of Deposit	42,111	51	0.12%	36,300	47	0.13%
Total Deposits	3,538,505	2,426	0.07%	3,492,695	1,820	0.05%
Federal Home Loan Bank Advances / Other Borrowings	16,274	267	1.64%	2	-	0.37%
Total Interest Bearing Deposits and Borrowings	1,610,194	2,693	0.17%	1,597,012	1,820	0.11%
Total Deposits and Borrowings	\$ 3,554,779	\$ 2,693	0.08%	\$ 3,492,697	\$ 1,820	0.05%
Net Interest Income	\$ 125,055			\$ 107,059		
Net Interest Rate Spread			3.25%			2.87%
Net Interest Margin			3.31%			2.92%
Net Interest Margin, excluding SBA PPP			3.24%			2.74%

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

	December 2022	September 2022	December 2021
<u>Performance Ratios:</u>			
<u>Quarterly:</u>			
Return on Average Assets (ROAA)	1.46%	1.39%	0.97%
Return on Average Equity (ROAE)	23.45%	21.22%	14.17%
Efficiency Ratio	44.55%	45.38%	51.10%
<u>Year-to-Date</u>			
Return on Average Assets (ROAA)	1.26%	1.20%	1.03%
Return on Average Equity (ROAE)	19.27%	17.98%	14.95%
Efficiency Ratio	46.07%	46.66%	51.77%
<u>Capital Adequacy:</u>			
Total Risk Based Capital Ratio	12.46%	12.39%	13.21%
Common Equity Tier 1 Capital Ratio	11.41%	11.35%	12.09%
Tier 1 Risk Based Capital Ratio	11.41%	11.35%	12.09%
Tier 1 Leverage Ratio	8.75%	8.40%	7.09%
Tangible Common Equity / Tangible Assets	6.62%	6.24%	7.12%
<u>Asset Quality Overview</u>			
Non-Performing Loans	\$ 6,927	\$ 2,337	\$ 338
Loans 90+ Days Past Due and Still Accruing	-	-	-
Total Non-Performing Loans	6,927	2,337	338
Restructured Loans	-	-	-
Other Real Estate Owned	-	-	-
ALLL / Loans Receivable	1.21%	1.23%	1.21%
Non-Performing Loans / Total Loans Receivable *	0.28%	0.10%	0.02%
Non-Performing Loans / Total Loans Receivable *, excluding PPP **	0.28%	0.10%	0.02%
Non-Performing Assets / Total Assets *	0.18%	0.06%	0.01%
Non-Performing Assets / Total Assets *, excluding PPP **	0.18%	0.06%	0.01%
Net Charge-Offs (Recoveries) quarterly	\$ (27)	\$ 5	\$ (27)
Net Charge-Offs (Recoveries) year-to-date	\$ (59)	\$ (31)	\$ (178)
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.00%)	(0.00%)	(0.01%)

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

** SBA Paycheck Protection Program (PPP)