



NOTES

3rd Quarterly Report

AMERICAN BUSINESS BANK®

Income Statements

(three months ended)

Unaudited – 000's omitted except per share data

September 30,	2018	2017
INTEREST INCOME:		
Loans	\$ 13,156	\$ 9,614
Investments	4,625	4,501
Interest Earning Deposits w/ Other Financial Institutions	<u>414</u>	<u>259</u>
Total Interest Income	18,195	14,374
INTEREST EXPENSE:		
Money Market and Savings Deposits	700	329
Certificates of Deposits	96	41
Federal Home Loan Bank Advances and Other Borrowings	<u>12</u>	<u>10</u>
Total Interest Expense	808	380
Net Interest Income	17,387	13,994
Provision for Loan Losses	<u>505</u>	<u>300</u>
Net Interest Income After Provision for Loan Losses	16,882	13,694
NON-INTEREST INCOME	1,178	999
NON-INTEREST EXPENSE	<u>12,600</u>	<u>9,323</u>
Earnings Before Income Taxes	5,460	5,370
Provision for Income Tax	<u>(1,318)</u>	<u>(1,587)</u>
NET INCOME (LOSS)	\$ 4,142	\$ 3,783
Earnings Per Share		
- Basic	\$ 0.54	\$ 0.50
Earnings Per Share		
- Diluted	\$ 0.53	\$ 0.48
Weighted Average Shares		
- Basic	7,683,427	7,528,125
Weighted Average Shares		
- Diluted	7,885,205	7,812,483

Shareholders & Clients

The third quarter of 2018 was one of significant balance sheet growth at American Business Bank, reflecting our continued investment in our market place with two additional locations opened during the year.

Total assets increased \$223 million to \$2.1 billion, a 16% annualized increase over last year. This was driven by our increase in deposits of \$276 million, or 23% annualized growth from year end. Total loans were up 32% annualized, or \$218 million, to \$1.1 billion. As always, our loan quality is excellent, with negligible non-performing loans, no charge-offs and no other Real Estate Owned. Nonetheless, our loan loss reserve stands at 1.40%, a level significantly higher than our peer group.

Earnings for the quarter were \$4.1 million, down slightly from the third quarter of 2017 as were year to date profits, at \$10.3 million. The story is simple. We hired a significant number of seasoned bankers at the end of last year, and they are beginning to pay for themselves, as seen in our very strong balance sheet growth.

We are quite proud of these results, not just because of their size, but because of their quality as well. For this we offer our thanks to our American Business bankers for their continued hard work as well as a welcome and thank you to our new and existing clients.



Leon I. Blankstein
President, CEO, Director

