



AMERICAN BUSINESS BANK REPORTS THIRD QUARTER EARNINGS

Net Income for the quarter increased over the prior quarter

Third Quarter 2024 Highlights

- **Net income for the quarter totaled \$10.8 million**, or \$1.16 per diluted share
- **Net yield on interest earning assets increased 7 basis points** over the prior quarter
- **Total deposits increased \$258 million** or 7.5% over the prior quarter
- **Total non-interest bearing deposits increased \$148 million** or 9.3% over the prior quarter
- **Cost of average deposits of 1.44%** compared to 1.35% in the prior quarter
- **Non-interest bearing demand deposits** represent 47% of total deposits
- **Net interest margin expanded to 3.13%** from 3.00% in the prior quarter
- **Total loans increased \$22 million** or 0.85% over the prior quarter
- **Minimal past due loans**
- **No borrowings** at end of third quarter 2024
- **Tangible book value per share** of \$39.28
- **Continued status as well-capitalized**, the highest regulatory category

Los Angeles, California, October 30, 2024. [AMERICAN BUSINESS BANK \(OTCQX: AMBZ\)](#) today reported net income of \$10.8 million or \$1.16 per fully diluted share for the quarter ended September 30, 2024 compared to \$9.5 million or \$1.02 per fully diluted share for the quarter ended June 30, 2024, and \$10.2 million or \$1.10 per fully diluted share for the quarter ending September 30, 2023, representing increases of 13% and 6%, respectively.

Net income for the nine months ended September 30, 2024 was \$30.8 million or \$3.31 per fully diluted share, a decrease of \$1.8 million or 6%, from \$32.6 million or \$3.53 per fully diluted share for the nine months ended September 30, 2023.

“Results benefitted from the Bank’s valuable low-cost deposit base, of which 47 percent is non-interest bearing checking accounts at the end of the quarter. Our customers continue to grow their businesses and provide deposits for the Bank to lend in the market. The deposit growth in the second and third quarters from existing customers was significant, however, some of the deposit inflows were event-driven and will not remain on the balance sheet over the long term. We continue to focus on building an outstanding core deposit franchise which resulted in eliminating borrowings in July. The deposit pipeline of new customer relationships remains strong and should drive further growth in the fourth quarter. This has enhanced the expansion of the net interest margin by 13 bps to 3.13% for the third quarter and to 3.21% for the month of September. The key to our success continues to be attracting new business clients through our outstanding team of relationship managers.

“We are proud to provide high touch community banking services to business clients with a conservative risk approach. Our commercial real estate lending is primarily owner-occupied which is not dependent on rent rolls, but reliant on the cash flows of the operating business that occupies the property. C&I and

Owner-occupied commercial real estate portfolios comprise 60% of total loans and highlight our position as the premier relationship-banking franchise for small to mid-size businesses in Southern California.

“The Bank continued to expand our team of outstanding relationship managers over the last two quarters. We now have 48 calling officers up from 40 six months ago, this bodes quite well for the future.

“The intelligent delivery of superior service continues to produce excellent risk-adjusted returns for all stakeholders” commented Leon Blankstein, ABB’s CEO and Director.

For the quarter ending September 30, 2024, net interest income was \$31.4 million, an 8% increase compared to the prior quarter and a 4% increase compared to the prior year quarter. Higher average balances of interest earning deposits in other financial institutions led to an increase in interest income compared to the prior quarter and the prior year quarter. In addition, net interest income in the third quarter of 2024 benefitted from the elimination of borrowings that reduced interest expense compared to the prior quarter and the prior year quarter.

The allowance for credit losses as a percentage of loans was 1.11% at September 30, 2024 and June 30, 2024. No provision was recorded for the quarter as the reduction in the reserve for unfunded loan commitments was offset by an increase in the allowance for credit losses due to growth in the loan portfolio.

For the nine months ended September 30, 2024, net income was lower compared to the nine months ended September 30, 2023 due to a decrease in net interest income, an increase in salaries and employee benefits partially offset by a decrease in the provision for loan losses.

Net Interest Margin

Net interest margin for the third quarter of 2024 increased to 3.13% from 3.00% for the prior quarter and from 3.12% for the prior year quarter. This increase is primarily due to a decline in borrowings coupled with an increase in interest earning deposits in other financial institutions. As of September 30, 2024, 63% of the loan portfolio was fixed rate with a weighted average remaining life of 70 months. Approximately 43% of variable rate loans are indexed to prime of which \$384 million are adjustable within 90 days of a change in prime. The net interest margin for the month of September 2024 was 3.21%.

Net Interest Income

For the quarter ended September 30, 2024, net interest income increased by \$2.3 million, or 8%, compared to the quarter ended June 30, 2024; and increased by \$1.1 million, or 4%, compared to the quarter ended September 30, 2023. This increase is due to growth in interest earning deposits at the FRB along with a decline in borrowing costs offset by an increase in the cost of deposits. For the quarter ending September 30, 2024, the cost of deposits was 1.44% representing an increase of 9 bps compared to the quarter ending June 30, 2024. The Loan-to-Deposit ratio was 71% and 72% as of September 30, 2024, and 2023, respectively.

Provision for Credit Losses

The following table presents details of the provision for credit losses for the periods indicated:

	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Figures in \$000s)					
Addition (recapture) to allowance for loan losses	\$ 266	\$ 450	\$ 424	\$ 490	\$ 2,005
Addition (recapture) to reserve for unfunded loan commitments	(266)	(438)	424	(266)	834
Total loan-related provision	\$ -	\$ 12	\$ 848	\$ 224	\$ 2,839
Addition to allowance for held-to-maturity securities	-	-	-	-	-
Total provision for credit losses	\$ -	\$ 12	\$ 848	\$ 224	\$ 2,839

Non-Interest Income

The increase in non-interest income compared to the prior quarter is primarily due to the gain on sale of SBA loans and an increase in the valuation of COLI policies offset by the loss on the sale of municipal investment securities. The decrease in non-interest income compared to the prior year quarter is primarily due to the loss on sale of municipal investment securities.

For the nine months ended September 30, 2024, non-interest income decreased \$1.2 million or 17% compared to the same period a year ago, primarily due to a reduction in the gain on sale of SBA loans. In 2023, seasoned SBA loans were sold unlike in 2024 when only current production was sold.

Non-Interest Expense

For the quarter ending September 30, 2024, total non-interest expense increased \$0.8 million compared to the prior quarter and increased \$1.1 million compared to the prior year quarter. This was primarily due to increases in the number of full-time equivalent employees leading to rising salary and employee benefit expenses. The efficiency ratio decreased to 53% for the third quarter of 2024 compared to 55% for the second quarter of 2024 and the third quarter of 2023.

There were 248 full time equivalent employees at September 30, 2024 compared to 235 a year ago and 243 at June 30, 2024. The Bank has 48 relationship managers in eight offices compared to 42 at June 30, 2024 and September 30, 2023.

For the nine months ended September 30, 2024, non-interest expense increased \$2.5 million or 5% compared to the same period a year ago, mainly due to increases in salaries and employee benefits.

Income Taxes

The effective income tax rate was 28.1% for the quarter ended September 30, 2024, 28.0% for the quarter ended June 30, 2024, and 28.2% for the quarter ended September 30, 2023.

Balance Sheet

For the quarter ended September 30, 2024, total loans increased \$22 million, or 0.9% compared to the prior quarter. The majority of this increase was in Owner-occupied commercial real estate loans mainly due to an increase in industrial and restaurant collateral type loans. The increase in construction loans is primarily related to off campus university student housing in greater Los Angeles. The increase in commercial real estate (CRE) loans was offset by a decline in Commercial and Industrial (C&I) loans mainly due to a decrease in line utilization. At September 30, 2024, the utilization rate for the Bank's commercial lines of credit decreased to 26% from 27% at June 30, 2024. The following table is the composition of CRE loans as of:

	September 30, 2024	June 30, 2024
(Figures in \$000s)		
RE - Owner-occupied	\$ 1,130,647	\$ 1,095,538
RE - Non-owner occupied	736,124	737,525
Construction & Land	88,669	76,760
Total CRE Loans	\$ 1,955,440	\$ 1,909,822

The following table is the composition of the Owner-occupied and Non owner-occupied CRE loans by collateral type:

	as of September 30, 2024	
	Owner-occupied	Non owner-occupied
(Figures in \$000s)		
Industrial	\$ 680,023	\$ 313,918
Office	167,510	99,922
Retail	22,708	182,038
Automobile Service Facilities	64,422	22,632
Contractor's Yard	61,651	4,097
Other	28,640	38,060
Miscellaneous	105,693	75,456
Total	\$ 1,130,647	\$ 736,124

Total investment securities at September 30, 2024 were \$1.1 billion including \$557 million (46%) in held-to-maturity (HTM) securities based on book value. The Bank has no non-agency mortgage-backed securities in its portfolio. As of September 30, 2024, the duration of the available-for-sale (AFS) securities portfolio was 5.7 years, compared to 5.8 years as of June 30, 2024 and September 30, 2023. Accumulated other comprehensive loss (AOCI) decreased to \$59.7 million as of September 30, 2024 from \$74.9 million as of June 30, 2024 as market rates relevant to securities pricing declined. The duration of the held-to-maturity portfolio, which consists primarily of municipal securities, is 7.5 years. As of September 30, 2024, the unrealized after tax loss on HTM securities was \$60 million.

Deposits grew by \$258 million or 7% to \$3.7 billion in the quarter ended September 30, 2024. For the nine months of 2024, new deposit relationships have totaled approximately \$73 million from 122 new clients. The Bank's off-balance sheet products of treasury securities held for clients increased by \$32 million during the third quarter of 2024 to \$254 million. The Bank has no brokered or internet-solicited deposits. Non-interest bearing deposits increased from 46% of total deposits to 47% of total deposits in the third quarter. The cost of deposits for the month of September was 1.42%.

During the third quarter of 2024, total assets increased \$191 million, or 4.9%, total loans increased by \$22 million, or 0.9%, total deposits increased by \$258 million, or 7.5%, and borrowings decreased by \$100 million. There are no borrowings at the end of the third quarter of 2024.

The Federal Reserve Bank (FRB) Term Funding Program ended March 11, 2024 and was paid in full on July 31, 2024. As of September 30, 2024, the Bank has \$1.6 billion in borrowing capacity including the FRB discount window and from loans pledged at the Federal Home Loan Bank of San Francisco.

Asset Quality

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

	September 30, 2024	June 30, 2024
(Figures in \$000s)		
Non-performing assets (NPA)	\$ 6,969	\$ 6,641
Loans 90+ days past due and still accruing	-	-
Total NPA	\$ 6,969	\$ 6,641
NPA as a % of total assets	0.17%	0.24%
Past Due as a % of total loans	0.00%	0.13%
Criticized as a % of total loans	4.48%	5.06%
Classified as a % of total loans	0.90%	1.03%

During the third quarter of 2024, non-performing assets (NPAs) increased by \$0.3 million due to an additional C&I loan. As of September 30, 2024, NPAs have a \$153 thousand allowance on individually evaluated loans related to five non-performing C&I loans of which the majority have a partial guarantee by the state of California or the SBA. The decline in classified loans is mainly due to the payoff of a residential real estate loan during the quarter.

The loan portfolio has approximately 10% in office collateral of which the majority is owner-occupied, and substantially all are three stories or under and located in suburban markets.

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

	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Figures in \$000s)					
Balance, beginning of period	\$ 28,843	\$ 28,335	\$ 27,172	\$ 28,460	\$ 29,635
Cumulative effect of change in accounting principle - CECL	-	-	-	-	(3,885)
Charge-offs	(4)	-	(15)	(103)	(194)
Recoveries	-	58	20	258	40
Net (charge-offs) / recoveries	\$ (4)	\$ 58	\$ 5	\$ 155	\$ (154)
Provision	266	450	424	490	2,005
Balance, end of period	\$ 29,105	\$ 28,843	\$ 27,601	\$ 29,105	\$ 27,601
Allowance as a % of loans	1.11%	1.11%	1.10%	1.11%	1.10%

The allowance for credit losses for loans increased to \$29.1 million during the third quarter of 2024 primarily as a result of an increase in the loan portfolio. There was a \$4 thousand charge off in the third quarter of 2024 compared to charge offs of \$15 thousand during the prior year quarter. The Bank recovered \$258 thousand in the first half of 2024; the majority of which had been charged off in the fourth quarter of 2023. The Bank has four restructured loans totaling \$4.1 million involving borrowers experiencing financial difficulty.

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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American Business Bank

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

BALANCE SHEETS (unaudited)

	September 2024	June 2024	December 2023	September 2023
Assets:				
Cash and Due from Banks	\$ 109,214	\$ 84,836	\$ 32,354	\$ 71,351
Interest Earning Deposits in Other Financial Institutions	168,521	15,511	10,804	12,111
Investment Securities:				
US Agencies	73,265	79,700	91,226	97,828
Mortgage Backed Securities	400,381	390,886	413,870	398,645
State and Municipals	78,504	81,884	91,949	91,064
Corporate Bonds	14,371	14,478	14,157	13,866
Securities Available-for-Sale, at Fair Value	566,521	566,948	611,202	601,403
Mortgage Backed Securities	169,623	172,984	178,985	181,623
State and Municipals	383,483	384,048	390,184	390,764
Allowance for Credit Losses, Held-To-Maturity	(55)	(55)	(55)	(55)
Securities Held-to-Maturity, at Amortized Cost, Net of Allowance for Credit Losses	553,051	556,977	569,114	572,332
Federal Home Loan Bank Stock, at Cost	15,000	15,000	15,000	15,000
Total Investment Securities	1,134,572	1,138,925	1,195,316	1,188,735
Loans Receivable:				
Commercial Real Estate	1,955,440	1,909,822	1,884,085	1,853,527
Commercial and Industrial	461,980	487,557	491,698	477,960
Residential Real Estate	198,259	196,194	197,281	172,411
Installment and Other	7,411	7,471	6,577	7,107
Total Loans Receivable	2,623,090	2,601,044	2,579,641	2,511,005
Allowance for Credit Losses	(29,105)	(28,843)	(28,460)	(27,601)
Loans Receivable, Net	2,593,985	2,572,201	2,551,181	2,483,404
Furniture, Equipment and Leasehold Improvements, Net	4,831	4,684	4,589	4,845
Bank/Corporate Owned Life Insurance	29,714	29,396	28,898	28,400
Other Assets	79,151	83,096	79,582	85,315
Total Assets	\$ 4,119,988	\$ 3,928,649	\$ 3,902,724	\$ 3,874,161
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,745,491	\$ 1,597,426	\$ 1,699,560	\$ 1,796,743
Interest Bearing Transaction Accounts	376,033	394,051	388,152	331,315
Money Market and Savings Deposits	1,297,950	1,202,143	1,145,389	1,124,590
Certificates of Deposit	295,865	263,587	264,312	250,032
Total Deposits	3,715,339	3,457,207	3,497,413	3,502,680
Federal Home Loan Bank Advances / Other Borrowings	-	100,000	55,000	40,000
Other Liabilities	47,107	40,570	36,257	52,204
Total Liabilities	\$ 3,762,446	\$ 3,597,777	\$ 3,588,670	\$ 3,594,884
Shareholders' Equity:				
Common Stock	\$ 209,679	\$ 209,042	\$ 208,048	\$ 207,451
Retained Earnings	207,523	196,743	176,747	165,372
Accumulated Other Comprehensive Income / (Loss)	(59,660)	(74,913)	(70,741)	(93,546)
Total Shareholders' Equity	\$ 357,542	\$ 330,872	\$ 314,054	\$ 279,277
Total Liabilities and Shareholders' Equity	\$ 4,119,988	\$ 3,928,649	\$ 3,902,724	\$ 3,874,161
Standby Letters of Credit	\$ 46,460	\$ 43,420	\$ 43,178	\$ 41,823
Per Share Information:				
Common Shares Outstanding	9,101,654	9,100,023	9,041,911	9,039,092
Book Value Per Share	\$ 39.28	\$ 36.36	\$ 34.73	\$ 30.90
Tangible Book Value Per Share	\$ 39.28	\$ 36.36	\$ 34.73	\$ 30.90

American Business Bank

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

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	September 2024	June 2024	September 2023
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 35,513	\$ 34,358	\$ 32,332
Interest on Investment Securities	7,176	7,431	7,787
Interest on Interest Earning Deposits in Other Financial Institutions	2,129	839	279
Total Interest Income	44,818	42,628	40,398
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	1,220	1,077	704
Interest on Money Market and Savings Deposits	9,083	7,900	6,019
Interest on Certificates of Deposits	2,785	2,408	1,964
Interest on Federal Home Loan Bank Advances and Other Borrowings	363	2,203	1,433
Total Interest Expense	13,451	13,588	10,120
Net Interest Income	31,367	29,040	30,278
Provision for Credit Losses	-	12	848
Net Interest Income after Provision for Credit Losses	31,367	29,028	29,430
<u>Non-Interest Income:</u>			
Deposit Fees	1,108	1,077	937
International Fees	433	418	439
Gain (Loss) on Sale of Investment Securities, Net	(587)	(397)	(63)
Gain on Sale of SBA Loans, Net	187	12	143
Bank/Corporate Owned Life Insurance Income (Expense)	318	212	98
Other	454	367	398
Total Non-Interest Income	1,913	1,689	1,952
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	12,622	12,052	11,487
Occupancy and Equipment	1,206	1,195	1,200
Professional Services	2,172	2,079	2,136
Promotion Expenses	720	680	794
Other	1,565	1,509	1,587
Total Non-Interest Expense	18,285	17,515	17,204
Earnings before income taxes	14,995	13,202	14,178
Income Tax Expense	4,215	3,703	3,996
<u>NET INCOME</u>	\$ 10,780	\$ 9,499	\$ 10,182
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 1.16	\$ 1.03	\$ 1.11
Earnings Per Share - Diluted	\$ 1.16	\$ 1.02	\$ 1.10
Weighted Average Shares - Basic	9,279,741	9,259,753	9,211,933
Weighted Average Shares - Diluted	9,318,868	9,298,130	9,240,346

American Business Bank

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

INCOME STATEMENTS (unaudited)

	For the nine months ended:	
	September 2024	September 2023
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 103,535	\$ 93,355
Interest on Investment Securities	22,265	23,436
Interest on Interest Earning Deposits in Other Financial Institutions	3,218	739
Total Interest Income	129,018	117,530
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	3,299	1,342
Interest on Money Market and Savings Deposits	24,247	12,572
Interest on Certificates of Deposits	7,481	3,255
Interest on Federal Home Loan Bank Advances and Other Borrowings	4,164	9,394
Total Interest Expense	39,191	26,563
Net Interest Income	89,827	90,967
Provision for Credit Losses	224	2,839
Net Interest Income after Provision for Credit Losses	89,603	88,128
<u>Non-Interest Income:</u>		
Deposit Fees	3,172	2,954
International Fees	1,257	1,150
Gain (Loss) on Sale of Investment Securities, Net	(1,094)	(652)
Gain on Sale of SBA Loans, Net	256	989
Bank/Corporate Owned Life Insurance Income (Expense)	816	732
Other	1,309	1,738
Total Non-Interest Income	5,716	6,911
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	36,323	34,449
Occupancy and Equipment	3,610	3,592
Professional Services	6,214	5,867
Promotion Expenses	1,927	1,841
Other	4,499	4,276
Total Non-Interest Expense	52,573	50,025
Earnings before income taxes	42,746	45,014
Income Tax Expense	11,970	12,422
<u>NET INCOME</u>	\$ 30,776	\$ 32,592
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 3.32	\$ 3.55
Earnings Per Share - Diluted	\$ 3.31	\$ 3.53
Weighted Average Shares - Basic	9,258,937	9,181,813
Weighted Average Shares - Diluted	9,303,605	9,229,089

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2024			June 2024		
	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	\$ 156,041	\$ 2,129	5.43%	\$ 61,618	\$ 839	5.48%
Investment Securities:						
US Agencies	76,670	1,045	5.45%	83,020	1,170	5.64%
Mortgage Backed Securities	650,264	3,032	1.87%	662,880	3,129	1.89%
State and Municipals	470,564	2,582	2.19%	477,603	2,617	2.19%
Corporate Bonds	16,250	188	4.63%	16,250	188	4.64%
Securities Available-for-Sale and Held-to-Maturity	1,213,748	6,847	2.26%	1,239,753	7,104	2.29%
Federal Home Loan Bank Stock	15,000	329	8.76%	15,000	327	8.72%
Total Investment Securities	1,228,748	7,176	2.34%	1,254,753	7,431	2.37%
Loans Receivable:						
Commercial Real Estate	1,929,129	24,257	5.00%	1,888,292	23,086	4.92%
Commercial and Industrial	462,791	8,028	6.90%	478,868	8,088	6.79%
Residential Real Estate	196,130	3,164	6.42%	196,740	3,115	6.37%
Installment and Other	8,349	64	3.03%	8,628	69	3.23%
Total Loans Receivable	2,596,399	35,513	5.44%	2,572,528	34,358	5.37%
Total Interest Earning Assets	\$ 3,981,188	\$ 44,818	4.41%	\$ 3,888,899	\$ 42,628	4.34%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,671,657	-	0.00%	1,607,544	-	0.00%
Interest Bearing Transaction Accounts	394,184	1,220	1.23%	384,339	1,077	1.13%
Money Market and Savings Deposits	1,265,785	9,083	2.85%	1,145,701	7,900	2.77%
Certificates of Deposit	288,357	2,785	3.84%	261,401	2,408	3.70%
Total Deposits	3,619,983	13,088	1.44%	3,398,985	11,385	1.35%
Federal Home Loan Bank Advances / Other Borrowings	25,598	363	5.64%	162,533	2,203	5.45%
Total Interest Bearing Deposits and Borrowings	1,973,924	13,451	2.71%	1,953,974	13,588	2.80%
Total Deposits and Borrowings	\$ 3,645,581	\$ 13,451	1.47%	\$ 3,561,518	\$ 13,588	1.53%
Net Interest Income		\$ 31,367			\$ 29,040	
Net Interest Rate Spread			2.94%			2.81%
Net Interest Margin			3.13%			3.00%

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2024			September 2023		
	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	\$ 156,041	\$ 2,129	5.43%	\$ 21,319	\$ 279	5.19%
Investment Securities:						
US Agencies	76,670	1,045	5.45%	101,829	1,325	5.21%
Mortgage Backed Securities	650,264	3,032	1.87%	696,633	3,236	1.86%
State and Municipals	470,564	2,582	2.19%	498,134	2,745	2.20%
Corporate Bonds	16,250	188	4.63%	16,250	188	4.63%
Securities Available-for-Sale and Held-to-Maturity	1,213,748	6,847	2.26%	1,312,846	7,494	2.28%
Federal Home Loan Bank Stock	15,000	329	8.76%	15,000	293	7.82%
Total Investment Securities	1,228,748	7,176	2.34%	1,327,846	7,787	2.35%
Loans Receivable:						
Commercial Real Estate	1,929,129	24,257	5.00%	1,842,818	21,974	4.73%
Commercial and Industrial	462,791	8,028	6.90%	480,743	7,734	6.38%
Residential Real Estate	196,130	3,164	6.42%	170,576	2,558	5.95%
Installment and Other	8,349	64	3.03%	8,537	66	3.07%
Total Loans Receivable	2,596,399	35,513	5.44%	2,502,674	32,332	5.13%
Total Interest Earning Assets	\$ 3,981,188	\$ 44,818	4.41%	\$ 3,851,839	\$ 40,398	4.10%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,671,657	-	0.00%	1,824,291	-	0.00%
Interest Bearing Transaction Accounts	394,184	1,220	1.23%	324,710	704	0.86%
Money Market and Savings Deposits	1,265,785	9,083	2.85%	1,062,607	6,019	2.25%
Certificates of Deposit	288,357	2,785	3.84%	228,872	1,964	3.40%
Total Deposits	3,619,983	13,088	1.44%	3,440,480	8,687	1.00%
Federal Home Loan Bank Advances / Other Borrowings	25,598	363	5.64%	105,087	1,433	5.41%
Total Interest Bearing Deposits and Borrowings	1,973,924	13,451	2.71%	1,721,276	10,120	2.33%
Total Deposits and Borrowings	\$ 3,645,581	\$ 13,451	1.47%	\$ 3,545,567	\$ 10,120	1.13%
Net Interest Income		\$ 31,367			\$ 30,278	
Net Interest Rate Spread			2.94%			2.97%
Net Interest Margin			3.13%			3.12%

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the nine months ended:					
	September 2024			September 2023		
	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	\$ 79,252	\$ 3,218	5.42%	\$ 20,366	\$ 739	4.85%
Investment Securities:						
US Agencies	82,882	3,500	5.63%	109,975	3,783	4.59%
Mortgage Backed Securities	662,348	9,360	1.88%	708,057	9,977	1.88%
State and Municipals	477,708	7,855	2.19%	501,330	8,297	2.21%
Corporate Bonds	16,250	565	4.63%	16,250	558	4.58%
Securities Available-for-Sale and Held-to-Maturity	1,239,188	21,280	2.29%	1,335,612	22,615	2.26%
Federal Home Loan Bank Stock	15,000	985	8.76%	15,000	821	7.30%
Total Investment Securities	1,254,188	22,265	2.37%	1,350,612	23,436	2.31%
Loans Receivable:						
Commercial Real Estate	1,898,713	70,161	4.94%	1,805,477	62,741	4.65%
Commercial and Industrial	470,906	23,855	6.77%	490,777	22,854	6.23%
Residential Real Estate	196,348	9,323	6.34%	173,067	7,550	5.83%
Installment and Other	8,736	196	3.00%	7,912	210	3.56%
Total Loans Receivable	2,574,703	103,535	5.37%	2,477,233	93,355	5.04%
Total Interest Earning Assets	\$ 3,908,143	\$ 129,018	4.34%	\$ 3,848,211	\$ 117,530	4.03%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,642,483	-	0.00%	1,794,366	-	0.00%
Interest Bearing Transaction Accounts	386,897	3,299	1.14%	302,062	1,342	0.59%
Money Market and Savings Deposits	1,179,180	24,247	2.75%	1,066,488	12,572	1.58%
Certificates of Deposit	268,489	7,481	3.72%	144,986	3,255	3.00%
Total Deposits	3,477,049	35,027	1.35%	3,307,902	17,169	0.69%
Federal Home Loan Bank Advances / Other Borrowings	103,433	4,164	5.38%	251,363	9,394	5.00%
Total Interest Bearing Deposits and Borrowings	1,937,999	39,191	2.70%	1,764,899	26,563	2.01%
Total Deposits and Borrowings	\$ 3,580,480	\$ 39,191	1.46%	\$ 3,559,264	\$ 26,563	1.00%
Net Interest Income		\$ 89,827			\$ 90,967	
Net Interest Rate Spread			2.88%			3.03%
Net Interest Margin			3.07%			3.16%

American Business Bank

Figures in \$000

SUPPLEMENTAL DATA (unaudited)

	September 2024	June 2024	December 2023	September 2023
<u>Performance Ratios:</u>				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	1.07%	0.97%	1.17%	1.05%
Return on Average Equity (ROAE)	12.64%	11.93%	16.05%	14.20%
Efficiency Ratio	53.20%	54.86%	48.45%	54.59%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	1.04%	1.02%	1.13%	1.12%
Return on Average Equity (ROAE)	12.66%	12.67%	15.70%	15.58%
Efficiency Ratio	54.13%	54.63%	50.82%	51.62%
<u>Capital Adequacy:</u>				
Total Risk Based Capital Ratio	12.99%	12.84%	12.37%	12.66%
Common Equity Tier 1 Capital Ratio	12.11%	11.94%	11.47%	11.73%
Tier 1 Risk Based Capital Ratio	12.11%	11.94%	11.47%	11.73%
Tier 1 Leverage Ratio	10.17%	10.14%	9.64%	9.41%
Tangible Common Equity / Tangible Assets	8.68%	8.42%	8.05%	7.21%
<u>Asset Quality Overview</u>				
Non-Performing Loans	\$ 6,969	\$ 6,641	\$ 7,859	\$ 5,315
Loans 90+ Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	6,969	6,641	7,859	5,315
Loans Modified with Financial Difficulty	\$ 4,120	\$ 4,696	\$ 231	\$ 233
Other Real Estate Owned	-	-	-	-
ACL / Loans Receivable	1.11%	1.11%	1.10%	1.10%
Non-Performing Loans / Total Loans Receivable	0.27%	0.36%	0.30%	0.21%
Non-Performing Assets / Total Assets	0.17%	0.24%	0.20%	0.14%
Net Charge-Offs (Recoveries) quarterly	\$ 4	\$ (58)	\$ 190	\$ (5)
Net Charge-Offs (Recoveries) year-to-date	\$ (155)	\$ (159)	\$ 344	\$ 154
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.01%)	(0.01%)	0.01%	0.01%