

American Bank Incorporated

Selected Financial Information

(In thousands, except per share data)

	<u>June 30,</u>		<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2017</u>	<u>Audited</u>
	<u>Unaudited</u>			
<u>Selected Financial Condition Data:</u>				
Total assets	\$ 643,946	\$ 575,406	\$ 580,843	
Loans receivable, net	476,955	432,647	458,733	
Allowance for loan losses	(6,441)	(6,084)	(6,214)	
Investment securities available-for-sale (at fair value)	67,338	70,332	62,042	
Investment securities held-to-maturity (at cost)	1,205	1,005	1,005	
Deposits	479,444	422,541	425,881	
Short-term borrowings	34,320	24,285	26,261	
Long-term borrowings	65,000	65,000	65,000	
Junior subordinated debentures	10,199	10,247	10,218	
Stockholders' equity	52,862	51,357	51,322	
Book value per share	\$ 9.36	\$ 9.05	\$ 9.05	
Shares outstanding	5,647	5,676	5,668	

	For the Three		For the Six	
	Months Ended June 30,		Months Ended June 30,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>Unaudited</u>		<u>Unaudited</u>	
<u>Selected Operating Data:</u>				
Total interest income	\$ 5,894	\$ 5,263	\$ 11,478	\$ 10,437
Total interest expense	1,623	1,337	2,984	2,582
Net interest income	4,271	3,926	8,494	7,855
Provision for loan losses	200	—	327	13
Net interest income after provision for loan losses	4,071	3,926	8,167	7,842
Fees and service charges	30	30	58	57
Net gains on sales of mortgage loans	6	33	20	50
Earnings from bank-owned life insurance	89	90	185	188
Other income	79	66	147	141
Total non-interest income	204	219	410	436
Total non-interest expense	2,357	2,288	4,877	4,513
Income before income taxes	1,918	1,857	3,700	3,765
Income tax expense	383	598	652	1,209
Net income	\$ 1,535	\$ 1,259	\$ 3,048	\$ 2,556
Earnings per share - basic	\$ 0.27	\$ 0.22	\$ 0.54	\$ 0.45
Earnings per share - diluted	\$ 0.24	\$ 0.20	\$ 0.48	\$ 0.40
Weighted average shares outstanding for earnings per share calculation - basic	5,621	5,636	5,615	5,636
- diluted	6,794	6,814	6,788	6,816

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	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	Unaudited	Unaudited		
<u>Performance Ratios</u> ⁽¹⁾ :				
Return on assets (ratio of net income to average total assets)	0.99%	0.89%	1.02%	0.92%
Return on equity (ratio of net income to average equity)	11.58%	9.77%	11.58%	10.00%
Net interest margin (ratio of net interest income divided by average earning assets)	2.87%	2.91%	2.97%	2.96%
Ratio of operating expense to average total assets	1.52%	1.62%	1.63%	1.62%
Efficiency ratio (ratio of operating expenses divided by net interest income plus non-interest income)	52.69%	55.22%	54.77%	54.43%
 <u>Asset Quality Ratios</u> :				
Non-accruing loans to loans receivable at end of period	0.11%	0.02%		
Allowance for loan losses to non-accruing loans	882.50%	n/m		
Allowance for loan losses to loans receivable	1.33%	1.39%		
 <u>Regulatory Capital Ratios – Company</u> :				
Common equity Tier I to risk weighted assets	10.50%	9.59%		
Tier I to average assets	10.44%	10.27%		
Tier I to risk weighted assets	12.34%	11.56%		
Total capital to risk weighted assets	13.53%	12.76%		
 <u>Regulatory Capital Ratios - Bank</u> :				
Common equity Tier I to risk weighted assets	11.49%	11.34%		
Tier I to average assets	9.92%	10.12%		
Tier I to risk weighted assets	11.49%	11.34%		
Total capital to risk weighted assets	12.68%	12.54%		

⁽¹⁾ Ratios for three and six month periods are annualized.

n/m – not meaningful.