

American Bank Incorporated

Selected Financial Information

(In thousands, except per share data)

Unaudited

	<u>December 31,</u>	
	2017	2016
<u>Selected Financial Condition Data:</u>		
Total assets	\$ 580,843	\$ 557,136
Loans receivable, net	458,808	440,418
Allowance for loan losses	(6,214)	(6,092)
Investment securities available-for-sale (at fair value)	62,042	65,352
Investment securities held-to-maturity (at cost)	1,005	1,005
Deposits	425,881	408,087
Short-term debt	26,261	21,784
Long-term debt	65,000	65,000
Subordinated debt	10,218	10,265
Stockholders' equity	51,322	49,649
Book value per share	\$ 9.05	\$ 8.74
Shares outstanding	5,668	5,678

	<u>For the Three</u> <u>Months Ended Dec. 31,</u>		<u>For the Year</u> <u>Ended Dec. 31,</u>	
	2017	2016	2017	2016
<u>Selected Operating Data:</u>				
Total interest income	\$ 6,155	\$ 5,224	\$ 22,119	\$ 20,198
Total interest expense	1,331	1,257	5,295	5,132
Net interest income	4,824	3,967	16,824	15,066
Provision for loan losses	253	567	266	946
Net interest income after provision for loan losses	4,571	3,400	16,558	14,120
Fees and service charges	29	34	113	131
Net gains on available-for-sale investment securities	1,308	1	1,308	3
Net gains on sales of mortgage loans	30	75	113	170
Earnings from bank-owned life insurance	98	99	382	394
Other income	83	65	300	266
Total non-interest income	1,548	274	2,216	964
Total non-interest expense	2,493	2,167	9,186	8,585
Income before income taxes	3,626	1,507	9,588	6,499
Income tax expense	2,110	476	4,028	2,055
Net income	\$ 1,516	\$ 1,031	\$ 5,560	\$ 4,444
Earnings per share - basic	\$ 0.28	\$ 0.18	\$ 0.99	\$ 0.78
Earnings per share - diluted	\$ 0.24	\$ 0.16	\$ 0.87	\$ 0.70
Weighted average shares outstanding for earnings per share calculation - basic	5,414	5,671	5,632	5,639
- diluted	6,725	6,859	6,806	6,820

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	For the Three Months Ended Dec. 31,		For the Year Ended Dec. 31,	
	2017	2016	2017	2016
<u>Performance Ratios</u> ⁽¹⁾ :				
Return on assets (ratio of net income to average total assets)	1.07%	0.74%	0.99%	0.80%
Return on equity (ratio of net income to average equity)	11.53%	8.24%	10.74%	9.13%
Net interest margin (ratio of net interest income divided by average earning assets)	3.58%	3.01%	3.13%	2.84%
Ratio of operating expense to average total assets	1.60%	1.53%	1.63%	1.54%
Efficiency ratio (ratio of operating expenses divided by net interest income plus non-interest income)	39.12%	51.26%	48.25%	53.55%

	<u>At December 31,</u>	
	2017	2016
<u>Asset Quality Ratios:</u>		
Non-accruing loans to loans receivable at end of period	n/a	n/m
Allowance for loan losses to non-accruing loans	n/a	n/m
Allowance for loan losses to loans receivable	1.34%	1.37%

<u>Regulatory Capital Ratios - Company:</u>		
Common equity Tier 1 to risk weighted assets	10.64%	9.30%
Tier I to average assets	11.25%	10.22%
Tier I to risk weighted assets	12.56%	11.28%
Total capital to risk weighted assets	13.76%	12.49%

<u>Regulatory Capital Ratios - Bank:</u>		
Common equity Tier 1 to risk weighted assets	11.73%	11.14%
Tier I to average assets	10.59%	10.06%
Tier I to risk weighted assets	11.73%	11.14%
Total capital to risk weighted assets	12.93%	12.35%

⁽¹⁾ Ratios for three month periods are annualized.

n/m – not meaningful.

n/a – not applicable.