

American Marine Bank Officers

Debbie Anderson – Vice President, Branch Manager, Kingston
Ryan Anderson – Branch Sales Manager, Port Townsend
James Bartel – Vice President, Business Banking Officer, Seattle
Ann Bopp – Assistant Vice President, Assistant Manager, Kingston
Deanna Brown – Vice President, Loan Service Center Manager
Christine Christoff – Vice President, Regional Business Banking Manager
Mandy Colburn – Assistant Vice President, Consumer Credit Underwriter
Donna Davidson – Senior Vice President, Community Banking Manager
Cindy East – Assistant Vice President, Branch Manager, Home Office
Brian Ellefson – Vice President, Business Banking Officer, Silverdale
Cybelle Gonzalez – Assistant Branch Manager, Home Office
Mark Gordon – Vice President, Builder Banking Manager
Gwen Hannon – Branch Manager, Poulsbo
Jan Hannon – Senior Vice President, Compliance Officer
Susan Heerlyn – Assistant Vice President, Branch Manager, Seattle
Mary Hoover – Vice President, Branch Manager, Silverdale
Barbara Kaye – Senior Vice President, Chief Credit Officer
Jim Kreamer – Vice President, Trust & Wealth Management Manager
Dan Larsen – Assistant Vice President, Corporate Real Estate Manager
Margaret LeMay – Vice President, Business Banking Officer
Renzo Lucioni – Executive Vice President, Chief Financial Officer
Kevin Mooney – Branch Manager, High School Road
Navneeth Naidu – Vice President, Information Systems
Carolyn Nall – Vice President, Human Resources Manager
Lynn Plummer – Assistant Vice President, Accounting Officer
Gary Podesta – Branch Sales Manager, Belfair
Elizabeth Robertson – Senior Commercial Credit Analyst
Eddie Rollins – Customer Service Officer
Victor Samisoni – Branch Sales Manager, Sequim
Marsha Sanders – Assistant Vice President, Trust Operations Officer
Calvin Springer – Vice President, Trust Account Executive
Susie Steele – Assistant Vice President, Trust Administration Officer
Shaun Stephenson – Vice President, Business Banking Officer
Neil Storey – Vice President, Business Banking Officer
Jane Sutherland – Vice President, Corporate Training Officer
Barbara Swartling – Vice President, Loan & Credit Administrator
Kathaleen Thibeault – Vice President, Controller
Judy Thorpe – Vice President, Marketing Manager
Steve Touger – Vice President, Commercial RE Loan Officer
Rex Townsend – President & CEO
Paul Uhlig – Assistant Vice President, Senior Operations Officer
Brad Van Aken – Vice President, Trust Account Executive
Barbara Whitesitt – Assistant Vice President, Trust Administrative Officer
Paula Zimmerman – Branch Manager, Port Ludlow
Kyrsten Wooster – Human Resources Officer

American Marine Bank Offices

Bainbridge Island Offices
249 Winslow Way East, and
208 High School Road
Bainbridge Island, WA 98110
206-842-5651

Belfair Office – Safeway
23961 NE State Route 3
Belfair, WA 98528
800-648-3194

Kingston Office
26563 Lindvog Road NE
Kingston, WA 98346
360-297-1711

Port Angeles Office – Safeway
110 East 3rd Street
Port Angeles, WA 98362
800-648-3194

Port Ludlow Office
9500 Oak Bay Road, Suite A
Port Ludlow, WA 98365
360-437-8805

Port Townsend Office – Safeway
442 West Sims Way
Port Townsend, WA 98368
800-648-3194

Poulsbo Office – Central Market
20148 10th Avenue NE, Suite B
Poulsbo, WA 98370
360-779-9889

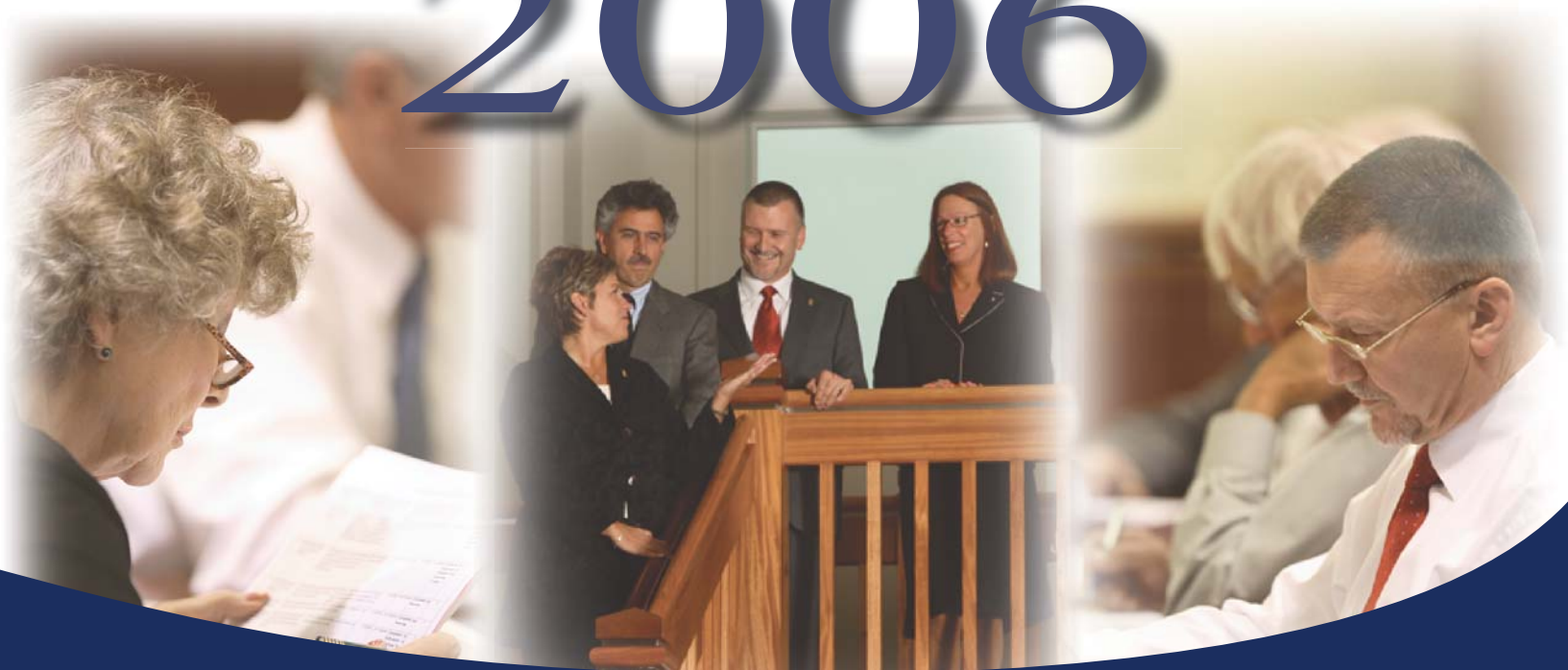
Seattle Office
1000 Second Avenue, Suite 110
Seattle, WA 98104
206-587-2504

Sequim Office – Safeway
680 West Washington Street
Sequim, WA 98382
800-648-3194

Silverdale Office
9490 Silverdale Way NW
Silverdale, WA 98383
360-692-6196

Silverdale Home Loan Center
10868 Myhre Place, Suite 105
Silverdale, WA 98383
360-698-0140

2006



800-648-3194

www.americanmarinebank.com

American Marine Bank is a wholly owned subsidiary of AMB Financial Services Corporation • Member FDIC • Equal Housing Lender

AMB FINANCIAL SERVICES CORPORATION

Annual Report





Rex Townsend *Bess Alpaugh*
Rex Townsend
 President & CEO
Bess Alpaugh
 Chairman of the Board

The year 2006 marked continued progress toward growth and efficiency goals, as well as a determined focus on profitability improvements. While loan and deposit production targets remained dominant, optimizing our procedures, concentrating on product performance and leveraging our vendor relationships ultimately rewarded the bank in expense reductions.

In our newer markets, American Marine Bank enjoyed increased market share, most notably at our Kingston office where share increased by 5.60% from the same period in 2005. In our mature markets, the bank worked against increased competition as more and more banks opened new offices in the communities we serve. The commitment from our managers to customer service and community involvement helped us to maintain and build on new relationships.

In November, American Marine Bank announced intentions to move the bank's Silverdale offices to 10100 Silverdale Way, less than a mile from the current banking location. After a significant remodel, staff will transition to the new location by year end 2007. The new location will incorporate the Silverdale Community Banking, Business Banking, Mortgage Lending and Trust & Wealth Management capabilities all under one roof.

AMB Financial Services - Financial Highlights

NOTE: The decrease in net income and earnings per share is a direct result of an increase in interest expense related to the trust preferred securities issued in 2002. Long term rates have remained unusually low in 2006 while short term rates steadily increased, resulting in an unexpectedly high interest expense and a resultant net income and earnings figure lower than forecast.

Fiscal Year Ended 12/31	2002	2003	2004	2005	2006
Loans (Net of Allowance for Loan Losses)	\$187,881	\$228,758	\$247,870	\$258,114	\$289,380
Deposits	\$222,327	\$244,968	\$262,225	\$280,411	\$305,736
Assets	\$278,289	\$307,472	\$334,387	\$353,611	\$388,254
Shareholders Equity	\$21,962	\$23,737	\$25,571	\$26,440	\$26,678
Net Interest Income After Provision	\$11,104	\$11,311	\$12,562	\$14,421	\$14,438
Net Interest Margin	4.44%	4.27%	4.40%	4.68%	4.50%
Non-Interest Income	\$3,292	\$3,432	\$4,180	\$3,901	\$3,946
Non-Interest Expense	\$10,969	\$10,857	\$12,944	\$14,685	\$15,213
Net Income	\$2,490	\$3,052	\$2,934	\$2,922	\$2,386
*Earnings Per Share	\$4.47	\$5.26	\$5.06	\$5.16	\$4.29
*Cash Dividends Per Share Declared	\$1.25	\$1.40	\$1.45	\$1.60	\$1.60

All \$ figures in thousands except

Board of Directors - AMB Financial Services Corporation



Not pictured, Alice Tawresey
 Chair, Board of Trustees, Olympic College,
 Former Bainbridge Island Mayor,
 elected to the board in October 2006

- David Berry – Owner, Caicos Corporation
- Jeffrey Goller – Owner, Goller Grade and Gravel
- George Kanalos – Owner, President, Eastside Mortgage Company
- Bess Alpaugh – Chairman, AMB Financial Services Corporation
- Rex Townsend – President & CEO, AMB Financial Services Corporation
- Carl Berg – Past Chairman, American Marine Bank
- Andy Mueller – Owner, Mueller Construction

Executive Committee - American Marine Bank



- Donna Davidson – Senior Vice President, Community Banking
- Carolyn Nall – Vice President, Human Resources
- Barbara Kaye – Senior Vice President, Chief Credit Officer
- Rex Townsend – President & CEO
- Renzo Lucioni – Executive Vice President, Chief Financial Officer
- Jan Hannon – Senior Vice President, Compliance Officer
- Judy Thorpe – Vice President, Marketing

Deposit and Loan Growth

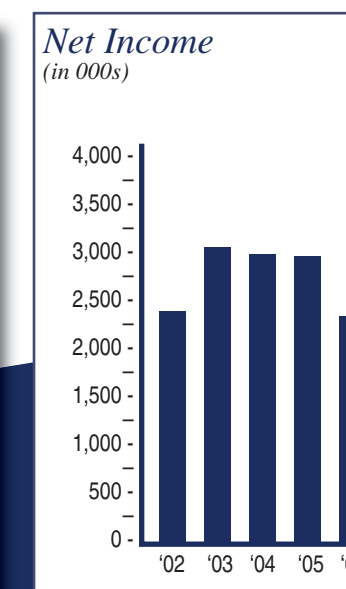
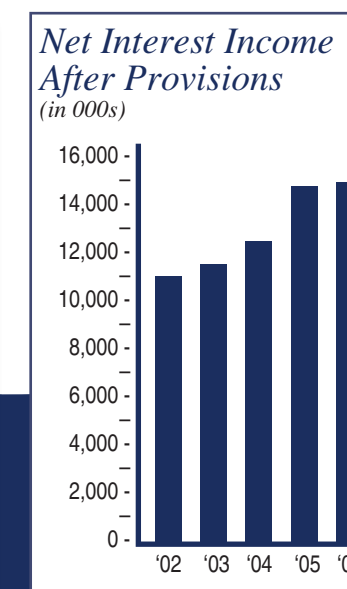
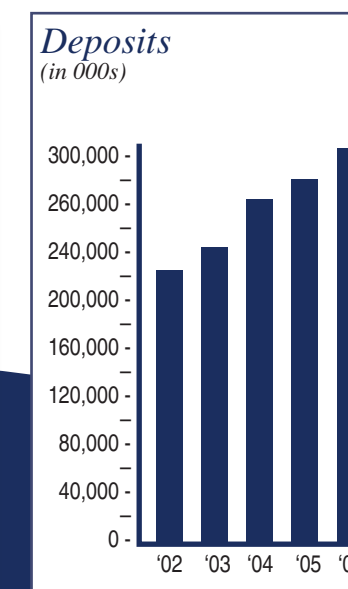
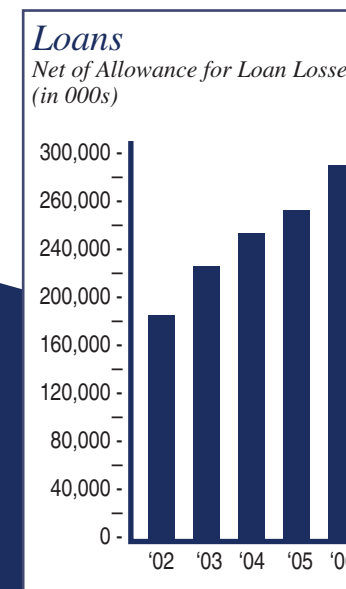
Deposits overall finished up over \$25 million from year-end 2005 to \$305.4 million. Loans grew \$31 million over year-end 2005 to \$289.3 million and non-performing loans were at the lowest level in years. As a result, total interest income increased \$2.78 million as compared to December 2005. Total assets were \$34.6 million greater than 2005 year end.

Dividends

AMB stock continues to provide consistent share value, demonstrated by steadily increasing independent appraisal values for shares held in the employee stock ownership plan. For 2006, annual dividend payout rate remained steady at \$1.60 per share.

In Summary

Production results for 2006 improved over 2005 as we continued to grow our loan portfolio while maintaining high loan quality. We're working hard to grow core deposits while our business and mortgage lending activities continue to build. In this setting of increased competition, your referrals and support are welcomed and appreciated.



This statement has not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation.