

The image features a city skyline at dusk or dawn, with several prominent skyscrapers illuminated. The sky is a mix of light blue and orange. In the foreground, there are lower-rise buildings and residential areas. The overall scene is a vibrant urban landscape. The logo for American Business Bank is positioned in the upper right corner, and the text '1ST QUARTER REPORT 2019' is in the lower right corner. Both are overlaid on a background of geometric shapes in shades of blue and orange.

ABB AMERICAN
BUSINESS BANK

**1ST QUARTER REPORT
2019**

BALANCE SHEETS

Unaudited - 000s omitted

March 31,	2019	2018
ASSETS:		
Cash and cash equivalents	\$ 82,846	\$ 46,876
Investment securities	788,105	839,204
Loans receivable	1,257,672	999,544
Allowance for loan losses	<u>(17,608)</u>	<u>(14,487)</u>
Loans receivable, net	1,240,064	985,057
Furniture, equipment and leasehold improvements, net	3,044	1,551
Other assets	76,503	60,250
TOTAL ASSETS	<u>\$2,190,562</u>	<u>\$1,932,938</u>
LIABILITIES:		
Deposits:		
Non-interest bearing demand deposits	\$ 988,196	\$ 876,164
Interest bearing transaction accounts	187,838	179,876
Money market and savings deposits	722,043	613,881
Certificates of deposits	<u>81,934</u>	<u>57,544</u>
Total Deposits	\$ 1,980,011	\$ 1,727,465
FHLB Advances/Other borrowings	-	32,000
Other liabilities	36,678	20,336
TOTAL LIABILITIES	<u>\$ 2,016,689</u>	<u>\$ 1,779,801</u>
SHAREHOLDERS' EQUITY		
Common stock & retained earnings	\$ 185,556	\$ 165,750
Accumulated other comprehensive income/(loss)	<u>(11,683)</u>	<u>(12,613)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>\$ 173,873</u>	<u>\$ 153,137</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>\$2,190,562</u>	<u>\$1,932,938</u>
Standby Letters of Credit	\$ 38,106	\$ 29,220

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

Three months ended March 31,	2019	2018
INTEREST INCOME		
Loans	\$ 15,078	\$ 10,612
Investments	4,273	4,983
Interest earning deposits with other financial institutions	<u>503</u>	<u>45</u>
TOTAL INTEREST INCOME	19,854	15,640
INTEREST EXPENSE		
Interest bearing transaction accounts	104	74
Money market and savings deposits	807	333
Certificates of deposits	105	62
FHLB Advances/Other borrowings	<u>-</u>	<u>175</u>
TOTAL INTEREST EXPENSE	1,016	644
NET INTEREST INCOME	18,838	14,996
Provision for loan losses	<u>90</u>	<u>832</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	18,748	14,164
TOTAL NONINTEREST INCOME	1,473	812
TOTAL NONINTEREST EXPENSE	13,020	11,991
EARNINGS BEFORE INCOME TAXES	7,201	2,985
Income tax expense	<u>1,800</u>	<u>559</u>
NET INCOME	<u>\$ 5,401</u>	<u>\$ 2,426</u>
Earnings per share - basic	\$ 0.70	\$ 0.32
Earnings per share - diluted	\$ 0.67	\$ 0.31
Weighted average shares - basic	7,722,461	7,569,277
Weighted average shares - diluted	8,033,433	7,830,162

SHAREHOLDERS & CLIENTS,

The net income for the first quarter 2019 increased an impressive 123% over the prior year. The increase in earnings year-over-year is due to the transformative growth in loans and core deposits that took place in 2018.



Total loans increased \$258 million or 26% from a year ago, and total deposits increased \$253 million or 15% from the same time period. This is largely centered in new business from new clients, as the Bank continues to successfully capture prime opportunities in Southern California's vibrant business banking market.

Reflecting this balance sheet growth, our revenues were up over 26% year over year. This growth is attributed primarily to an increase in loan interest income, as the Bank continues to focus on lending to local businesses who are growing this area's economy.

As always, the Bank remains well capitalized and strongly reserved, despite our low delinquencies and minuscule non-performing loans for the quarter.

We continue to seek out profitable middle market, relationship business banking activities, and are not reliant on wholesale funding to generate our excellent returns. We believe that our results are reflective of our hallmark mission: to do what is right for our clients, with a staff that is dedicated to our mutual success.

Understandably, we are very proud of our results, of our talented staff, and our exceptional clients.

-Leon Blankstein
President, Chief Executive Officer, Director

American Business Bank has seven offices in strategic locations including: Los Angeles, Irvine, Anaheim, Torrance, Woodland Hills, Corona and Ontario.

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