

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 residential buildings and trees. The overall scene is a vibrant urban landscape. The logo for American Business Bank is positioned in the upper right corner, and the text '2ND 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

**2ND QUARTER REPORT
2019**

▶ BALANCE SHEETS

Unaudited - 000s omitted

June 30,	2019	2018
ASSETS		
Cash & cash equivalents	\$ 76,918	\$ 96,625
Investment securities	758,812	780,163
Loans receivable	1,324,842	1,093,535
Allowance for loan losses	<u>(18,548)</u>	<u>(15,431)</u>
Loans receivable, net	1,306,294	1,078,104
Furniture, equipment & leasehold improvements, net	6,453	1,816
Other assets	73,005	64,544
TOTAL ASSETS	<u>\$ 2,221,482</u>	<u>\$ 2,021,252</u>
LIABILITIES		
Deposits:		
Non-interest bearing demand deposits	\$ 988,259	\$ 905,552
Interest bearing transaction accounts	202,465	203,068
Money market & savings deposits	749,979	632,257
Certificates of deposits	<u>59,524</u>	<u>67,032</u>
Total Deposits	\$ 2,000,227	\$ 1,807,909
FHLB Advances/Other borrowings	-	37,000
Other liabilities	29,191	21,686
TOTAL LIABILITIES	<u>\$ 2,029,418</u>	<u>\$ 1,866,595</u>
SHAREHOLDERS' EQUITY		
Common stock & retained earnings	\$ 197,966	\$ 170,673
Accumulated other comprehensive income/(loss)	<u>(5,902)</u>	<u>(16,016)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>\$ 192,064</u>	<u>\$ 154,657</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>\$ 2,221,482</u>	<u>\$ 2,021,252</u>
Standby Letters of Credit	\$ 40,346	\$ 30,449

▶ INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

Six months ended June 30,	2019	2018
INTEREST INCOME		
Loans	\$ 30,922	\$ 22,458
Investments	8,419	9,635
Interest earning deposits with other financial institutions	766	138
TOTAL INTEREST INCOME	<u>40,107</u>	<u>32,231</u>
INTEREST EXPENSE		
Interest bearing transaction accounts	210	151
Money market & savings deposits	1,763	789
Certificates of deposits	221	138
FHLB Advances/Other borrowings	<u>14</u>	<u>315</u>
TOTAL INTEREST EXPENSE	<u>2,208</u>	<u>1,393</u>
NET INTEREST INCOME	<u>37,899</u>	<u>30,838</u>
Provision for loan losses	<u>1,018</u>	<u>1,763</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>36,881</u>	<u>29,075</u>
TOTAL NONINTEREST INCOME	<u>2,813</u>	<u>2,207</u>
TOTAL NONINTEREST EXPENSE	<u>25,318</u>	<u>23,460</u>
EARNINGS BEFORE INCOME TAXES	<u>14,376</u>	<u>7,822</u>
Income tax expense	<u>3,706</u>	<u>1,665</u>
NET INCOME	<u>\$ 10,670</u>	<u>\$ 6,157</u>
Earnings per share - basic	\$ 1.35	\$ 0.81
Earnings per share - diluted	\$ 1.32	\$ 0.79
Weighted average shares - basic	7,923,375	7,593,022
Weighted average shares - diluted	8,068,298	7,838,821

SHAREHOLDERS & CLIENTS,

We've arrived at the end of the first half of 2019, with net income an impressive and unprecedented 73% over this time period last year. Transformative growth in loans and deposits over the last twelve months contributed to our year-over-year earnings increase, and while our growth continues at an accelerated pace, we are holding steadfast to our principles of close relationships with our business clients, approaching each one individually with their best interests at the forefront of what we do.



Total loans increased \$231 million or 21% from a year ago, and total deposits increased \$192 million or 11% from the same time period. We've been honored to have many new clients join us as financial partners, which has contributed to this remarkable growth. We thank them for putting their trust in us as we continue to focus on small and middle market businesses, delivered out of our seven strategic locations in the dynamic Southern California markets we serve.

The Bank remains well capitalized and asset quality remains strong, with no charge-offs, no REO, low delinquencies and minuscule non-performing loans at quarter end. We continue to build a legacy that quietly influences the way premier Southern California businesses operate and grow for years to come.

We are very proud of our results as they tell the story of a group of people strongly committed to operating with discipline and integrity, building solid core business relationships one at a time. With focused dedication to this mission, we believe we are well-positioned to deliver revenue and earnings growth over the second half of 2019 as well.

-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.

www.americanbb.bank

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