



ABB AMERICAN
BUSINESS BANK



**3RD QUARTER REPORT
2019**



BALANCE SHEETS

Unaudited - 000s omitted

September 30,	2019	2018
ASSETS		
Cash & cash equivalents	\$ 114,288	\$ 121,504
Investment securities	733,858	783,449
Loans receivable	1,429,615	1,138,437
Allowance for loan losses	(20,014)	(15,950)
Loans receivable, net	1,409,601	1,122,487
Furniture, equipment & leasehold improvements, net	8,700	1,831
Other assets	65,197	67,027
TOTAL ASSETS	<u>\$2,331,644</u>	<u>\$ 2,096,298</u>
LIABILITIES		
Deposits:		
Non-interest bearing demand deposits	\$ 1,084,152	\$ 972,560
Interest bearing transaction accounts	221,196	197,460
Money market & savings deposits	751,415	672,047
Certificates of deposits	42,555	73,239
Total Deposits	2,099,318	1,915,306
FHLB Advances/Other borrowings	-	1,000
Other liabilities	31,258	25,048
TOTAL LIABILITIES	<u>\$ 2,130,576</u>	<u>\$ 1,941,354</u>
SHAREHOLDERS' EQUITY		
Common stock & retained earnings	\$ 204,259	\$ 175,616
Accumulated other comprehensive income/(loss)	(3,191)	(20,672)
TOTAL SHAREHOLDERS' EQUITY	<u>\$ 201,068</u>	<u>\$ 154,944</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		
	<u>\$ 2,331,644</u>	<u>\$ 2,096,298</u>
Standby Letters of Credit	\$ 39,722	\$ 31,561

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

Nine months ended September 30,	2019	2018
INTEREST INCOME		
Loans	\$ 47,813	\$ 35,614
Investments	12,678	14,260
Interest earning deposits in other financial institutions	1,098	552
TOTAL INTEREST INCOME	<u>61,589</u>	<u>50,426</u>
INTEREST EXPENSE		
Interest bearing transaction accounts	363	264
Money market & savings deposits	2,804	1,375
Certificates of deposits	293	235
FHLB Advances / Other borrowings	15	328
TOTAL INTEREST EXPENSE	<u>3,475</u>	<u>2,202</u>
NET INTEREST INCOME	58,114	48,224
Provision for loan losses	2,478	2,268
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	55,636	45,956
TOTAL NONINTEREST INCOME	4,147	3,275
TOTAL NONINTEREST EXPENSE	38,026	35,950
EARNINGS BEFORE INCOME TAXES	21,757	13,281
Income tax expense	5,668	2,983
NET INCOME	<u>\$ 16,089</u>	<u>\$ 10,298</u>
Earnings per share - basic	\$ 2.02	\$ 1.35
Earnings per share - diluted	\$ 1.99	\$ 1.31
Weighted average shares - basic	7,948,632	7,623,157
Weighted average shares - diluted	8,078,529	7,854,031

SHAREHOLDERS & CLIENTS,

I'm pleased to announce American Business Bank's strong third quarter results, with net income an impressive 56% over this time period last year. This notable growth in our earnings speaks to our discipline and approach to new business opportunities and the viability of our unique business model, allowing us to achieve continued revenue growth despite today's competitive marketplace and challenging interest rate environment.



Total loans increased \$291 million or 26% from a year ago, and total deposits increased \$184 million or 10% from the same time period. This stellar performance, originating across all of the markets we serve in North Orange County, Riverside, Orange County, Los Angeles, Inland Empire, South Bay and San Fernando Valley, reflects continued robust business activity. We are grateful for the role we play in partnership with some of the highest quality businesses in Southern California, who do the heavy lifting day in and day out, putting Southern California to work.

Our asset quality remains excellent with nonperforming assets to total assets negligible at 0.07%, and is attributable to our strong credit culture and consistent discipline, both key ingredients to our long term success; we will not waiver from these principles. The Bank continues to maintain its status as "Well-Capitalized", the highest regulatory category.

The strategy we pursue daily is straightforward, with a nod towards tradition, as it has served us well for over 20 years. We locate and invest in the best talent, selectively pursue high quality business opportunities and clients who are like minded, and find innovative ways to be a contributor to their success. I am proud to be a steward of this fine institution, and appreciate the opportunity to share our great results with you. Until next time,

-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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