



AMERICAN BUSINESS BANK ANNOUNCES RECORD NET INCOME IN 2019

Net Interest Income increases 17% over prior year

Full Year 2019 Highlights

- **Total loans increased** \$237 million or 19%
- **Total deposits increased** \$191 million or 10%
- **Non-interest bearing demand deposits** were 50% of total deposits
- **Nonperforming assets to total assets negligible** at 0.09%
- **Continued status as well-capitalized**, the highest regulatory category

Fourth Quarter 2019 Highlights

- **Net interest income increased** by \$1.4 million or 7% over the prior year quarter
- **Net organic loan growth** of \$58 million or 16% annualized
- **Deposit growth** of \$66 million or 12% annualized
- **Cost of deposits** at 0.24%

Los Angeles, California, January 30, 2020. AMERICAN BUSINESS BANK (OTCQX: AMBZ) today reported record net income for the full year 2019 of \$22.1 million or \$2.73 per fully diluted share compared to \$16.4 million or \$2.09 per fully diluted share for the full year 2018, an increase of 35%. The increase was due to significant loan and core deposit growth in 2018 and 2019 resulting in increased net interest income.

“The Bank’s strong growth in 2019 and the transformational increases of 2018 resulted in the highest net income in the Bank’s history. Leveraging new back office technology in 2020 and moving into our new headquarters this last year will facilitate future efficient growth. The Bank is well positioned to keep its eye on the long game and grow with our customers,” said Leon Blankstein, AMBZ’s President, CEO and Director.

“Loan growth in the fourth quarter of 2019 was centered in relationship driven C&I and commercial real estate loans, a result of our discipline and commitment to our proven business model. We always stick to the fundamentals in all of our actions and put the needs of our customers first. Our reward is an extremely loyal and growing customer community, a stable core deposit base, and a group of talented bankers who, by their intentions and their actions, provide the Bank with a competitive advantage,” continued Mr. Blankstein.

For the quarter ended December 31, 2019, net income was \$6.0 million or \$0.74 per fully diluted share, compared with net income of \$6.1 million or \$0.77 per fully diluted share for the fourth quarter of 2018. Net interest income increased \$1.4 million or 7% due to the strong loan growth funded by core deposit growth. However, non-interest expense for the fourth quarter of 2018 included a \$1.6 million deferred compensation plan (DCP) benefit related to the AMBZ stock fund compared to none in the fourth quarter of 2019. The change in 2019 to the Bank’s DCP created capital and reduced income volatility. Beginning June 1, 2019, the Bank is no longer required to mark-to-market its DCP obligation related to the AMBZ

stock fund. Excluding this benefit in 2018, net income increased \$1.1 million, or 22% from fourth quarter of 2018 to 2019.

Net income for the fourth quarter of 2019 was \$6.0 million or \$0.74 per fully diluted share, compared with \$5.4 million or \$0.67 per fully diluted share for the third quarter of 2019. Net interest income for the fourth quarter was flat compared to the third quarter of 2019 as solid loan growth was offset by the effect of lower interest rates, while the cost of deposits remained at 0.24%. Further, the provision for loan losses was lower commensurate with the loan growth during the fourth quarter of 2019 to maintain the allowance for loan losses at 1.4% of loans.

Net Interest Margin

The Bank's net interest margin for 2019 was 3.58%, compared to 3.41% in the previous year, an increase of 0.17%. This was primarily due to average loans being a higher percentage of average earnings assets in 2019 than in 2018 and an expansion in average loan yields of 0.19%. The loan to deposit ratio increased to 69% at December 31, 2019 from 63% at December 31, 2018. The net interest margin benefited from non-interest bearing deposits growing more than interest bearing deposits.

On a quarterly basis, the Bank's net interest margin for the fourth quarter of 2019 was 3.43%, compared to 3.53% for the fourth quarter of 2018, a decrease of 0.10%. This was due to a reduction in yields on loans and SBA securities primarily from the three prime rate cuts in 2019. Additionally, a new accounting standard adopted on January 1, 2019 requires a shorter amortization period for municipal securities purchased at a premium. This change accelerated premium amortization and reduced yields on the municipal portfolio in 2019. The cost of deposits increased 0.06% for the periods compared.

The Bank's net interest margin for the fourth quarter of 2019 was 3.43%, compared to 3.66% in the third quarter of 2019, a decrease of 0.23%. This was due to a reduction in yields on loans and securities primarily from the three prime rate cuts in 2019. During the quarter, the yield on new loan production declined to 4.24% and the yield on SBA securities declined to 1.04% as rising prepayment speeds led to higher premium amortization on the securities. The cost of deposits remained unchanged at 0.24%.

Non-Interest Income

Non-interest income in 2019 was \$5.7 million, an increase of \$1.8 million, or 46% from \$3.9 million in the prior year. The increase is attributable to a \$488,000 increase in Deposits and International Fees due to growth in commercial business customers and a \$360,000 reduction in realized losses on the sale of investment securities. Bank owned life insurance (BOLI) income increased \$740,000, which is driven by the increase in the value of BOLI and COLI policies that are invested in mutual funds. Interchange income from credit cards, which is included in other non-interest income, increased by \$292,000 and the gain on sale of SBA loans declined \$495,000 as the Bank has started to portfolio certain SBA loans in 2019.

Non-interest income in the fourth quarter of 2019 was \$1.6 million. This compares to \$646,000 in the fourth quarter of 2018 and \$1.3 million for the third quarter of 2019. The increase is mainly due to the positive change in the value of BOLI and COLI policies for the periods compared.

Non-Interest Expense

Non-interest expense for 2019 increased \$5.3 million, or 12% compared to the prior year due to a \$3.8 million increase in salaries and employee benefits expense, \$1.1 million increase in professional services expense and a \$685,000 increase in occupancy and equipment expense. The increase in salaries and employee benefits was attributable to a \$2.6 million increase in DCP expense related to the AMBZ stock fund and other measurement funds, and a larger workforce. The increase in occupancy and equipment expense was primarily due to a full year of lease expense for the new Los Angeles headquarters in 2019.

Despite the increase in non-interest expense, the efficiency ratio decreased to 60% for 2019 from 64% for 2018.

Non-interest expense increased \$3.2 million or 34% for the quarter ended December 31, 2019 compared to the same quarter a year ago. The increase was predominantly due to a \$3.0 million increase in salaries and employee benefits expense. The increase was attributable to a \$2.0 million DCP benefit recorded in the fourth quarter of 2018 primarily related to the decline in the Bank's stock price, compared to a \$275,000 DCP expense related to the other measurement funds recorded in the fourth quarter of 2019. As of June 1, 2019, the Bank is no longer required to mark-to-market its DCP obligation related to the AMBZ stock fund. The remaining increase in non-interest expense was driven by a larger workforce. The efficiency ratio was 59% for the fourth quarter of 2019.

Compared to the third quarter of 2019, non-interest expense increased \$76,000 primarily due to a \$561,000 increase in salaries and employee benefits offset by a \$520,000 decrease in professional services expense primarily from lower legal services expense. The efficiency ratio remained at 59% for the fourth quarter of 2019 compared to the prior quarter.

Full time equivalent employees at December 31, 2019 were 195 compared to 191 a year ago, and the same as September 30, 2019. The Bank now has 30 relationship managers in seven offices.

Balance Sheet

Total assets increased \$244 million, or 11% from December 31, 2018 to \$2.4 billion. Total loans increased \$237 million to \$1.5 billion, or 19% primarily in owner occupied commercial real estate and C&I. This resulted in an increase in the loan to deposit ratio to 69% from 63% during the year. In the fourth quarter of 2019, loans and deposits grew by \$58 million and \$66 million, respectively. At December 31, 2019, non-interest bearing deposits represented 50% of total deposits, the same as December 31, 2018.

Asset quality at December 31, 2019 remains excellent with non-performing assets to total assets of 0.09%, \$1.9 million in non-performing loans, and no Other Real Estate Owned (OREO). The largest non-accrual loan is \$1.5 million and is fully secured by real estate with no specific allowance. At the end of the year, the allowance for loan losses stood at \$20.1 million, or 1.4% of total loans. During 2019, the Bank had no charge offs.

ABOUT AMERICAN BUSINESS BANK

American Business Bank, headquartered in downtown Los Angeles, offers a wide range of financial services to the business marketplace. Clients include wholesalers, manufacturers, service businesses, professionals and non-profits. American Business Bank has six Loan Production Offices in strategic locations including: North Orange County in Anaheim, Orange County in Irvine, South Bay in Torrance, San Fernando Valley in Woodland Hills, Riverside County in Corona and Inland Empire in Ontario.

FORWARD LOOKING STATEMENTS

This communication contains certain forward-looking information about American Business Bank that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Such statements include future financial and operating results, expectations, intentions and other statements that are not historical facts. Such statements are based on information available at the time of this communication and are based on current beliefs and expectations of the Bank's management and are subject to significant risks, uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those set forth in the forward-

looking statements due to a variety of factors, including various risk factors. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Figures in \$000, except share and per share amounts

BALANCE SHEETS (unaudited)

	December 2019	September 2019	December 2018
Assets:			
Cash and Due from Banks	\$ 31,673	\$ 88,211	\$ 26,673
Interest Earning Deposits in Other Financial Institutions	45,202	26,077	76,599
Investment Securities:			
US Agencies	284,032	305,572	440,212
Mortgage Backed Securities	292,126	226,338	128,851
State and Municipals	78,520	74,824	77,460
US Treasuries	10,009	9,992	9,859
Corporate Bonds	19,805	19,861	1,971
Securities Available-for-Sale, at Fair Value	684,492	636,587	658,353
State and Municipals Securities Held-to-Maturity, at Amortized Cost	86,707	86,915	87,526
Federal Home Loan Bank Stock, at Cost	10,356	10,356	10,356
Total Investment Securities	781,555	733,858	756,235
Loans Receivable:			
Commercial Real Estate	982,070	954,424	827,388
Commercial and Industrial	423,868	402,167	356,583
Residential Real Estate	76,481	68,259	62,835
Installment and Other	4,959	4,765	3,455
Total Loans Receivable	1,487,378	1,429,615	1,250,261
Allowance for Loan Losses	(20,824)	(20,014)	(17,503)
Loans Receivable, Net	1,466,554	1,409,601	1,232,758
Furniture, Equipment and Leasehold Improvements, Net	9,023	8,700	1,834
Bank/Corporate Owned Life Insurance	26,448	26,110	25,328
Other Assets	41,456	39,087	38,016
Total Assets	\$ 2,401,911	\$ 2,331,644	\$ 2,157,443
Liabilities:			
Non-Interest Bearing Demand Deposits	\$ 1,083,705	\$ 1,084,152	\$ 983,284
Interest Bearing Transaction Accounts	215,730	221,196	211,794
Money Market and Savings Deposits	827,713	751,415	728,237
Certificates of Deposit	37,712	42,555	50,443
Total Deposits	2,164,860	2,099,318	1,973,758
Federal Home Loan Bank Advances / Other Borrowings	-	-	-
Other Liabilities	30,386	31,258	18,618
Total Liabilities	\$ 2,195,246	\$ 2,130,576	\$ 1,992,376
Shareholders' Equity:			
Common Stock	\$ 163,872	\$ 163,464	\$ 154,710
Retained Earnings	46,784	40,795	27,454
Accumulated Other Comprehensive Income / (Loss)	(3,991)	(3,191)	(17,097)
Total Shareholders' Equity	\$ 206,665	\$ 201,068	\$ 165,067
Total Liabilities and Shareholders' Equity	\$ 2,401,911	\$ 2,331,644	\$ 2,157,443
Standby Letters of Credit	\$ 39,513	\$ 39,722	\$ 36,411
Per Share Information:			
Common Shares Outstanding	7,850,171	7,834,279	7,705,590
Book Value Per Share	\$ 26.33	\$ 25.67	\$ 21.42
Tangible Book Value Per Share	\$ 26.33	\$ 25.67	\$ 21.42

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Figures in \$000, except share and per share amounts

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	December 2019	September 2019	December 2018
<u>Interest Income:</u>			
Interest and Fees on Loans	\$ 17,021	\$ 16,890	\$ 14,124
Interest on Investment Securities	3,942	4,260	4,747
Interest on Interest Earning Deposits in Other Financial Institutions	530	332	868
Total Interest Income	21,493	21,482	19,739
<u>Interest Expense:</u>			
Interest on Interest Bearing Transaction Accounts	154	152	110
Interest on Money Market and Savings Deposits	1,114	1,041	725
Interest on Certificates of Deposits	45	73	97
Interest on Federal Home Loan Bank Advances and Other Borrowings	-	1	1
Total Interest Expense	1,313	1,267	933
Net Interest Income	20,180	20,215	18,806
Provision for Loan Losses	801	1,460	1,543
Net Interest Income after Provision for Loan Losses	19,379	18,755	17,263
<u>Non-Interest Income:</u>			
Deposit Fees	562	553	505
International Fees	319	328	281
Gain (Loss) on Sale of Investment Securities, Net	-	(122)	(74)
Gain on Sale of SBA Loans, Net	65	87	141
Bank/Corporate Owned Life Insurance Income	338	135	(323)
Other	290	352	116
Total Non-Interest Income	1,574	1,333	646
<u>Non-Interest Expense:</u>			
Salaries and Employee Benefits	9,005	8,444	5,959
Occupancy and Equipment	982	888	792
Professional Services	1,426	1,946	1,269
Promotion Expenses	425	361	402
Other	946	1,069	1,130
Total Non-Interest Expense	12,784	12,708	9,552
Earnings before income taxes	8,169	7,380	8,357
Income Tax Expense	2,179	1,963	2,262
NET INCOME	\$ 5,990	\$ 5,417	\$ 6,095
<i>Add back:</i>			
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ -	\$ 90	\$ 54
After-Tax DCP ABB Stock Expense (Benefit)	\$ -	\$ -	\$ (1,199)
Core Net Income	\$ 5,990	\$ 5,507	\$ 4,950
<u>Per Share Information:</u>			
Earnings Per Share - Basic	\$ 0.75	\$ 0.68	\$ 0.79
Earnings Per Share - Diluted	\$ 0.74	\$ 0.67	\$ 0.77
Core Earnings Per Share - Diluted	\$ 0.74	\$ 0.68	\$ 0.63
Weighted Average Shares - Basic	8,019,772	7,999,146	7,700,091
Weighted Average Shares - Diluted	8,117,068	8,100,992	7,881,465

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Figures in \$000, except share and per share amounts

INCOME STATEMENTS (unaudited)

	For the twelve months ended:	
	December 2019	December 2018
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 64,835	\$ 49,738
Interest on Investment Securities	16,620	19,007
Interest on Interest Earning Deposits in Other Financial Institutions	1,628	1,420
Total Interest Income	83,083	70,165
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	516	374
Interest on Money Market and Savings Deposits	3,918	2,100
Interest on Certificates of Deposits	339	331
Interest on Federal Home Loan Bank Advances and Other Borrowings	15	329
Total Interest Expense	4,788	3,134
Net Interest Income	78,295	67,031
Provision for Loan Losses	3,279	3,811
Net Interest Income after Provision for Loan Losses	75,016	63,220
<u>Non-Interest Income:</u>		
Deposit Fees	2,160	1,899
International Fees	1,159	932
Gain (Loss) on Sale of Investment Securities, Net	(267)	(627)
Gain on Sale of SBA Loans, Net	391	886
Bank/Corporate Owned Life Insurance Income	1,120	380
Other	1,156	453
Total Non-Interest Income	5,719	3,923
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	35,466	31,674
Occupancy and Equipment	3,938	3,253
Professional Services	5,766	4,658
Promotion Expenses	1,371	1,336
Other	4,270	4,583
Total Non-Interest Expense	50,811	45,504
Earnings before income taxes	29,924	21,639
Income Tax Expense	7,847	5,246
NET INCOME	\$ 22,077	\$ 16,393
<i>Add back:</i>		
After-Tax Net Gains (Losses) on Sale of Investment Securities	\$ 197	\$ 475
After-Tax DCP ABB Stock Expense (Benefit)	\$ 448	\$ (890)
Core Net Income	\$ 22,722	\$ 15,978
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 2.77	\$ 2.15
Earnings Per Share - Diluted	\$ 2.73	\$ 2.09
Core Earnings Per Share - Diluted	\$ 2.81	\$ 2.03
Weighted Average Shares - Basic	7,966,417	7,642,390
Weighted Average Shares - Diluted	8,088,164	7,860,712

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Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	December 2019			September 2019		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 123,977	\$ 530	1.73%	\$ 58,676	\$ 332	2.30%
Investment Securities:						
US Agencies	297,971	774	1.04%	351,204	1,406	1.60%
Mortgage Backed Securities	258,469	1,700	2.63%	208,820	1,422	2.72%
State and Municipals	163,437	1,094	2.68%	163,734	1,094	2.67%
US Treasuries	10,032	37	1.46%	10,039	37	1.46%
Corporate Bonds	19,942	151	3.02%	15,328	118	3.07%
Securities Available-for-Sale and Held-to-Maturity	749,851	3,756	2.00%	749,125	4,077	2.18%
Federal Home Loan Bank Stock	10,356	186	7.18%	10,356	183	7.05%
Total Investment Securities	760,207	3,942	2.07%	759,481	4,260	2.24%
Loans Receivable:						
Commercial Real Estate	969,700	11,232	4.60%	917,398	10,957	4.74%
Commercial and Industrial	399,926	4,839	4.80%	385,315	4,996	5.14%
Residential Real Estate	72,137	894	4.92%	66,512	891	5.32%
Installment and Other	5,413	56	4.11%	5,159	46	3.58%
Total Loans Receivable	1,447,176	17,021	4.67%	1,374,384	16,890	4.88%
Total Interest Earning Assets	\$ 2,331,360	\$ 21,493	3.61%	\$ 2,192,541	\$ 21,482	3.83%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,118,736	-	0.00%	1,059,710	-	0.00%
Interest Bearing Transaction Accounts	216,134	154	0.28%	208,403	152	0.29%
Money Market and Savings Deposits	823,561	1,114	0.54%	746,947	1,041	0.55%
Certificates of Deposit	38,339	45	0.47%	50,425	73	0.57%
Total Deposits	2,196,770	1,313	0.24%	2,065,485	1,266	0.24%
Federal Home Loan Bank Advances / Other Borrowings	-	-	0.00%	163	1	2.27%
Total Interest Bearing Deposits and Borrowings	1,078,034	1,313	0.48%	1,005,938	1,267	0.50%
Total Deposits and Borrowings	\$ 2,196,770	\$ 1,313	0.24%	\$ 2,065,647	\$ 1,267	0.24%
Net Interest Income		<u>\$ 20,180</u>			<u>\$ 20,215</u>	
Net Interest Rate Spread			<u>3.37%</u>			<u>3.59%</u>
Net Interest Margin			<u>3.43%</u>			<u>3.66%</u>

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Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	December 2019			December 2018		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 123,977	\$ 530	1.73%	\$ 150,483	\$ 868	2.34%
Investment Securities:						
US Agencies	297,971	774	1.04%	459,879	1,886	1.64%
Mortgage Backed Securities	258,469	1,700	2.63%	137,272	957	2.79%
State and Municipals	163,437	1,094	2.68%	174,603	1,492	3.42%
US Treasuries	10,032	37	1.46%	10,059	37	1.46%
Corporate Bonds	19,942	151	3.02%	2,000	17	3.41%
Securities Available-for-Sale and Held-to-Maturity	749,851	3,756	2.00%	783,813	4,389	2.24%
Federal Home Loan Bank Stock	10,356	186	7.18%	10,356	358	13.83%
Total Investment Securities	760,207	3,942	2.07%	794,169	4,747	2.39%
Loans Receivable:						
Commercial Real Estate	969,700	11,232	4.60%	782,799	9,164	4.64%
Commercial and Industrial	399,926	4,839	4.80%	317,882	4,031	5.03%
Residential Real Estate	72,137	894	4.92%	62,307	819	5.21%
Installment and Other	5,413	56	4.11%	4,245	110	10.32%
Total Loans Receivable	1,447,176	17,021	4.67%	1,167,233	14,124	4.80%
Total Interest Earning Assets	\$ 2,331,360	\$ 21,493	3.61%	\$ 2,111,885	\$ 19,739	3.66%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,118,736	-	0.00%	1,029,346	-	0.00%
Interest Bearing Transaction Accounts	216,134	154	0.28%	197,465	110	0.22%
Money Market and Savings Deposits	823,561	1,114	0.54%	712,486	725	0.40%
Certificates of Deposit	38,339	45	0.47%	64,269	97	0.60%
Total Deposits	2,196,770	1,313	0.24%	2,003,566	932	0.18%
Federal Home Loan Bank Advances / Other Borrowings	-	-	0.00%	402	1	1.48%
Total Interest Bearing Deposits and Borrowings	1,078,034	1,313	0.48%	974,622	933	0.38%
Total Deposits and Borrowings	\$ 2,196,770	\$ 1,313	0.24%	\$ 2,003,969	\$ 933	0.18%
Net Interest Income		\$ 20,180			\$ 18,806	
Net Interest Rate Spread			3.37%			3.48%
Net Interest Margin			3.43%			3.53%

American Business Bank

Figures in \$000

YEAR-TO-DATE AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the twelve months ended:					
	December 2019			December 2018		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits in Other Financial Institutions	\$ 77,077	\$ 1,628	2.14%	\$ 66,602	\$ 1,420	2.16%
Investment Securities:						
US Agencies	370,925	5,386	1.45%	515,083	8,740	1.70%
Mortgage Backed Securities	202,087	5,603	2.77%	108,563	2,975	2.74%
State and Municipals	165,757	4,445	2.68%	179,656	6,188	3.44%
US Treasuries	10,042	148	1.47%	10,069	148	1.47%
Corporate Bonds	10,061	310	3.08%	2,087	65	3.13%
Securities Available-for-Sale and Held-to-Maturity	758,872	15,892	2.09%	815,458	18,116	2.22%
Federal Home Loan Bank Stock	10,356	728	7.03%	10,231	891	8.71%
Total Investment Securities	769,228	16,620	2.16%	825,689	19,007	2.30%
Loans Receivable:						
Commercial Real Estate	897,530	42,135	4.69%	722,717	32,851	4.55%
Commercial and Industrial	374,634	19,146	5.11%	282,141	13,380	4.74%
Residential Real Estate	64,769	3,381	5.22%	63,688	3,171	4.98%
Installment and Other	5,065	173	3.42%	3,779	338	8.91%
Total Loans Receivable	1,341,998	64,835	4.83%	1,072,325	49,738	4.64%
Total Interest Earning Assets	\$ 2,188,303	\$ 83,083	3.74%	\$ 1,964,616	\$ 70,165	3.52%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,045,715	-	0.00%	941,057	-	0.00%
Interest Bearing Transaction Accounts	205,551	516	0.25%	188,101	374	0.20%
Money Market and Savings Deposits	757,833	3,918	0.52%	650,134	2,100	0.32%
Certificates of Deposit	55,673	339	0.61%	63,085	331	0.53%
Total Deposits	2,064,772	4,773	0.23%	1,842,377	2,805	0.15%
Federal Home Loan Bank Advances / Other Borrowings	552	15	2.63%	20,037	329	1.64%
Total Interest Bearing Deposits and Borrowings	1,019,609	4,788	0.47%	921,357	3,134	0.34%
Total Deposits and Borrowings	\$ 2,065,324	\$ 4,788	0.23%	\$ 1,862,414	\$ 3,134	0.17%
Net Interest Income		\$ 78,295			\$ 67,031	
Net Interest Rate Spread			3.51%			3.35%
Net Interest Margin			3.58%			3.41%

American Business Bank

Figures in \$000

SUPPLEMENTAL DATA (unaudited)

	December 2019	September 2019	December 2018
<u>Performance Ratios:</u>			
<u>Quarterly:</u>			
Return on Average Assets (ROAA)	0.99%	0.95%	1.12%
<i>Core Return on Average Assets (ROAA)</i>	0.99%	0.96%	0.91%
Return on Average Equity (ROAE)	11.74%	11.03%	15.52%
<i>Core Return on Average Equity (ROAE)</i>	11.74%	11.22%	12.61%
Efficiency Ratio	58.77%	58.64%	48.92%
<i>Core Efficiency Ratio</i>	58.77%	58.64%	57.34%
<u>Year-to-Date</u>			
Return on Average Assets (ROAA)	0.97%	0.96%	0.80%
<i>Core Return on Average Assets (ROAA)</i>	1.00%	1.00%	0.78%
Return on Average Equity (ROAE)	11.80%	11.83%	10.65%
<i>Core Return on Average Equity (ROAE)</i>	12.15%	12.30%	10.38%
Efficiency Ratio	60.29%	60.82%	63.57%
<i>Core Efficiency Ratio</i>	59.57%	59.84%	65.21%
<u>Capital Adequacy:</u>			
Total Risk Based Capital Ratio	13.82%	13.81%	14.09%
Common Equity Tier 1 Capital Ratio	12.57%	12.56%	12.84%
Tier 1 Risk Based Capital Ratio	12.57%	12.56%	12.84%
Tier 1 Leverage Ratio	8.66%	8.91%	8.33%
Tangible Common Equity / Tangible Assets	8.60%	8.62%	7.65%
<u>Asset Quality Overview</u>			
Non-Performing Loans	\$ 1,855	\$ 1,481	\$ 1,222
Loans 90+Days Past Due and Still Accruing	-	-	-
Total Non-Performing Loans	1,855	1,481	1,222
Restructured Loans	227	229	235
Other Real Estate Owned	-	-	-
ALLL / Loans Receivable	1.40%	1.40%	1.40%
Non-Performing Loans / Total Loans Receivable *	0.14%	0.12%	0.12%
Non-Performing Assets / Total Assets *	0.09%	0.07%	0.07%
Net Charge-Offs (Recoveries) quarterly	\$ (8)	\$ (6)	\$ (10)
Net Charge-Offs (Recoveries) year-to-date	\$ (41)	\$ (33)	\$ (53)
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.00%)	(0.00%)	(0.00%)

* Includes non-accrual loans, accruing loans past due 90+ days and Troubled Debt Restructurings (TDRs).