

The top half of the image features a low-angle photograph of several modern skyscrapers with glass facades. The sky is a pale, clear blue. The text 'ABB AMERICAN BUSINESS BANK' is overlaid on the left side of this image. The 'ABB' logo is in a large, white, serif font, while 'AMERICAN BUSINESS BANK' is in a smaller, white, sans-serif font to its right.

ABB AMERICAN
BUSINESS BANK

The bottom half of the image has a dark blue background with a complex, geometric pattern of overlapping triangles and polygons, creating a 3D effect. A vertical white line is positioned on the left side, with a small orange circle at its midpoint. The text '3Q QUARTER REPORT 2020' is centered on the right side of this section.

3Q QUARTER
REPORT 2020

BALANCE SHEETS

Unaudited - 000s omitted

September 30,	2020	2019
ASSETS		
Cash & cash equivalents	\$134,446	\$ 114,288
Investment securities	959,649	733,858
Loans receivable	2,175,995	1,429,615
Allowance for loan losses	(22,910)	(20,014)
Loans receivable, net	2,153,085	1,409,601
Furniture, equipment & leasehold improvements, net	8,145	8,700
Bank/Corp owned life insurance	27,013	26,110
Other assets	39,041	39,087
TOTAL ASSETS	<u>\$3,321,379</u>	<u>\$ 2,331,644</u>
LIABILITIES		
Deposits:		
Non-interest bearing demand deposits	\$ 1,658,673	\$ 1,084,152
Interest bearing transaction accounts	228,585	221,196
Money market & savings deposits	1,124,329	751,415
Certificates of deposits	36,981	42,555
Total Deposits	3,048,568	2,099,318
FHLB Advances/Other borrowings	-	-
Other liabilities	36,822	31,258
TOTAL LIABILITIES	<u>\$3,085,390</u>	<u>\$ 2,130,576</u>
SHAREHOLDERS' EQUITY		
Common stock & Retained earnings	\$ 232,022	\$ 204,259
Accumulated other comprehensive income/(loss)	3,967	(3,191)
TOTAL SHAREHOLDERS' EQUITY	<u>\$ 235,989</u>	<u>\$ 201,068</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		
	<u>\$3,321,379</u>	<u>\$ 2,331,644</u>
Standby Letters of Credit	\$ 35,131	\$ 39,722

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

Nine months ended September 30,	2020	2019
INTEREST INCOME		
Loans	\$ 56,257	\$ 47,813
Investments	11,045	12,678
Interest earning deposits in other financial institutions	217	1,098
TOTAL INTEREST INCOME	<u>67,519</u>	<u>61,589</u>
INTEREST EXPENSE		
Interest bearing transaction accounts	182	363
Money market & savings deposits	2,004	2,804
Certificates of deposits	90	293
FHLB Advances/Other borrowings	131	15
TOTAL INTEREST EXPENSE	<u>2,407</u>	<u>3,475</u>
NET INTEREST INCOME	65,112	58,114
Provision for loan losses	2,564	2,478
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	62,548	55,636
TOTAL NONINTEREST INCOME	3,642	4,147
TOTAL NONINTEREST EXPENSE	39,608	38,027
EARNINGS BEFORE INCOME TAXES	26,582	21,756
Income tax expense	7,134	5,668
NET INCOME	<u>\$ 19,448</u>	<u>\$ 16,088</u>
Earnings per share - basic	\$ 2.42	\$ 2.02
Earnings per share - diluted	\$ 2.40	\$ 1.99
Weighted average shares - basic	8,050,992	7,948,632
Weighted average shares - diluted	8,109,732	8,078,529

SHAREHOLDERS & CLIENTS,

2020 is proving to be a defining year for the world, our economy, our country, and our company. Despite the ongoing uncertainty posed by the continuing pandemic, be assured our team starts and ends each day determined to manage through the challenges. Readjusting is often necessary, as one would suspect, with the sole goal of not missing a step for our clients who count on us to be resilient.



Despite considerable headwinds, ABB achieved record operating performance in the third quarter, with record net income of \$7.9 million compared to \$5.4 million for the same period in 2019, primarily due to the Bank's strong participation in the SBA PPP Loan Program. Total loans, excluding PPP loans, increased \$58 million or 4% from a year ago, and total deposits, excluding estimated deposits related to PPP loans, increased \$261 million or 12% from a year ago. From December 31, 2019 to September 30, 2020, total assets increased \$919 million, or 38%, to \$3.3 billion, with 75% of the increase attributable to PPP loan originations. As of September 30th, we continued to exceed the highest levels of regulatory requirements for well-capitalized institutions.

Our unique culture – the ABB way – is a competitive advantage that will continue to empower us to deliver on critical promises made to customers, employees, and shareholders. Throughout our company we have team members who do more than what is expected of them, every day in every way. The resilience and strength of our long-held strategies to build trusted relationships with our valued clients, provide unparalleled customer service, and take care of our own will continue to provide the roadmap for our future decisions and actions.

On behalf of our entire team, I thank you for your continued trust and confidence in American Business Bank.

Wishing you good health and prosperity,

- **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