

Contact: Wes E. Schaefer
Vice Chairman and Chief Financial Officer
(213) 430-4000

FOR IMMEDIATE RELEASE

AMERICAN BUSINESS BANK ANNOUNCES ITS RESULTS FOR THE QUARTER ENDED MARCH 31ST 2016, INCLUDING 15% DEPOSIT GROWTH AND NET INCOME GROWTH OF 11% OVER 2015 QUARTER END.

Los Angeles, California, April 18, 2016. AMERICAN BUSINESS BANK (Bank) (OTCBB: AMBZ) today reported net income of \$3,329,000 for the first quarter of 2016. Earnings per share (basic) were \$0.55 at the end of the first quarter of 2016 versus \$0.50 at the end of the first quarter of 2015. The Bank's "core" earnings per share for the same period were \$0.54 for 2016 versus \$0.48 in 2015.

Leon Blankstein, President and CEO, said "This quarter, we successfully added a solid group of new clients to the bank. These new customers along with growth in our current deposit base helped drive the increase in deposits which in turn drives profitability."

"We are also pleased to announce a 10% stock dividend for shareholders of record as of May 3, 2016. The payable date will be May 23, 2016. This action reflects our continued belief in American Business Bank's business model and our confidence in the future," said Robert Schack, Chairman

"We feel that the Bank has had a great start for 2016 with positive balance sheet growth and increased earnings. The declaring of the dividend is an appropriate way to reward our shareholders and allows them to share in the Bank's growth and earnings," added Wes Schaefer, Vice Chairman and CFO.

Total assets increased 16%, or \$235 million, to \$1.742 billion at March 31, 2016, as compared to \$1.507 billion at March 31, 2015. The loan portfolio (net) increased 4%, or \$29 million, to \$679 million at March 31, 2016, as compared to \$650 million at March 31, 2015. Deposits increased 15%, or \$200 million, to \$1.551 billion at March 31, 2016, as compared to \$1.351 billion at March of 2015. Borrowings from the Federal Home Loan Bank increased from \$19 million at the end of the first quarter in 2015 to \$44 million at the end of the first quarter in 2016.

During the first quarter of 2016, Net Interest Income increased \$1,634,000, or 15%, to \$12,214,000 from \$10,580,000 during the same period in 2015.

Non-Interest Income during the first quarter of 2016 increased \$417,000, or 43%, to \$1,375,000 from \$958,000 in the first quarter of 2015. Increases in the "Other Non-Interest Income" category mentioned in the Income Statement below were primarily due to an increase in the value of Bank Owned Life insurance policies.

Non-Interest Expense during the first quarter of 2016 increased \$1,692,000, or 23%, to \$9,048,000 from \$7,356,000 during the same period in 2015. Increases in the "Other Expense" category mentioned in the Income Statement below were driven by extra cost incurred in professional fees expenses and employment expenses primarily related to compliance efforts.

Asset quality at the end of the quarter remains excellent, with marginal non-performing loans and no OREO. At the end of March 2016, the allowance for loan losses stood at \$12,801,000, or 1.85% of loans. During the three months ended March 31, 2016, the Bank had a net recovery of previously charged-off loans, totaling \$18,000.

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. The Bank has opened four Loan Production Offices in strategic areas including our Orange County Office in Irvine, our South Bay Office in Torrance, our San Fernando Valley Office in the Warner Center and our Inland Empire Office in Ontario.

American Business Bank

Figures in \$000, except per share amounts

CONSOLIDATED BALANCE SHEET (unaudited)

	As of:		Change %
	March 2016	March 2015	
Assets:			
Cash & Equivalents	\$ 49,044	\$ 51,503	-4.8%
Fed Funds Sold	28,000	11,000	154.5%
Interest Bearing Balances	36	279	-87.1%
Investment Securities:			
US Agencies	608,580	419,599	45.0%
Mortgage Backed Securities	106,188	112,626	-5.7%
State & Municipals	205,684	204,061	0.8%
Other	4,875	3,029	60.9%
Total Investment Securities	925,327	739,315	25.2%
Gross Loans:			
Commercial Real Estate	456,604	411,592	10.9%
Commercial & Industrial	160,710	197,560	-18.7%
Other Real Estate	69,821	48,920	42.7%
Other	4,955	4,695	5.5%
Total Gross Loans	692,090	662,767	4.4%
Allowance for Loan & Lease Losses	(12,801)	(12,694)	0.8%
Net Loans	679,289	650,073	4.5%
Premises & Equipment	1,428	1,516	-5.8%
Other Assets	58,925	53,126	10.9%
Total Assets	\$ 1,742,049	\$ 1,506,812	15.6%
Liabilities:			
Demand Deposits	\$ 753,458	\$ 691,605	8.9%
Money Market	736,374	583,388	26.2%
Time Deposits and Savings	60,995	75,519	-19.2%
Total Deposits	1,550,827	1,350,512	14.8%
FHLB Advances / Other Borrowings	44,000	19,000	131.6%
Other Liabilities	10,117	12,556	-19.4%
Total Liabilities	\$ 1,604,944	\$ 1,382,068	16.1%
Shareholders' Equity:			
Common Stock & Retained Earnings	\$ 138,336	\$ 122,988	12.5%
Accumulated Other Comprehensive Income / (Loss)	(1,231)	1,756	-170.1%
Total Shareholders' Equity	\$ 137,105	\$ 124,744	9.9%
Total Liabilities & Shareholders' Equity	\$ 1,742,049	\$ 1,506,812	15.6%
Capital Adequacy:			
Tangible Common Equity / Tangible Assets	7.87%	8.28%	--
Tier 1 Leverage Ratio	8.04%	8.18%	--
Tier 1 Capital Ratio / Risk Weighted Assets	17.59%	15.65%	--
Total Risk-Based Ratio	18.85%	16.91%	--
Per Share Information:			
Common Shares Outstanding	6,097,994	5,958,799	--
Book Value Per Share	\$ 22.48	\$ 20.93	7.4%
Tangible Book Value Per Share	\$ 22.48	\$ 20.93	7.4%

American Business Bank*Figures in \$000, except per share amounts***CONSOLIDATED INCOME STATEMENT (unaudited)**

	For the 3-month period ended:		Change %
	March 2016	March 2015	
Interest Income:			
Loans & Leases	\$ 7,579	\$ 7,098	6.8%
Investment Securities	5,005	3,827	30.8%
Total Interest Income	12,584	10,925	15.2%
Interest Expense:			
Money Market, NOW Accounts & Savings	302	252	19.8%
Time Deposits	52	67	-22.4%
Repurchase Agreements / Other Borrowings	16	26	-38.5%
Total Interest Expense	370	345	7.2%
Net Interest Income	12,214	10,580	15.4%
Provision for Loan Losses	(25)	(75)	-66.7%
Net Interest Income After Provision for Loan Losses	12,189	10,505	16.0%
Non-Interest Income:			
Deposit Fees	377	383	-1.6%
Realized Securities Gains	116	184	-37.0%
Other	882	391	125.6%
Total Non-Interest Income	1,375	958	43.5%
Non-Interest Expense:			
Compensation & Benefits	5,042	4,232	19.1%
Occupancy & Equipment	657	565	16.3%
Other	3,349	2,559	30.9%
Total Non-Interest Expense	9,048	7,356	23.0%
Pre-Tax Income	4,516	4,107	10.0%
Provision for Income Tax	(1,187)	(1,111)	6.8%
Net Income	\$ 3,329	\$ 2,996	11.1%
Less: After-Tax Realized Securities Gains	\$ 86	\$ 134	
Core Net Income	\$ 3,243	\$ 2,862	13.3%
Per Share Information:			
Average Shares Outstanding (for the year)	6,053,108	5,955,859	--
Earnings Per Share - Basic	\$ 0.55	\$ 0.50	9.3%
Earnings Per Share " CORE" - Basic	\$ 0.54	\$ 0.48	11.5%

American Business Bank*Figures in \$000, except per share amounts*

	March 2016	March 2015	Change %
<u>Performance Ratios</u>			
Return on Average Assets (ROAA)	0.78%	0.80%	--
Return on Average Equity (ROAE)	9.92%	9.82%	--
Return on Average Assets " CORE" (ROAA)	0.76%	0.76%	--
Return on Average Equity " CORE" (ROAE)	9.66%	9.38%	--
<u>Asset Quality Overview</u>			
Non-Performing Loans	\$ -	\$ -	NA
Loans 90+Days Past Due	-	4	NA
Total Non-Performing Loans	\$ -	\$ 4	NA
Restructured Loans (TDR's)	\$ 920	\$ 702	31.1%
Other Real Estate Owned	0	0	--
ALLL / Gross Loans	1.85%	1.92%	--
ALLL / Non-Performing Loans *	NA	NA	--
Non-Performing Loans / Total Loans *	0.00%	0.00%	--
Non-Performing Assets / Total Assets *	0.00%	0.00%	--
Net Charge-Offs	\$ (18)	\$ (100)	--
Net Charge-Offs / Average Gross Loans	0.00%	-0.02%	--

* Excludes Restructured Loans