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AMERICAN BUSINESS BANK ANNOUNCES ITS RESULTS FOR THE YEAR ENDED
DECEMBER 31st 2016, INCLUDING 14% LOAN GROWTH OVER 2015.

Los Angeles, California, February 3, 2017. AMERICAN BUSINESS BANK (Bank) (OTCBB: AMBZ) today reported net income of \$12,717,000 for the year ended 2016. Earnings per share (basic) for 2016 were \$1.89 versus \$1.84 in 2015. Core earnings per share were \$1.63 for 2016 versus \$1.68 in 2015.

Total assets increased 10%, or \$172 million, to \$1.843 billion at December 31, 2016, as compared to \$1.671 billion at December 31, 2015. The loan portfolio (net) increased 14%, or \$95 million, to \$788 million at December 31, 2016, as compared to \$693 million at December 31, 2015. Deposits increased 5%, or \$75 million, to \$1.599 billion at December 31, 2016, as compared to \$1.524 billion at December 31, 2015. Borrowings from the Federal Home Loan Bank increased from \$5 million at the end of 2015 to \$103 million at the end of 2016.

During 2016, Net Interest Income increased \$5,866,000, or 13%, to \$49,860,000 from \$43,994,000 million in 2015.

Non-Interest Income during 2016 increased \$662,000, or 19%, to \$4,080,000 from \$3,418,000 in 2015. This change was mainly centered in an increase in investment gains and deposit fees combined with a reduction in other income.

Non-Interest Expense during 2016 increased \$5,403,000, or 17%, to \$36,501,000 from \$31,098,000 in 2015. Increases in the "Other Expense" category mentioned in the Income Statement below were driven primarily in expenses related to compliance efforts and an increase in compensation and benefits.

Asset quality at the end of the fourth quarter remains excellent, with \$2,353,000 in non-performing loans, or 0.3% of total loans, and no OREO. At the end of 2016, the allowance for loan losses stood at \$12,965,000, or 1.62% of loans. During 2016, the Bank had a net recovery of previously charged-off loans, totaling \$107,000.

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 %
	December 2016	December 2015	
Assets:			
Cash & Equivalents	\$ 37,560	\$ 29,798	26.0%
Fed Funds Sold	0	10,000	-100.0%
Interest Bearing Balances	697	30	2223.3%
Investment Securities:			
US Agencies	608,695	553,605	10.0%
Mortgage Backed Securities	77,418	109,811	-29.5%
State & Municipals	260,842	210,504	23.9%
Other	6,466	4,955	30.5%
Total Investment Securities	953,421	878,875	8.5%
Gross Loans:			
Commercial Real Estate	519,902	446,678	16.4%
Commercial & Industrial	204,635	184,071	11.2%
Other Real Estate	72,035	70,052	2.8%
Other	4,770	4,832	-1.3%
Total Gross Loans	801,342	705,633	13.6%
Allowance for Loan & Lease Losses	(12,965)	(12,758)	1.6%
Net Loans	788,377	692,875	13.8%
Premises & Equipment	1,442	1,512	-4.6%
Other Assets	61,643	58,167	6.0%
Total Assets	\$ 1,843,140	\$ 1,671,257	10.3%
Liabilities:			
Demand Deposits	\$ 831,838	\$ 793,345	4.9%
Money Market	721,720	668,850	7.9%
Time Deposits and Savings	45,718	61,941	-26.2%
Total Deposits	1,599,276	1,524,136	4.9%
FHLB Advances / Other Borrowings	103,000	5,000	1960.0%
Other Liabilities	4,980	10,738	-53.6%
Total Liabilities	\$ 1,707,256	\$ 1,539,874	10.9%
Shareholders' Equity:			
Common Stock & Retained Earnings	\$ 148,779	\$ 132,913	11.9%
Accumulated Other Comprehensive Income / (Loss)	(12,895)	(1,530)	742.8%
Total Shareholders' Equity	\$ 135,884	\$ 131,383	3.4%
Total Liabilities & Shareholders' Equity	\$ 1,843,140	\$ 1,671,257	10.3%
Capital Adequacy:			
Tangible Common Equity / Tangible Assets	7.37%	7.86%	--
Common Equity Tier 1 Ratio	15.12%	15.85%	--
Tier 1 Capital Ratio	15.12%	15.85%	--
Total Capital Ratio	16.38%	17.11%	--
Tier 1 Leverage Ratio	7.55%	7.22%	--
Per Share Information:			
Common Shares Outstanding	6,765,141	6,614,073	--
Book Value Per Share	\$ 20.09	\$ 19.86	1.12%
Tangible Book Value Per Share	\$ 20.09	\$ 19.86	1.12%

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

	For the 12-month period ended:		Change %
	December 2016	December 2015	
<u>Interest Income:</u>			
Loans & Leases	\$ 31,564	\$ 29,064	8.6%
Investment Securities	19,780	16,281	21.5%
Total Interest Income	51,344	45,345	13.2%
<u>Interest Expense:</u>			
Money Market, Interest Checking & Savings	1,154	1,041	10.9%
Time Deposits	180	246	-26.8%
Repurchase Agreements / Other Borrowings	156	64	143.8%
Total Interest Expense	1,490	1,351	10.3%
Net Interest Income	49,860	43,994	13.3%
Provision for Loan Losses	(100)	(150)	-33.3%
Net Interest Income After Provision for Loan Losses	49,760	43,844	13.5%
<u>Non-Interest Income:</u>			
Deposit Fees	1,598	1,421	12.5%
Realized Securities Gains	2,379	1,410	68.7%
Other	103	587	-82.5%
Total Non-Interest Income	4,080	3,418	19.4%
<u>Non-Interest Expense:</u>			
Compensation & Benefits	19,118	17,698	8.0%
Occupancy & Equipment	2,525	2,377	6.2%
Other	14,858	11,023	34.8%
Total Non-Interest Expense	36,501	31,098	17.4%
Pre-Tax Income	17,339	16,164	7.3%
Provision for Income Tax	(4,622)	(4,059)	13.9%
Net Income	\$ 12,717	\$ 12,105	5.1%
Less: After-Tax Realized Securities Gains	\$ 1,745	\$ 1,056	
Core Net Income	\$ 10,972	\$ 11,049	-0.7%
<u>Per Share Information:</u>			
Average Shares Outstanding (for the year)	6,733,897	6,586,481	--
Earnings Per Share - Basic	\$ 1.89	\$ 1.84	2.8%
Earnings Per Share "CORE" - Basic	\$ 1.63	\$ 1.68	-2.9%

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

	December 2016	December 2015	Change %
<u>Performance Ratios</u>			
Return on Average Assets (ROAA)	0.73%	0.76%	--
Return on Average Equity (ROAE)	9.09%	9.62%	--
Return on Average Assets " CORE" (ROAA)	0.63%	0.70%	--
Return on Average Equity " CORE" (ROAE)	7.84%	8.78%	--
<u>Asset Quality Overview</u>			
Non-Performing Loans	\$ 2,104	\$ -	NA
Loans 90+Days Past Due	-	-	NA
Total Non-Performing Loans	\$ 2,104	\$ -	NA
Restructured Loans (TDR's)	\$ 249	\$ 922	-73.0%
Other Real Estate Owned	0	0	--
ALLL / Gross Loans	1.62%	1.81%	--
Non-Performing Loans / Total Loans *	0.26%	0.00%	--
Non-Performing Assets / Total Assets *	0.11%	0.00%	--
Net Charge-Offs	\$ (107)	\$ (179)	--
Net Charge-Offs / Average Gross Loans	-0.02%	-0.03%	--

* Excludes Restructured Loans