



**AMERICAN BUSINESS BANK ANNOUNCES THIRD QUARTER
NET INCOME INCREASES 31% OVER PRIOR YEAR**

Loans and Deposits increase at double-digit annualized growth rates

Third Quarter 2019 Highlights

- **Total loans increased** \$291 million or 26% from a year ago
- **Total loans increased** \$105 million or 32% annualized from prior quarter
- **Total deposits increased** \$184 million or 10% from a year ago
- **Non-interest bearing demand deposits** were 52% of total deposits
- **Nonperforming assets to total assets negligible** at 0.07%
- **Net interest income increased** by \$2.8 million or 16% over the prior year quarter
- **Continued status as well-capitalized**, the highest regulatory category

Los Angeles, California, October 30, 2019. AMERICAN BUSINESS BANK (OTC Pink: “AMBZ” or the “BANK”) today reported net income of \$5.4 million or \$0.67 per fully diluted share for the third quarter of 2019 as compared to \$4.1 million or \$0.53 per fully diluted share for the third quarter of 2018. The increase was primarily due to significant loan and core deposit growth over the last year resulting in increased net interest income.

“We are pleased to announce continued growth in earnings, loans, and deposits. While the increase in loan growth exceeded our expectations, it reflects our long-term commitment to meet the needs of and grow with our many new customers; on a go-forward basis, we expect loan growth to still be robust but in the low double digits annually. The shift to higher earning assets, while maintaining our credit quality, has allowed us to drive continued revenue growth to offset the effects of lower interest rates,” said Leon Blankstein, ABB’s President, CEO and Director.

For the quarter ended September 30, 2019, net income was \$5.4 million or \$0.67 per fully diluted share, compared with net income of \$5.3 million or \$0.65 per fully diluted share for the second quarter of 2019. The increase in net income was mainly due to a \$1.2 million increase in net interest income, offset by a \$532,000 increase in provision for loan losses and a \$409,000 increase in non-interest expense. The higher provision for loan losses was the result of a \$105 million increase in loans during the third quarter of 2019 while maintaining the allowance for loan losses at 1.4% of loans.

Net interest income increased for the third quarter of 2019 compared to the third quarter of 2018 by \$2.8 million or 16% due to an increase in average outstanding loans and a higher yield on loans for the periods compared. The yield on average loans increased to 4.88% for the third quarter of 2019 compared to 4.71% for the third quarter of 2018. The yield on average loans for the third quarter of 2019 was impacted positively by five basis points from non-accrual loan payoffs. The Bank’s cost of deposits remains low at 0.24% for the third quarter of 2019, an increase of seven basis points over the quarter a year ago.

Net interest income increased by \$1.2 million for the third quarter of 2019 compared to the second quarter of 2019. For the third quarter of 2019, loan interest income increased \$1.0 million or 26% annualized due to an increase in average outstanding loans offset by a decrease in loan yields. The yield on average loans decreased to 4.88% for the third quarter of 2019 compared to 4.91% for the second quarter of 2019. The new loan production weighted average coupon was 4.38% in the quarter compared to 4.98% in the prior quarter.

The Bank's net interest margin for the third quarter of 2019 was 3.66% which was positively impacted by non-accrual loan payoffs; excluding this non-recurring item, the net interest margin would have been 3.63%. This compares to 3.46% in the third quarter of 2018 and 3.61% for the second quarter of 2019 representing an increase of 20 basis points and an increase of five basis points, respectively. The increase from the third quarter of 2018 was primarily due to average loans being a higher percentage of average earnings assets as well as expansion in average loan yields, offset by a decrease in the average yield on investment securities. The Bank adopted a new accounting standard on January 1, 2019 that required a reduction of the amortization periods for its municipal securities held at a premium to the earliest call date. Thus, the premium amortization was higher which contributed to a lower average yield on the municipal portfolio compared to the third quarter of 2018. The Bank's net interest margin increased from the second quarter of 2019 primarily due to a higher average loan balance offset by lower loan yields.

On a year-to-date basis, net income was \$16.1 million or \$1.99 per fully diluted share for the nine months ended September 30, 2019, compared to \$10.3 million or \$1.31 per fully diluted share for the nine months ended September 30, 2018. The increase was primarily due to significant loan growth between periods, coupled with a higher yield on loans and a low deposit cost resulting in increased net interest income. The shift to higher earning assets can be seen in the increase in the Bank's loan to deposit ratio from 59% for the third quarter of 2018 to 68% for the third quarter of 2019. The net interest margin was 3.63% for the first nine months of 2019, a 26 basis point expansion from 3.37% for the same period a year ago.

Non Interest Income

Non-interest income in the third quarter of 2019 was \$1.3 million. This compares to \$1.1 million in the third quarter of 2018 and \$1.3 million for the second quarter of 2019. The increase from the third quarter of 2018 was due to a \$148,000 increase in Deposit and International Fees as a result of growth in commercial business customers and a reduction in realized losses on the sale of investment securities. The increases to non-interest income are offset by a decline in the gain on sale of SBA loans while other non-interest income remained flat. The Bank has started to portfolio certain SBA loans to add to its interest earning asset base.

On a year-to-date basis, non-interest income for the nine months ended September 30, 2019 was \$4.1 million, an increase of \$872,000, or 27%, from \$3.3 million for the same period a year ago. The increase is mainly attributable to a \$394,000 increase in Deposits and International Fees due to growth in commercial business customers and a \$286,000 reduction in realized losses on the sale of investment securities. Additionally, interchange income from credit cards, which is included in other non-interest income, increased by \$146,000 from the same period a year ago. These increases were offset by a \$417,000 decline in gain on sale of SBA loans as the Bank has started to portfolio certain SBA loans to add to its interest earning asset base in 2019.

Non-Interest Expense

Non-interest expense increased \$218,000 or 2% for the quarter ended September 30, 2019 compared to the same quarter a year ago. The increase was predominantly due to a \$904,000 increase in professional services

expense, offset by a \$516,000 decrease in salaries and employee benefits expense. The decrease in salaries expense is attributable to a \$405,000 deferred compensation plan (DCP) expense related to the ABB stock fund recorded in the third quarter of 2018, compared to no expense in the most recent quarter. Beginning in June of 2019, the Bank is no longer required to mark-to-market its DCP obligation related to the ABB stock fund under US GAAP. The efficiency ratio declined to 59% for the third quarter of 2019 compared to 67% for the third quarter of 2018.

Compared to the second quarter of 2019, non-interest expense increased \$409,000 primarily due to a \$750,000 increase in professional services expense, offset by a \$130,000 decrease in salaries and employee benefits expense and a \$159,000 decrease in occupancy and equipment expense. The decrease in salaries and employee benefits expense was attributable to a decrease in DCP expense by the amount of \$147,000 related to the ABB stock fund and other measurement funds. The overall decrease in occupancy and equipment expense was due to a \$265,000 decrease in lease expense as the lease term of the former Los Angeles headquarters ended in June 2019, offset by a \$98,000 increase in depreciation expense related to fixed assets at the new headquarters. The efficiency ratio declined to 59% for the third quarter of 2019 compared to 60% for the second quarter of 2019.

On a year-to-date basis, non-interest expense for the nine months ended September 30, 2019 increased \$2.1 million compared to the same period a year ago, due to a \$951,000 increase in professional services expense, a \$746,000 increase in salaries and employee benefits expense and a \$495,000 increase in occupancy and equipment expense. Salaries and employee benefits expense, excluding a one-time \$979,000 early retirement payment made to a former executive officer in the first quarter of 2018, increased \$1.5 million and was attributable to a larger workforce. The increase in occupancy and equipment expense was mainly due to lease expense recorded for the new Los Angeles headquarters for the first six months of 2019 as required under US GAAP. The Bank relocated its Los Angeles headquarters in June 2019. The efficiency ratio was 61% and 69% for the nine months ended September 30, 2019 and 2018, respectively.

Full time equivalent employees at September 30, 2019 were 195, an increase of seven employees or 4% higher than a year ago, and four more than at June 30, 2019. The Bank now has 29 relationship managers in seven offices.

Wes Schaefer, Executive Vice President and Chief Investment Officer, announced his retirement effective October 31, 2019. Wes was one of the original organizers and founders of American Business Bank. “Wes’ good nature, infectious attitude, and relentless sense of humor will be missed at the Bank,” stated Founder, Director, Chairman Emeritus, Robert Schack. “After so many years of dedicated service, he deserves more time to enjoy life.”

Balance Sheet

Total assets increased \$174 million, or 8% from year-end December 31, 2018 to \$2.33 billion. Total loans increased \$179 million to \$1.4 billion, or 14% from year-end primarily in owner occupied real estate. This resulted in an increase in the loan to deposit ratio to 68% from 63% during the year. In the third quarter of 2019, the Bank grew loans by \$105 million and deposits by \$99 million. At September 30, 2019, non-interest bearing deposits represented 52% of total deposits.

From a year ago, total assets increased \$235 million or 11%, from September 30, 2018. This was driven by an increase in deposits of \$184 million, or 10% over the twelve months. Total loans increased \$291 million, or 26% from a year ago. This resulted in an increase in the loan to deposit ratio to 68% from 59% a year ago.

Asset quality at September 30, 2019 remains excellent with non-performing assets to total assets of 0.07%, \$1.5 million in non-performing loans, and no Other Real Estate Owned (OREO). The one non-accrual loan is fully secured by real estate with no specific allowance. At the end of the quarter, the allowance for loan losses stood at \$20.0 million, or 1.4% of total loans. For the first nine months of 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)

	September 2019	June 2019	December 2018	September 2018
Assets:				
Cash and Due from Banks	\$ 88,211	\$ 66,605	\$ 26,673	\$ 59,007
Interest Earning Deposits in Other Financial Institutions	26,077	10,313	76,599	62,497
Investment Securities:				
US Agencies	305,572	376,573	440,212	464,604
Mortgage Backed Securities	226,338	194,735	128,851	129,813
State and Municipals	74,824	72,117	77,460	79,396
US Treasuries	9,992	9,991	9,859	9,758
Corporate Bonds	19,861	7,919	1,971	1,976
Securities Available-for-Sale, at Fair Value	636,587	661,335	658,353	685,547
Securities Held-to-Maturity, at Amortized Cost	86,915	87,121	87,526	87,546
Federal Home Loan Bank Stock, at Cost	10,356	10,356	10,356	10,356
Total Investment Securities	733,858	758,812	756,235	783,449
Loans Receivable:				
Commercial Real Estate	954,424	893,866	827,388	765,374
Commercial and Industrial	402,167	365,834	356,583	304,682
Residential Real Estate	68,259	61,116	62,835	64,853
Installment and Other	4,765	4,026	3,455	3,528
Total Loans Receivable	1,429,615	1,324,842	1,250,261	1,138,437
Allowance for Loan Losses	(20,014)	(18,548)	(17,503)	(15,950)
Loans Receivable, Net	1,409,601	1,306,294	1,232,758	1,122,487
Furniture, Equipment and Leasehold Improvements, Net	8,700	6,453	1,834	1,831
Other Assets	65,197	73,005	63,344	67,027
Total Assets	\$ 2,331,644	\$ 2,221,482	\$ 2,157,443	\$ 2,096,298
Liabilities:				
Non-Interest Bearing Demand Deposits	\$ 1,084,152	\$ 988,259	\$ 983,284	\$ 972,560
Interest Bearing Transaction Accounts	221,196	202,465	211,794	197,460
Money Market and Savings Deposits	751,415	749,979	728,237	672,047
Certificates of Deposit	42,555	59,524	50,443	73,239
Total Deposits	2,099,318	2,000,227	1,973,758	1,915,306
Federal Home Loan Bank Advances / Other Borrowings	-	-	-	1,000
Other Liabilities	31,258	29,191	18,618	25,048
Total Liabilities	\$ 2,130,576	\$ 2,029,418	\$ 1,992,376	\$ 1,941,354
Shareholders' Equity:				
Common Stock	\$ 163,464	\$ 162,589	\$ 154,710	\$ 154,256
Retained Earnings	40,795	35,377	27,454	21,360
Accumulated Other Comprehensive Income / (Loss)	(3,191)	(5,902)	(17,097)	(20,672)
Total Shareholders' Equity	\$ 201,068	\$ 192,064	\$ 165,067	\$ 154,944
Total Liabilities and Shareholders' Equity	\$ 2,331,644	\$ 2,221,482	\$ 2,157,443	\$ 2,096,298
Standby Letters of Credit	\$ 39,722	\$ 40,346	\$ 36,411	\$ 31,561
Per Share Information:				
Common Shares Outstanding	7,834,279	7,794,212	7,705,590	7,691,918
Book Value Per Share	\$ 25.67	\$ 24.64	\$ 21.42	\$ 20.14
Tangible Book Value Per Share	\$ 25.67	\$ 24.64	\$ 21.42	\$ 20.14

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

INCOME STATEMENTS (unaudited)

	For the three months ended:		
	September 2019	June 2019	September 2018
Interest Income:			
Interest and Fees on Loans	\$ 16,890	\$ 15,845	\$ 13,156
Interest on Investment Securities	4,260	4,145	4,625
Interest on Interest Earning Deposits in Other Financial Institutions	332	263	414
Total Interest Income	21,482	20,253	18,195
Interest Expense:			
Interest on Interest Bearing Transaction Accounts	152	107	113
Interest on Money Market and Savings Deposits	1,041	956	587
Interest on Certificates of Deposits	73	116	96
Interest on Federal Home Loan Bank Advances and Other Borrowings	1	14	12
Total Interest Expense	1,267	1,193	808
Net Interest Income	20,215	19,060	17,387
Provision for Loan Losses	1,460	928	505
Net Interest Income after Provision for Loan Losses	18,755	18,132	16,882
Non-Interest Income:			
Deposit Fees	553	543	496
International Fees	328	254	237
Gain (Loss) on Sale of Investment Securities, Net	(122)	(145)	(208)
Gain on Sale of SBA Loans, Net	87	161	149
Other	487	529	394
Total Non-Interest Income	1,333	1,342	1,068
Non-Interest Expense:			
Salaries and Employee Benefits	8,444	8,574	8,960
Occupancy and Equipment	888	1,047	874
Professional Services	1,946	1,196	1,042
Promotion Expenses	361	322	341
Other	1,069	1,160	1,273
Total Non-Interest Expense	12,708	12,299	12,490
Earnings before income taxes	7,380	7,175	5,460
Income Tax Expense	1,963	1,906	1,318
NET INCOME	\$ 5,417	\$ 5,269	\$ 4,142
<i>Add back:</i>			
After-Tax Gain (Loss) on Sale of Investment Securities, Net	\$ 90	\$ 107	\$ 158
After-Tax DCP ABB Stock Expense (Benefit)	\$ -	\$ 52	\$ 356
Core Net Income	\$ 5,507	\$ 5,428	\$ 4,656
Per Share Information:			
Earnings Per Share - Basic	\$ 0.68	\$ 0.66	\$ 0.54
Earnings Per Share - Diluted	\$ 0.67	\$ 0.65	\$ 0.53
Core Earnings Per Share - Diluted	\$ 0.68	\$ 0.67	\$ 0.59
Weighted Average Shares - Basic	7,999,146	7,947,731	7,683,427
Weighted Average Shares - Diluted	8,100,992	8,079,466	7,885,205

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

INCOME STATEMENTS (unaudited)

	For the nine months ended:	
	September 2019	September 2018
<u>Interest Income:</u>		
Interest and Fees on Loans	\$ 47,813	\$ 35,614
Interest on Investment Securities	12,678	14,260
Interest on Interest Earning Deposits in Other Financial Institutions	1,098	552
Total Interest Income	61,589	50,426
<u>Interest Expense:</u>		
Interest on Interest Bearing Transaction Accounts	363	264
Interest on Money Market and Savings Deposits	2,804	1,375
Interest on Certificates of Deposits	293	235
Interest on Federal Home Loan Bank Advances and Other Borrowings	15	328
Total Interest Expense	3,475	2,202
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
<u>Non-Interest Income:</u>		
Deposit Fees	1,598	1,394
International Fees	841	651
Gain (Loss) on Sale of Investment Securities, Net	(267)	(553)
Gain on Sale of SBA Loans, Net	327	744
Other	1,648	1,039
Total Non-Interest Income	4,147	3,275
<u>Non-Interest Expense:</u>		
Salaries and Employee Benefits	26,461	25,715
Occupancy and Equipment	2,956	2,461
Professional Services	4,340	3,389
Promotion Expenses	946	934
Other	3,323	3,451
Total Non-Interest Expense	38,026	35,950
Earnings before income taxes	21,757	13,281
Income Tax Expense	5,668	2,983
<u>NET INCOME</u>	\$ 16,089	\$ 10,298
<i>Add back:</i>		
After-Tax Net Gains (Losses) on Sale of Investment Securities	\$ 198	\$ 429
After-Tax DCP ABB Stock Expense (Benefit)	\$ 449	\$ 364
Core Net Income	\$ 16,736	\$ 11,091
<u>Per Share Information:</u>		
Earnings Per Share - Basic	\$ 2.02	\$ 1.35
Earnings Per Share - Diluted	\$ 1.99	\$ 1.31
Core Earnings Per Share - Diluted	\$ 2.07	\$ 1.41
Weighted Average Shares - Basic	7,948,632	7,623,157
Weighted Average Shares - Diluted	8,078,529	7,854,031

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Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2019			June 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	\$ 58,676	\$ 332	2.30%	\$ 43,368	\$ 263	2.46%
Investment Securities:						
US Agencies	351,204	1,406	1.60%	402,437	1,449	1.44%
Mortgage Backed Securities	208,820	1,422	2.72%	191,710	1,362	2.84%
State and Municipals	163,734	1,094	2.67%	163,565	1,096	2.68%
US Treasuries	10,039	37	1.46%	10,046	37	1.49%
Corporate Bonds	15,328	118	3.07%	2,720	24	3.46%
Securities Available-for-Sale and Held-to-Maturity	749,125	4,077	2.18%	770,478	3,968	2.06%
Federal Home Loan Bank Stock	10,356	183	7.05%	10,356	177	6.84%
Total Investment Securities	759,481	4,260	2.24%	780,834	4,145	2.12%
Loans Receivable:						
Commercial Real Estate	917,398	10,957	4.74%	870,023	10,289	4.74%
Commercial and Industrial	385,315	4,996	5.14%	359,009	4,712	5.26%
Residential Real Estate	66,512	891	5.32%	60,345	808	5.37%
Installment and Other	5,159	46	3.58%	4,996	36	2.88%
Total Loans Receivable	1,374,384	16,890	4.88%	1,294,373	15,845	4.91%
Total Interest Earning Assets	\$ 2,192,541	\$ 21,482	3.83%	\$ 2,118,575	\$ 20,253	3.78%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,059,710	-	0.00%	1,006,872	-	0.00%
Interest Bearing Transaction Accounts	208,403	152	0.29%	198,638	107	0.22%
Money Market and Savings Deposits	746,947	1,041	0.55%	723,827	956	0.53%
Certificates of Deposit	50,425	73	0.57%	69,674	116	0.67%
Total Deposits	2,065,485	1,266	0.24%	1,999,011	1,179	0.24%
Federal Home Loan Bank Advances / Other Borrowings	163	1	2.27%	2,049	14	2.66%
Total Interest Bearing Deposits and Borrowings	1,005,938	1,267	0.50%	994,188	1,193	0.48%
Total Deposits and Borrowings	\$ 2,065,647	\$ 1,267	0.24%	\$ 2,001,060	\$ 1,193	0.24%
Net Interest Income		\$ 20,215			\$ 19,060	
Net Interest Rate Spread			3.59%			3.54%
Net Interest Margin			3.66%			3.61%

American Business Bank

Figures in \$000

QUARTERLY AVERAGE BALANCE SHEETS AND YIELD ANALYSIS (unaudited)

	For the three months ended:					
	September 2019			September 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	\$ 58,676	\$ 332	2.30%	\$ 80,898	\$ 414	2.08%
Investment Securities:						
US Agencies	351,204	1,406	1.60%	493,172	2,094	1.70%
Mortgage Backed Securities	208,820	1,422	2.72%	112,564	804	2.86%
State and Municipals	163,734	1,094	2.67%	175,161	1,495	3.41%
US Treasuries	10,039	37	1.46%	10,066	37	1.46%
Corporate Bonds	15,328	118	3.07%	2,000	16	3.30%
Securities Available-for-Sale and Held-to-Maturity	749,125	4,077	2.18%	792,963	4,446	2.24%
Federal Home Loan Bank Stock	10,356	183	7.05%	10,356	179	6.92%
Total Investment Securities	759,481	4,260	2.24%	803,319	4,625	2.30%
Loans Receivable:						
Commercial Real Estate	917,398	10,957	4.74%	748,331	8,693	4.61%
Commercial and Industrial	385,315	4,996	5.14%	295,338	3,600	4.84%
Residential Real Estate	66,512	891	5.32%	61,767	784	5.04%
Installment and Other	5,159	46	3.58%	3,755	79	8.32%
Total Loans Receivable	1,374,384	16,890	4.88%	1,109,191	13,156	4.71%
Total Interest Earning Assets	\$ 2,192,541	\$ 21,482	3.83%	\$ 1,993,408	\$ 18,195	3.57%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,059,710	-	0.00%	956,243	-	0.00%
Interest Bearing Transaction Accounts	208,403	152	0.29%	201,146	113	0.22%
Money Market and Savings Deposits	746,947	1,041	0.55%	663,767	587	0.35%
Certificates of Deposit	50,425	73	0.57%	68,957	96	0.55%
Total Deposits	2,065,485	1,266	0.24%	1,890,113	796	0.17%
Federal Home Loan Bank Advances / Other Borrowings	163	1	2.27%	2,946	12	1.66%
Total Interest Bearing Deposits and Borrowings	1,005,938	1,267	0.50%	936,816	808	0.34%
Total Deposits and Borrowings	\$ 2,065,647	\$ 1,267	0.24%	\$ 1,893,059	\$ 808	0.17%
Net Interest Income		\$ 20,215			\$ 17,387	
Net Interest Rate Spread			3.59%			3.40%
Net Interest Margin			3.66%			3.46%

American Business Bank

Figures in \$000

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

	For the nine months ended:					
	September 2019			September 2018		
	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest Earning Assets:						
Interest Earning Deposits with Other Financial Institutions	\$ 61,271	\$ 1,098	2.42%	\$ 38,334	\$ 552	1.95%
Investment Securities:						
US Agencies	395,511	4,612	1.55%	533,686	6,854	1.71%
Mortgage Backed Securities	183,086	3,903	2.84%	98,888	2,018	2.72%
State and Municipals	166,538	3,350	2.68%	181,359	4,696	3.45%
US Treasuries	10,046	111	1.47%	10,073	111	1.47%
Corporate Bonds	6,732	159	3.15%	2,116	48	3.04%
Securities Available-for-Sale and Held-to-Maturity	761,913	12,135	2.12%	826,122	13,727	2.22%
Federal Home Loan Bank Stock	10,356	543	6.97%	10,189	533	6.97%
Total Investment Securities	772,269	12,678	2.19%	836,311	14,260	2.27%
Loans Receivable:						
Commercial Real Estate	873,209	30,901	4.73%	702,470	23,687	4.51%
Commercial and Industrial	366,111	14,308	5.23%	270,097	9,348	4.63%
Residential Real Estate	62,286	2,487	5.34%	64,153	2,352	4.90%
Installment and Other	4,949	117	3.17%	3,622	227	8.35%
Total Loans Receivable	1,306,555	47,813	4.89%	1,040,342	35,614	4.58%
Total Interest Earning Assets	\$ 2,140,095	\$ 61,589	3.80%	\$ 1,914,987	\$ 50,426	3.47%
Liabilities:						
Non-Interest Bearing Demand Deposits	1,021,107	-	0.00%	911,304	-	0.00%
Interest Bearing Transaction Accounts	201,985	363	0.24%	184,946	264	0.19%
Money Market and Savings Deposits	735,682	2,804	0.51%	629,121	1,375	0.29%
Certificates of Deposit	61,515	293	0.64%	62,686	235	0.50%
Total Deposits	2,020,289	3,460	0.23%	1,788,057	1,874	0.14%
Federal Home Loan Bank Advances / Other Borrowings	738	15	2.63%	26,654	328	1.64%
Total Interest Bearing Deposits and Borrowings	999,920	3,475	0.46%	903,407	2,202	0.33%
Total Deposits and Borrowings	\$ 2,021,027	\$ 3,475	0.23%	\$ 1,814,710	\$ 2,202	0.16%
Net Interest Income		\$ 58,114			\$ 48,224	
Net Interest Rate Spread			3.57%			3.31%
Net Interest Margin			3.63%			3.37%

American Business Bank

Figures in \$000

SUPPLEMENTAL DATA (unaudited)

	September 2019	June 2019	December 2018	September 2018
Performance Ratios:				
<u>Quarterly:</u>				
Return on Average Assets (ROAA)	0.95%	0.95%	1.12%	0.80%
<i>Core Return on Average Assets (ROAA)</i>	0.96%	0.98%	0.91%	0.89%
Return on Average Equity (ROAE)	11.03%	11.74%	15.52%	10.74%
<i>Core Return on Average Equity (ROAE)</i>	11.22%	12.09%	12.61%	11.95%
Efficiency Ratio	58.64%	59.86%	48.92%	66.92%
<i>Core Efficiency Ratio</i>	58.64%	59.51%	57.34%	64.75%
<u>Year-to-Date</u>				
Return on Average Assets (ROAA)	0.96%	0.97%	0.80%	0.69%
<i>Core Return on Average Assets (ROAA)</i>	1.00%	1.02%	0.78%	0.74%
Return on Average Equity (ROAE)	11.83%	12.29%	10.65%	8.98%
<i>Core Return on Average Equity (ROAE)</i>	12.30%	12.93%	10.38%	9.68%
Efficiency Ratio	60.82%	61.97%	63.57%	69.06%
<i>Core Efficiency Ratio</i>	59.84%	60.48%	65.21%	68.16%
Capital Adequacy:				
Total Risk Based Capital Ratio	13.81%	14.37%	14.09%	14.70%
Common Equity Tier 1 Capital Ratio	12.56%	13.12%	12.84%	13.45%
Tier 1 Risk Based Capital Ratio	12.56%	13.12%	12.84%	13.45%
Tier 1 Leverage Ratio	8.91%	8.94%	8.33%	8.48%
Tangible Common Equity / Tangible Assets	8.62%	8.65%	7.65%	7.39%
Asset Quality Overview				
Non-Performing Loans	\$ 1,481	\$ 1,047	\$ 1,222	\$ 1,361
Loans 90+Days Past Due and Still Accruing	-	-	-	-
Total Non-Performing Loans	1,481	1,047	1,222	1,361
Restructured Loans	229	231	235	237
Other Real Estate Owned	-	-	-	-
ALLL / Loans Receivable	1.40%	1.40%	1.40%	1.40%
Non-Performing Loans / Total Loans Receivable *	0.12%	0.10%	0.12%	0.14%
Non-Performing Assets / Total Assets *	0.07%	0.06%	0.07%	0.08%
Net Charge-Offs (Recoveries) quarterly	\$ (6)	\$ (12)	\$ (10)	\$ (13)
Net Charge-Offs (Recoveries) year-to-date	\$ (33)	\$ (27)	\$ (53)	\$ (43)
Net Charge-Offs (Recoveries) year-to-date / Average Loans Receivable	(0.00%)	(0.00%)	(0.00%)	(0.00%)

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