

The top half of the image features a low-angle photograph of several skyscrapers. The central building has a blue-tinted facade with horizontal bands of windows. To its left is a taller, more ornate building with a curved facade. The sky is a pale, overcast blue. The American Business Bank logo is overlaid on the left side of this section.

**ABB** AMERICAN  
BUSINESS BANK

The bottom half of the image has a dark blue background with a complex, abstract geometric pattern of overlapping triangles and polygons. A thin white vertical line runs down the left side, ending in a small orange circle.

1ST QUARTER  
REPORT **2020**

## BALANCE SHEETS

Unaudited - 000s omitted

March 31,	2020	2019
<b>ASSETS</b>		
Cash & cash equivalents	\$ 186,193	\$ 82,846
Investment securities	754,159	788,105
Loans receivable	1,545,989	1,257,672
Allowance for loan losses	(21,888)	(17,608)
Loans receivable, net	1,524,101	1,240,064
Furniture, equipment & leasehold improvements, net	8,833	3,044
Bank/Corp owned life insurance	25,698	25,775
Other assets	38,650	50,728
<b>TOTAL ASSETS</b>	<b>\$ 2,537,634</b>	<b>\$ 2,190,562</b>
<b>LIABILITIES</b>		
Deposits:		
Non-interest bearing demand deposits	\$ 1,164,965	\$ 988,196
Interest bearing transaction accounts	214,967	187,838
Money market & savings deposits	872,908	722,043
Certificates of deposits	36,044	81,934
Total Deposits	2,228,884	1,980,011
FHLB Advances/Other borrowings	-	-
Other liabilities	33,526	36,678
<b>TOTAL LIABILITIES</b>	<b>\$ 2,322,410</b>	<b>\$ 2,016,689</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock & retained earnings	\$ 216,080	\$ 185,556
Accumulated other comprehensive income/(loss)	(856)	(11,683)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 215,224</b>	<b>\$ 173,873</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$ 2,537,634</b>	<b>\$ 2,190,562</b>
Standby Letters of Credit	\$ 38,614	\$ 38,106

## INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

Three months ended March 31,	2020	2019
<b>INTEREST INCOME</b>		
Loans	\$ 17,295	\$ 15,078
Investments	3,913	4,273
Interest earning deposits in other financial institutions	54	503
<b>TOTAL INTEREST INCOME</b>	<b>21,262</b>	<b>19,854</b>
<b>INTEREST EXPENSE</b>		
Interest bearing transaction accounts	105	104
Money market & savings deposits	968	807
Certificates of deposits	41	105
FHLB Advances/Other borrowings	131	-
<b>TOTAL INTEREST EXPENSE</b>	<b>1,245</b>	<b>1,016</b>
<b>NET INTEREST INCOME</b>	<b>20,017</b>	<b>18,838</b>
Provision for loan losses	1,434	90
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>18,583</b>	<b>18,748</b>
<b>TOTAL NONINTEREST INCOME</b>	<b>411</b>	<b>1,473</b>
<b>TOTAL NONINTEREST EXPENSE</b>	<b>12,045</b>	<b>13,020</b>
<b>EARNINGS BEFORE INCOME TAXES</b>	<b>6,949</b>	<b>7,201</b>
Income tax expense	2,110	1,800
<b>NET INCOME</b>	<b>\$ 4,839</b>	<b>\$ 5,401</b>
Earnings per share - basic	\$ 0.60	\$ 0.70
Earnings per share - diluted	\$ 0.60	\$ 0.67
Weighted average shares - basic	8,036,255	7,722,461
Weighted average shares - diluted	8,122,355	8,033,433

## SHAREHOLDERS & CLIENTS,

The world has changed dramatically since I wrote my last quarterly letter. The COVID-19 pandemic is reshaping lives and businesses around the world, and the emerging recessionary environment has created a significant level of economic uncertainty.



I am extremely proud of our team for quickly transitioning to our business continuity protocols and providing excellent, continuous service to clients during these challenging times. With 95% of our staff working remotely we were still able to participate in the SBA Paycheck Protection (PPP) Program, funding approximately \$675 million in loans during Phase I, covering a significant portion of our existing business customers, and helping retain an estimated 50,000 jobs. Our prospective new business opportunities remain strong given our ability to continue to deliver exceptional hands on service to our businesses during statewide Safer-at-Home orders.

Despite this challenging operating environment, ABB delivered excellent performance in Q1. Total assets are up \$348 million or 16%, and total loans are up \$288 million or 23% from a year ago. The Bank recorded a profit for the first quarter of \$4.8 million and remains Well Capitalized by regulatory standards. We continue to enjoy ample liquidity in cash and high quality securities to meet the needs of our borrowers and depositors.

Our solid financial performance during a tumultuous quarter highlights the resiliency of our diversified and client-focused business model. Count on us to stay close with our customers and our employees; In the presence of uncertainty and lack of clarity, there is a promise of something better looming just beyond us although we may be unable to see it at the moment. History assures us from adversity springs growth.

I wish 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](http://www.americanbb.bank)