

Investor Presentation

OTCQX: AMBZ



June 30, 2025 Results

Forward-Looking Statement

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.

Corporate Overview

- American Business Bank (“AMBZ”) was founded in September 1998 to provide “high touch” banking services to small to medium size businesses in Southern California
- AMBZ offers its banking services to closely-held businesses with \$10-\$200 million in revenue
- In twenty-six years, the bank has grown organically to approximately \$4.3 billion in total assets. AMBZ serves its customer base through its headquarters in Los Angeles and eight regional offices
- Currently 48 relationship officers serve the needs of over 2,200 clients

ABB Ranking by Asset Size

ABB ranks 11th of the 56 banking institutions headquartered in the six-county area of Los Angeles, Orange, Ventura, San Bernardino, Riverside and San Diego counties

ABB ranks 24th of the 108 banking institutions headquartered in California

ABB ranks 291st of the 3,866 United States commercial banking institutions

Leadership Team

Founders:

Leon Blankstein, CEO, Director

Don Johnson, Former CEO,
Director

Bob Schack, Chairman
Emeritus, Director

Key Executives:

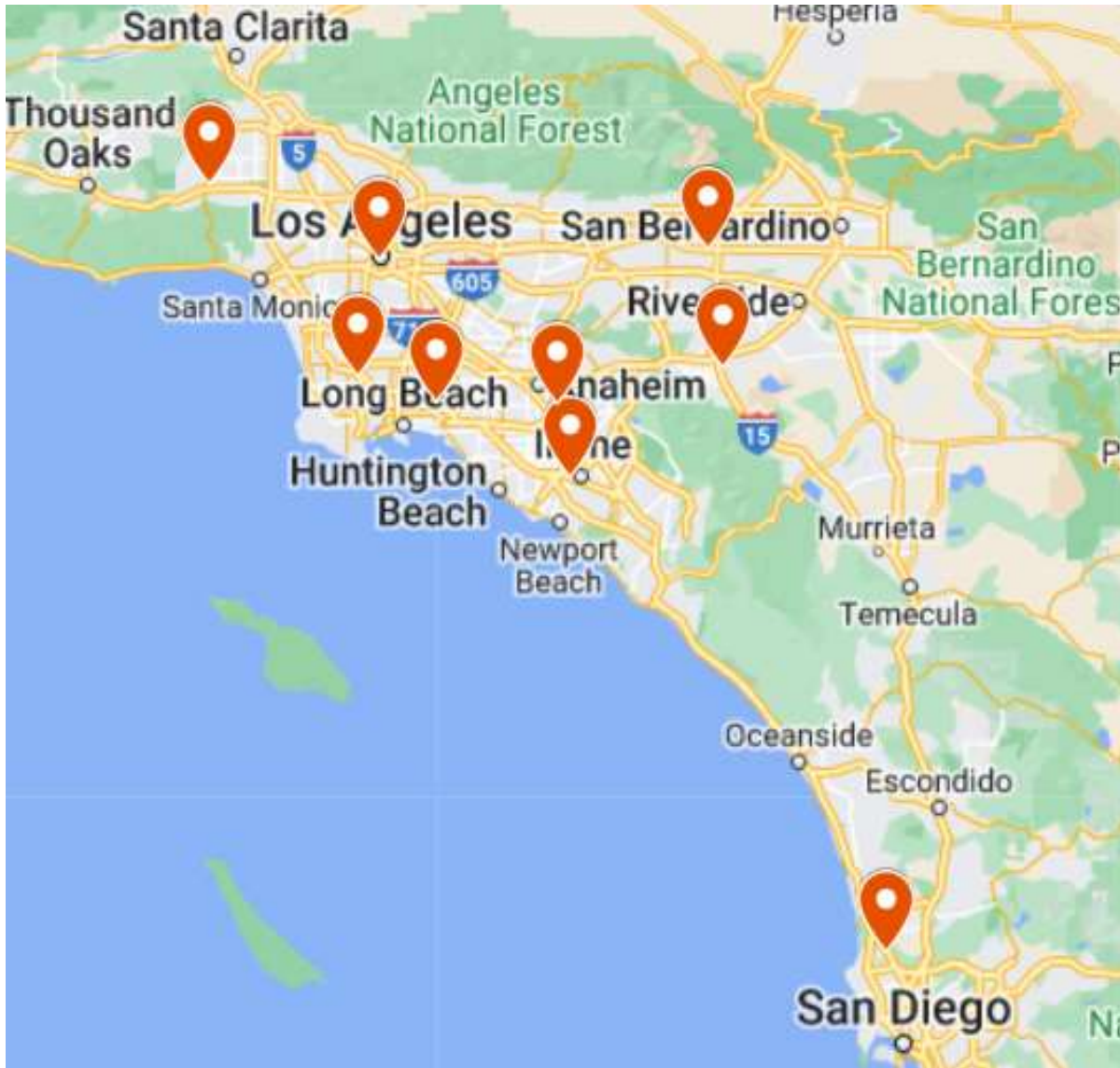
Phil Feghali, President,
22+ years ABB Tenure

Karen Schoenbaum, CFO,
8+ years ABB Tenure

David Wolf, EVP CB,
22+ years ABB Tenure

Jeffrey Munson, EVP CCO,
7+ years ABB Tenure

HQ and LPO Locations



- Los Angeles (Headquarters)
- North Orange County in Anaheim
- Orange County in Irvine
- South Bay in Torrance
- San Fernando Valley in Woodland Hills
- Riverside County in Corona
- Inland Empire in Ontario
- LA Coastal in Long Beach
- North County in San Diego

AMBZ's Client Focus & Target Market

Client Focus ⁽¹⁾

- Private companies with revenues \$10 million to \$200 million and their key executives
- Currently 48 relationship officers serve the needs of over 2,200 clients

Marketplace – Top Nationwide

Market	Businesses with <500 employees
United States	6,264,958
California	840,167
New York	618,471
AMBZ Service Area	509,538
Florida	495,082
Texas	471,216
Illinois	322,982

Marketplace – Top 5 MSAs

MSA	Businesses with <500 employees
New York-Newark-Jersey City, NY-NJ-PA	510,012
Los Angeles-Long Beach-Anaheim, CA	348,343
Chicago-Naperville-Elgin, IL-IN-WI	208,307
Miami-Fort Lauderdale-West Palm Beach, FL	183,403
Dallas-Fort Worth-Arlington, TX	139,094

Marketplace – Top 10 CA MSAs

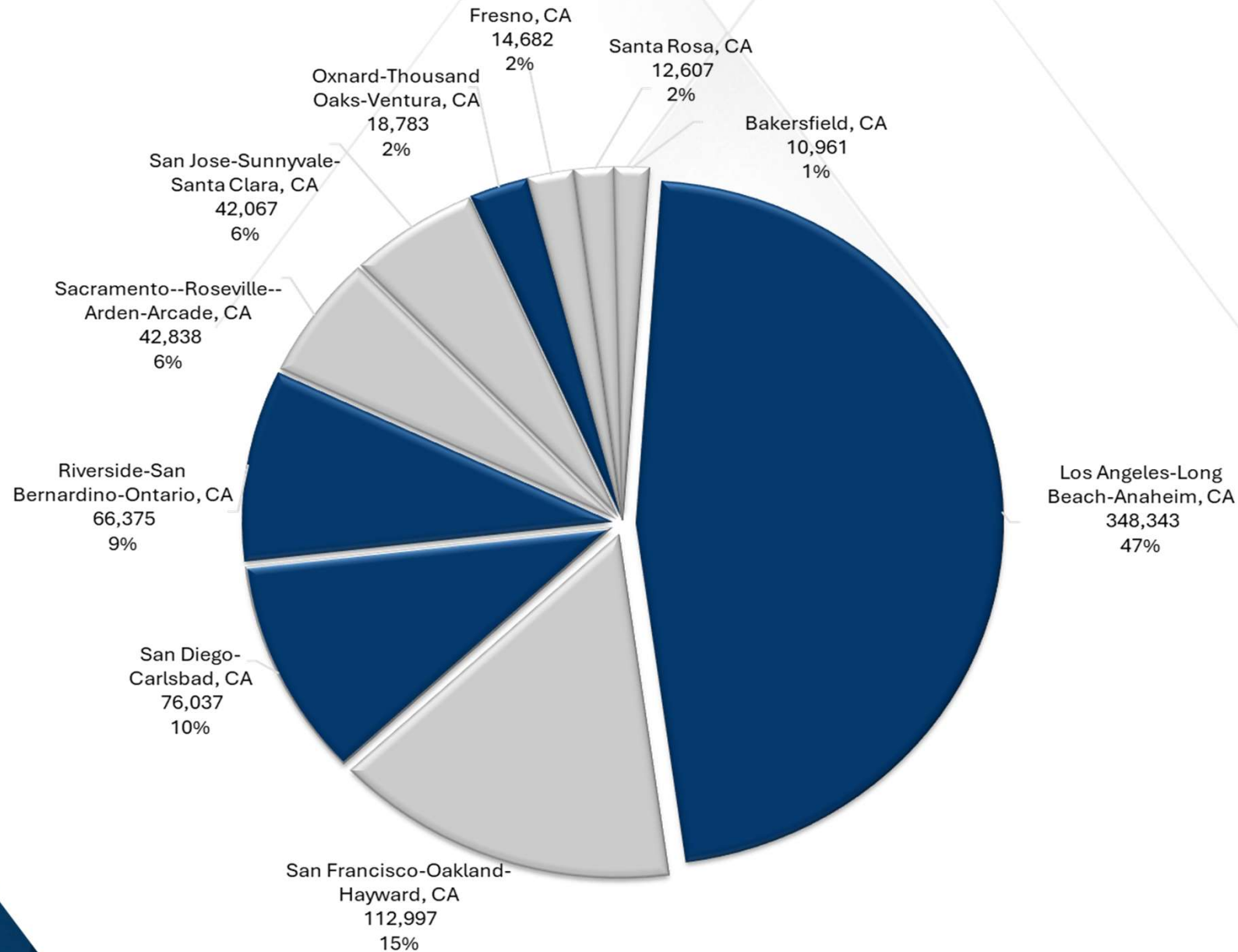
California MSA	Businesses with <500 employees
Los Angeles-Long Beach-Anaheim, CA	348,343
San Francisco-Oakland-Hayward, CA	112,997
San Diego-Carlsbad, CA	76,037
Riverside-San Bernardino-Ontario, CA	66,375
Sacramento--Roseville--Arden-Arcade, CA	42,838
San Jose-Sunnyvale-Santa Clara, CA	42,067
Oxnard-Thousand Oaks-Ventura, CA	18,783
Fresno, CA	14,682
Santa Rosa, CA	12,607
Bakersfield, CA	10,961

Source: Statistics of U.S. Businesses, United States Census Bureau

⁽¹⁾ Data as of 06/30/25

AMBZ's Target Market – California Top 10 MSAs

- Sorted by businesses with 500 or fewer employees
- AMBZ service areas highlighted in **blue**, along with respective number of businesses in these markets



Target Industries

Who We Serve

- Wholesalers
- Manufacturers
- Service businesses
- Contractors
- Professionals
- Non-Profits
- Real estate investors

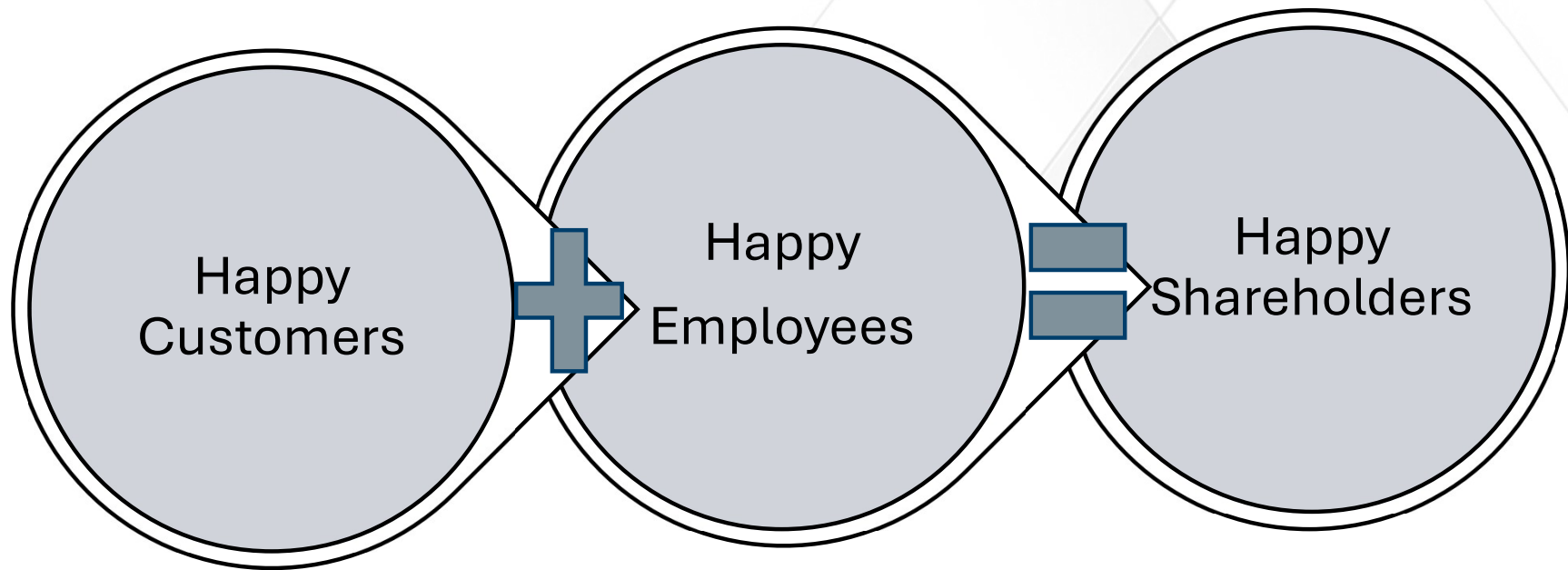
Who We Don't Serve

- Hi-tech
- Movie finance
- Heavy retail
- Venture capital
- Spec real estate developers
- MRB's and MSB's

How We Do It

- Emphasize acquisition of new relationships as the key growth driver for our business
- Leverage relationship-based banking approach and superior service
- Personalized and responsive service – no “800” number, customer service delivered by dedicated relationship managers
- Grow low-cost core deposits to fund loan growth with excess funds invested in high-quality investments
- Exceptional credit quality
- Strong capital management

Our Operating Principle



- Active Community Involvement
- Identify, attract, develop and retain high performing talented Relationship Managers

Q2-2025 Financial Highlights

Profitability

- ROAE = 14.34%
- ROAA = 1.26%
- NIM = 3.58%
- Efficiency Ratio = 50%

Income Statement

- Q2 Net Income = \$13.1 million; Diluted EPS = \$1.42
- \$363 thousand provision for credit losses
- Cost of average deposits = 1.16%

Balance Sheet Growth QTR/QTR

- Core Loan Growth \$63 million or 2%
- Total Deposits increased \$114 million or 3%; average deposits grew \$50 million
- Non-interest bearing demand deposits represent 46% of total deposits
- No borrowings during the 2nd quarter
- Loans-to-Deposits = 75%

Asset Quality

- Q2 Net Charge-offs/(Recoveries) = \$0
- NPA/TA = 0.27% (NPA = \$11.5 million)
- Classified Loans = \$29 million or 0.99% of total loans
- Allowance for Credit Losses = \$32 million or 1.10% of total loans

Capital

- CET1 Ratio = 11.92%
- Total Risk-Based Ratio = 12.80%
- Tangible Common Equity Ratio = 8.67%; w/out AOCI = 10.15%
- Cash dividend of \$0.25 per share totaling to \$2.3 million in Q2
- Stock repurchased 120,000 shares at a weighted average price of \$42.87 during Q2

1st Half of 2025 Financial Highlights

Profitability

- ROAE = 13.76%
- ROAA = 1.21%
- NIM = 3.52%
- Efficiency Ratio = 51%

Income Statement

- Six Months 2025 Net Income = \$25 million; Diluted EPS = \$2.69
- \$1.2 million provision for credit losses
- Cost of average deposits = 1.18%

Balance Sheet Growth YTD

- Core Loan Growth = \$144 million or 5%
- Total deposits increased \$228 million or 6%
- Loans-to-Deposits = 75%

Asset Quality

- 2025 Net Charge-offs/(Recoveries) = \$0
- NPA/TA = 0.27% (NPA = \$11.5 million)
- Classified Loans = \$29 million or 0.99% of total loans
- Non-performing Loans / Total loans = 0.40%

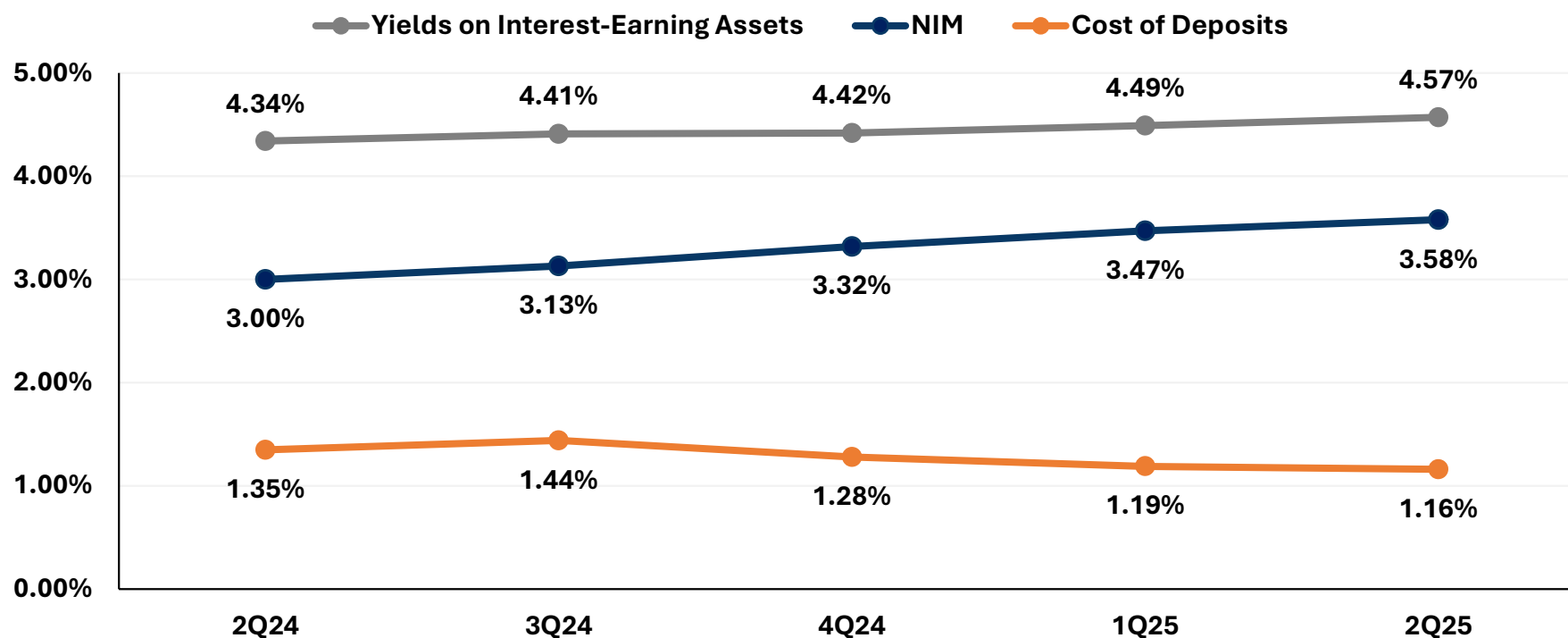
Capital

- CET1 Ratio = 11.92%
- Total Risk-Based Ratio = 12.80%
- Tangible Common Equity Ratio = 8.67% w/out AOCI = 10.15%
- Assume HTM Sold, TCE = 7.09%
- Cash dividends of \$0.25 per share totaling to \$4.5 million year to date
- Stock repurchased 191,797 shares at a weighted average price of \$43.23

Earnings

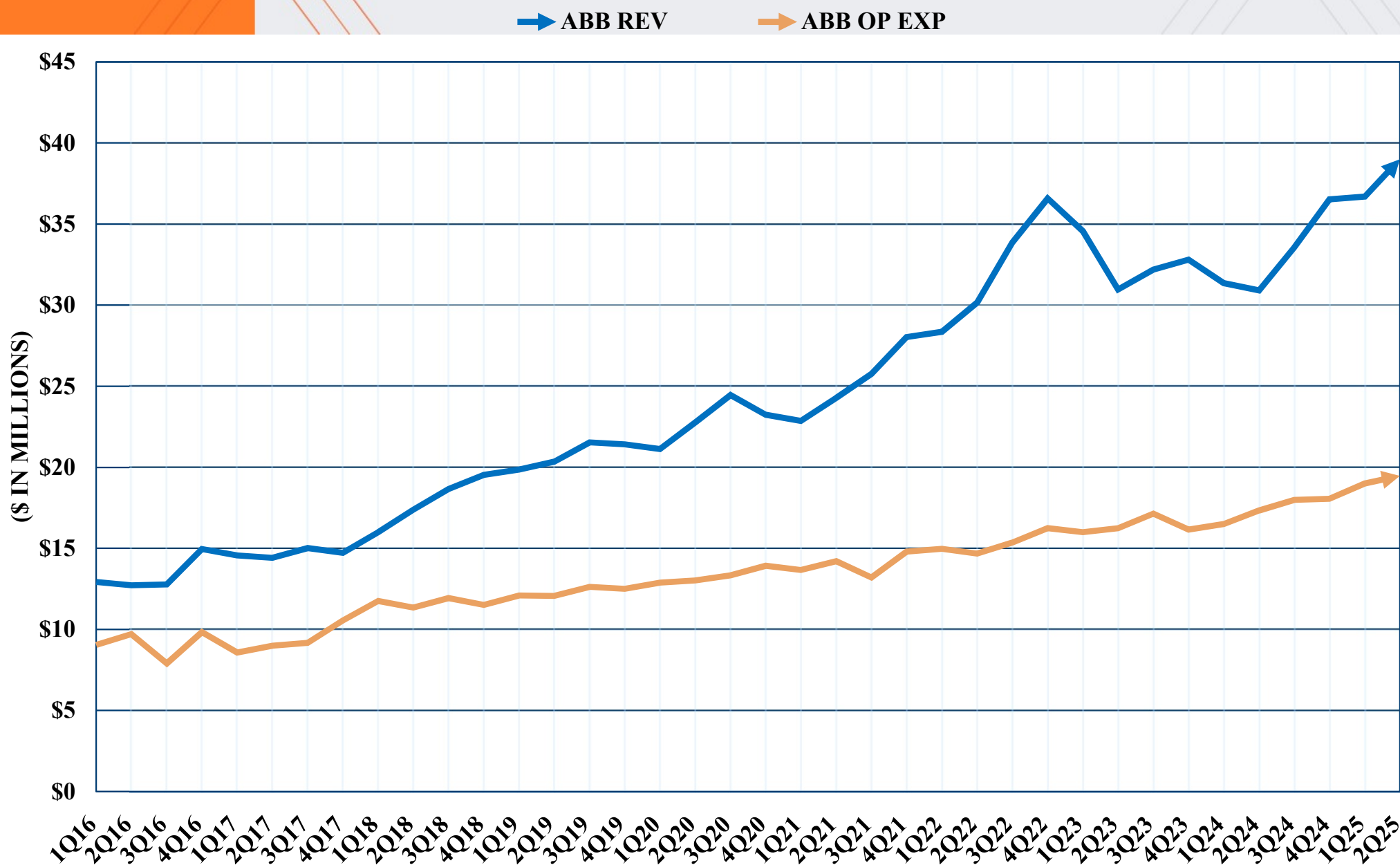
	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025
Interest Income	\$ 42,628	\$ 44,818	\$ 46,217	\$ 45,628	\$ 47,663
Interest Expense	13,588	13,451	12,074	10,865	10,884
Net Interest Income	29,040	31,367	34,143	34,763	36,779
Provision for Credit Losses	12	-	760	862	363
Net Interest Income After Provision for Credit Losses	29,028	31,367	33,383	33,901	36,416
Non-Interest Income	1,689	1,913	2,307	1,567	1,440
Non-Interest Expense	17,515	18,285	18,254	19,059	19,757
Earnings before Income Taxes	13,202	14,995	17,436	16,409	18,099
Income Tax Expense	3,703	4,215	4,935	4,522	4,943
Net Income	\$ 9,499	\$ 10,780	\$ 12,501	\$ 11,887	\$ 13,156
Diluted EPS	\$ 1.02	\$ 1.16	\$ 1.33	\$ 1.27	\$ 1.42
ROAA	0.97%	1.07%	1.21%	1.16%	1.26%
ROAE	11.93%	12.64%	14.03%	13.18%	14.34%

Net Interest Margin Analysis



Yield/Rate	2Q24	3Q24	4Q24	1Q25	2Q25
Investments	2.37%	2.34%	2.35%	2.34%	2.32%
Gross Loans	5.37%	5.44%	5.46%	5.50%	5.59%
Yields on Interest-Earning Assets	4.34%	4.41%	4.42%	4.49%	4.57%
Cost of Deposits	1.35%	1.44%	1.28%	1.19%	1.16%
Borrowings	5.45%	5.64%	4.77%	4.50%	4.59%
Total Deposits & Borrowings	1.53%	1.47%	1.28%	1.19%	1.16%
Net Interest Rate Spread	2.81%	2.94%	3.14%	3.30%	3.41%
Net Interest Margin	3.00%	3.13%	3.32%	3.47%	3.58%

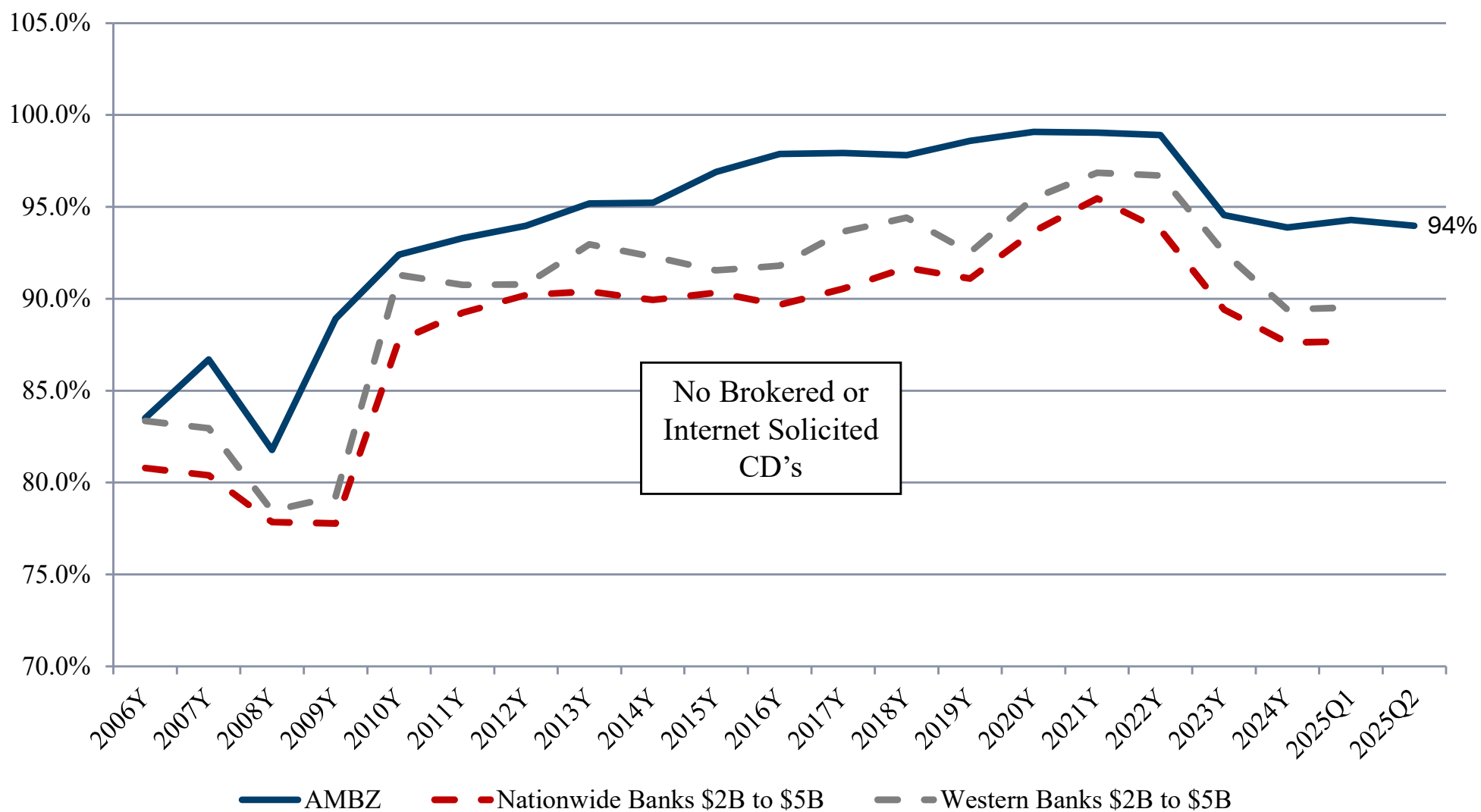
Operating Leverage Trend



1. Revenue = Net Interest Income + Non Interest Income. Excluding gains/losses on sale of securities and BOLI Income
2. Operating Expense excludes DCP ABB stocks investment results, DCP other funds investment results & legal settlement

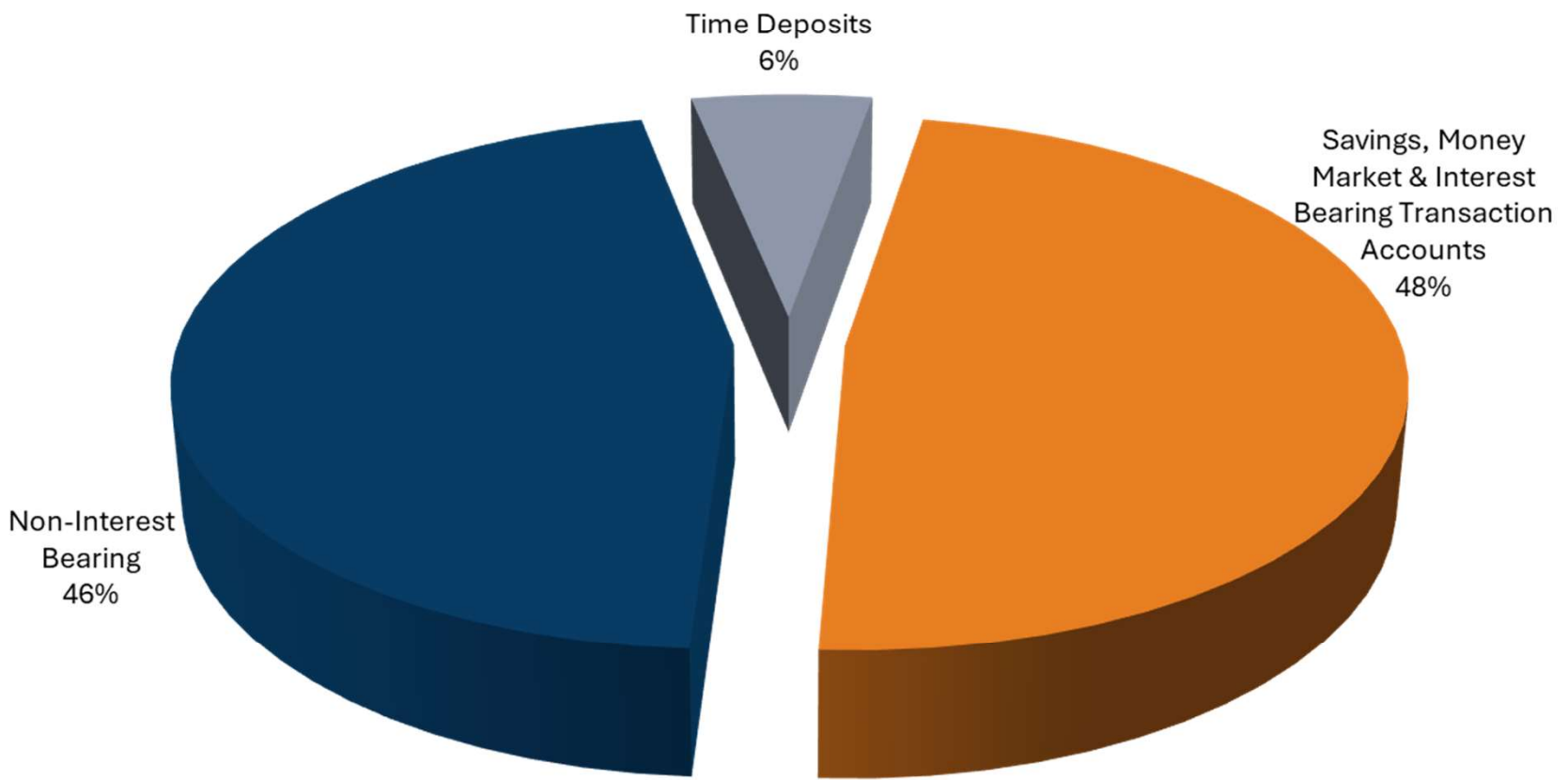
Peer Comparison – Fortress Balance Sheet

Core Deposits / Total Deposits



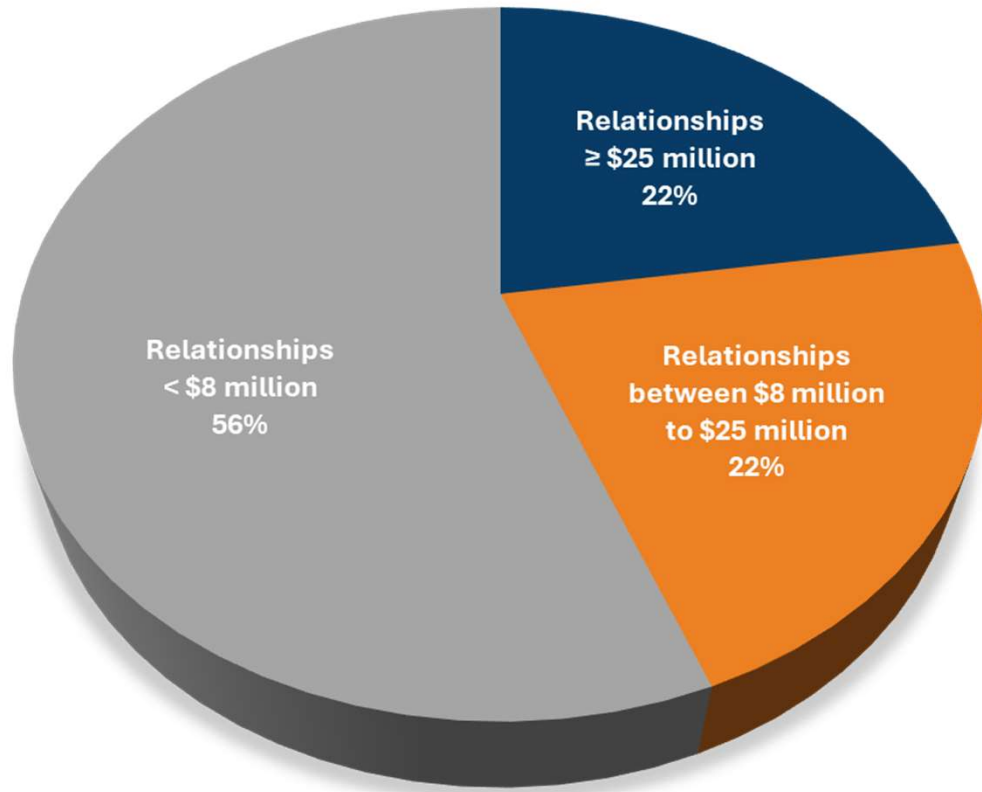
Business Model – Deposits

- For the quarter ended June 30, 2025, total cost of deposits was 1.16%; Prior Quarter 1.19%
- AMBZ provides a “high touch” strategy that focuses on capturing the deposit relationship first and foremost



Deposits Composition

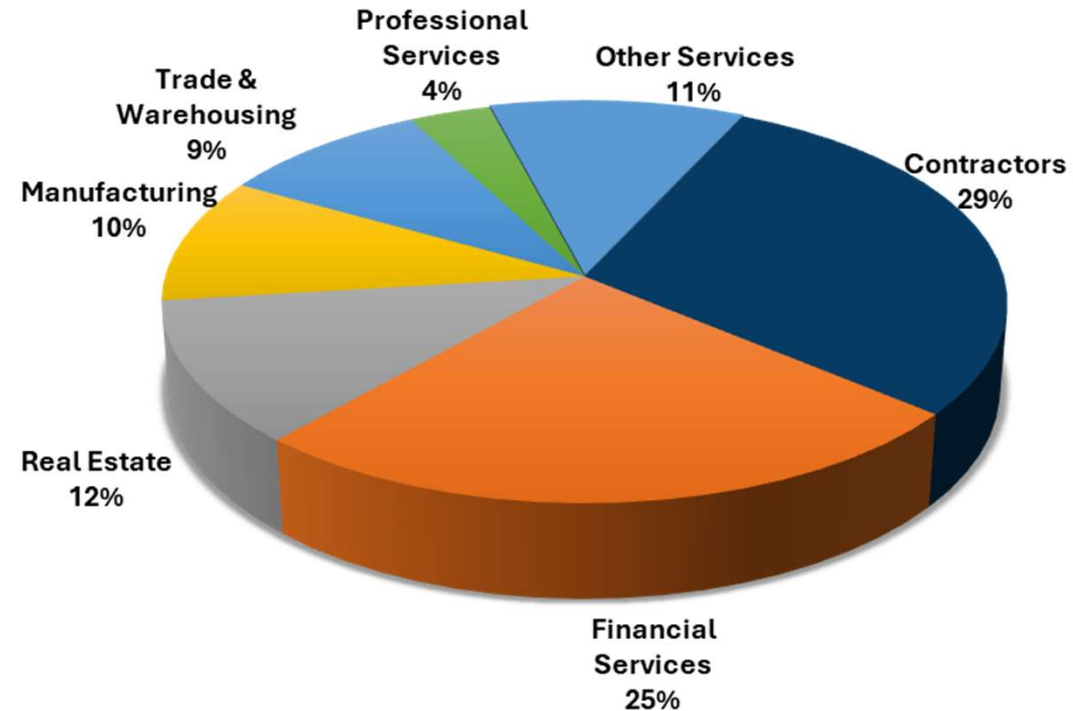
Deposits by Relationship Size



10 years

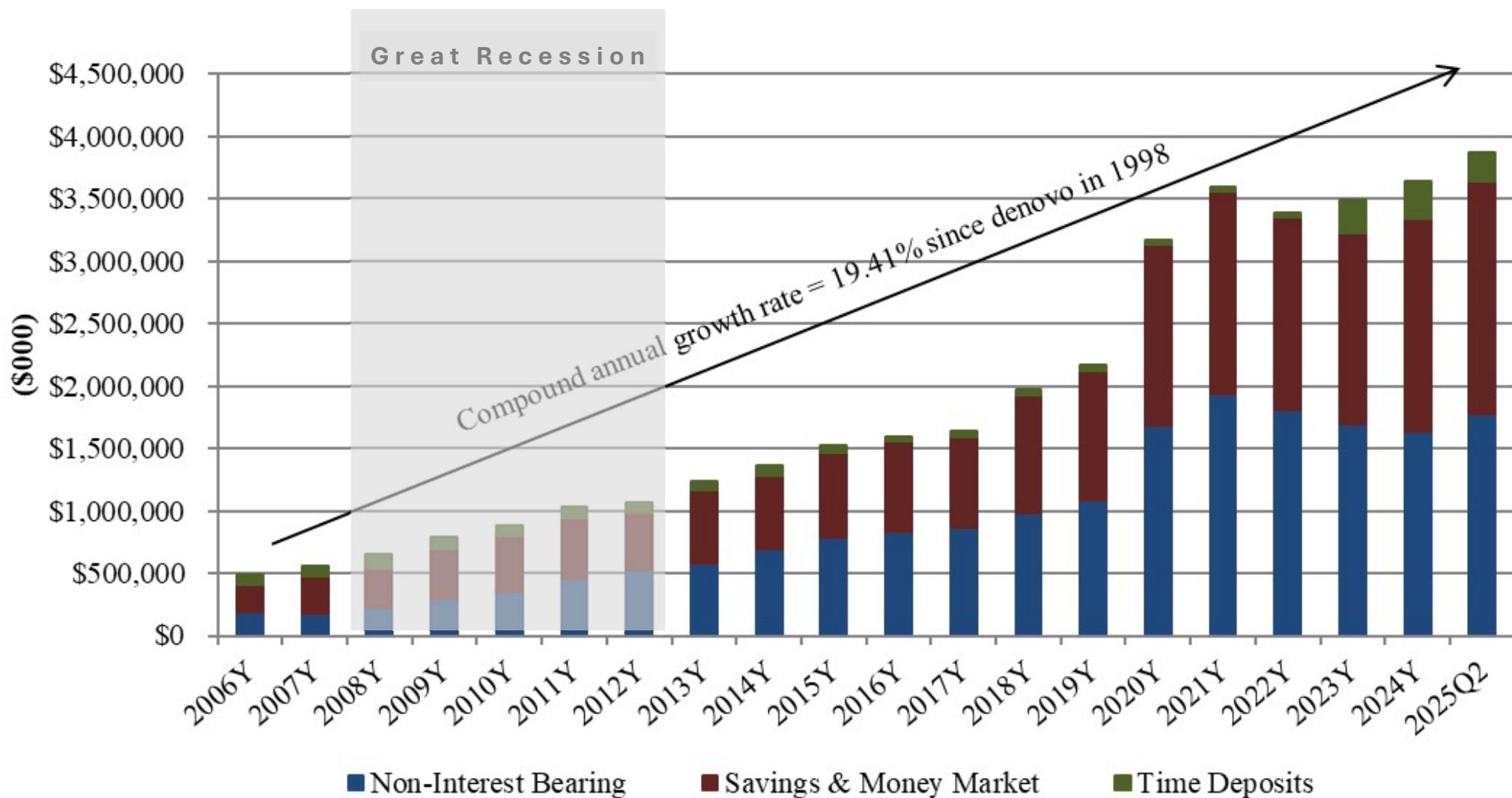
Average Age of Relationships > \$ 8 million

Deposits by Industry



**Average Size of Depositor
\$302,000**

Balance Sheet History – Deposits

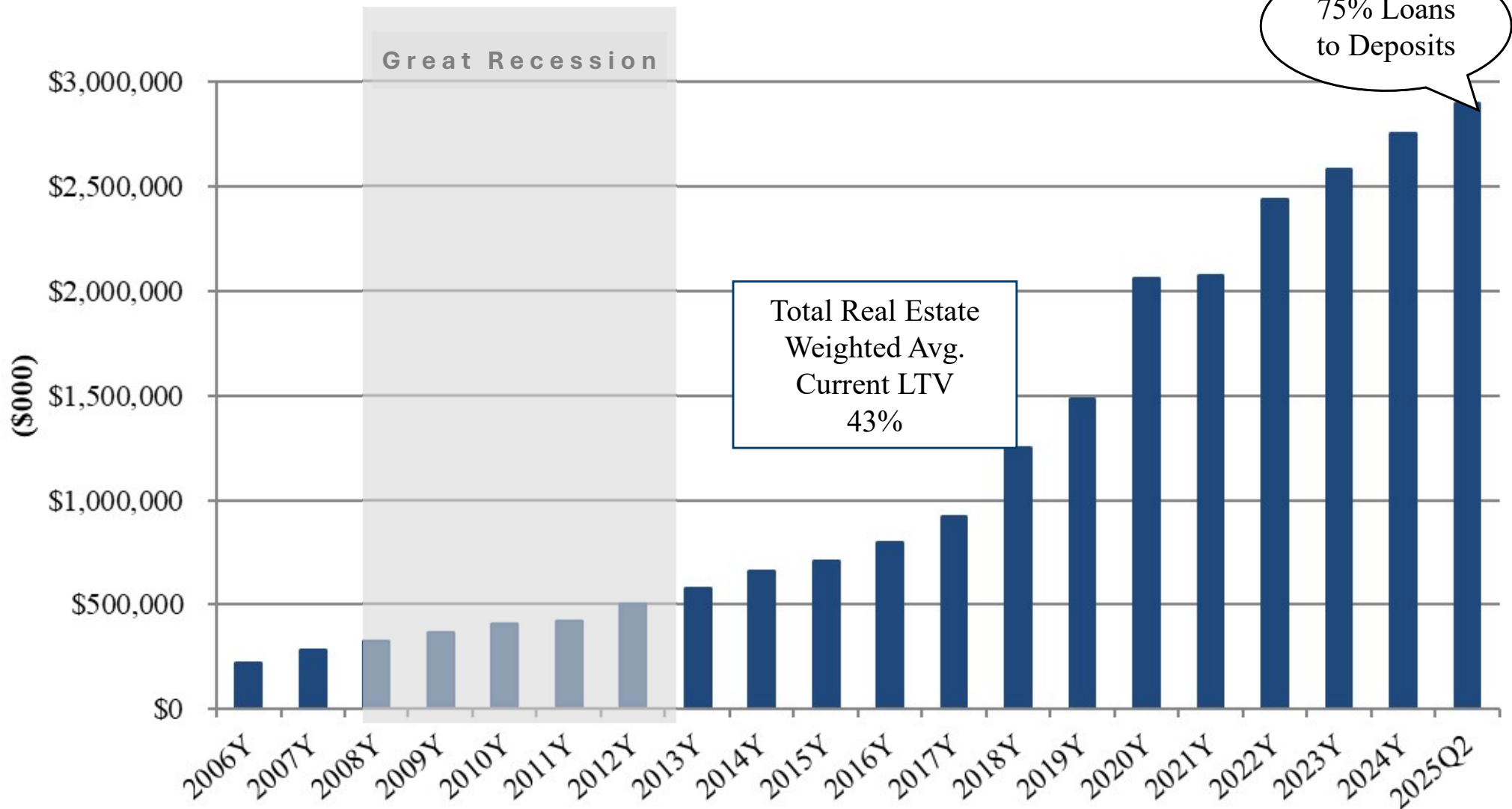


Business Model – Assets

- Grow low-cost core deposit base to fund loan growth with excess funds invested in high-quality investments
- AMBZ underwrites its loan portfolio based upon the cash flow of the underlying business. Asset values are primarily viewed as a secondary source of repayment
- AMBZ's target market of closely-held businesses with strong operating histories has allowed the company to record nominal non-performing loans over its history
- Due to the cash-rich nature of AMBZ's customers and growth in core, the loan-to-deposit ratio is at 75%

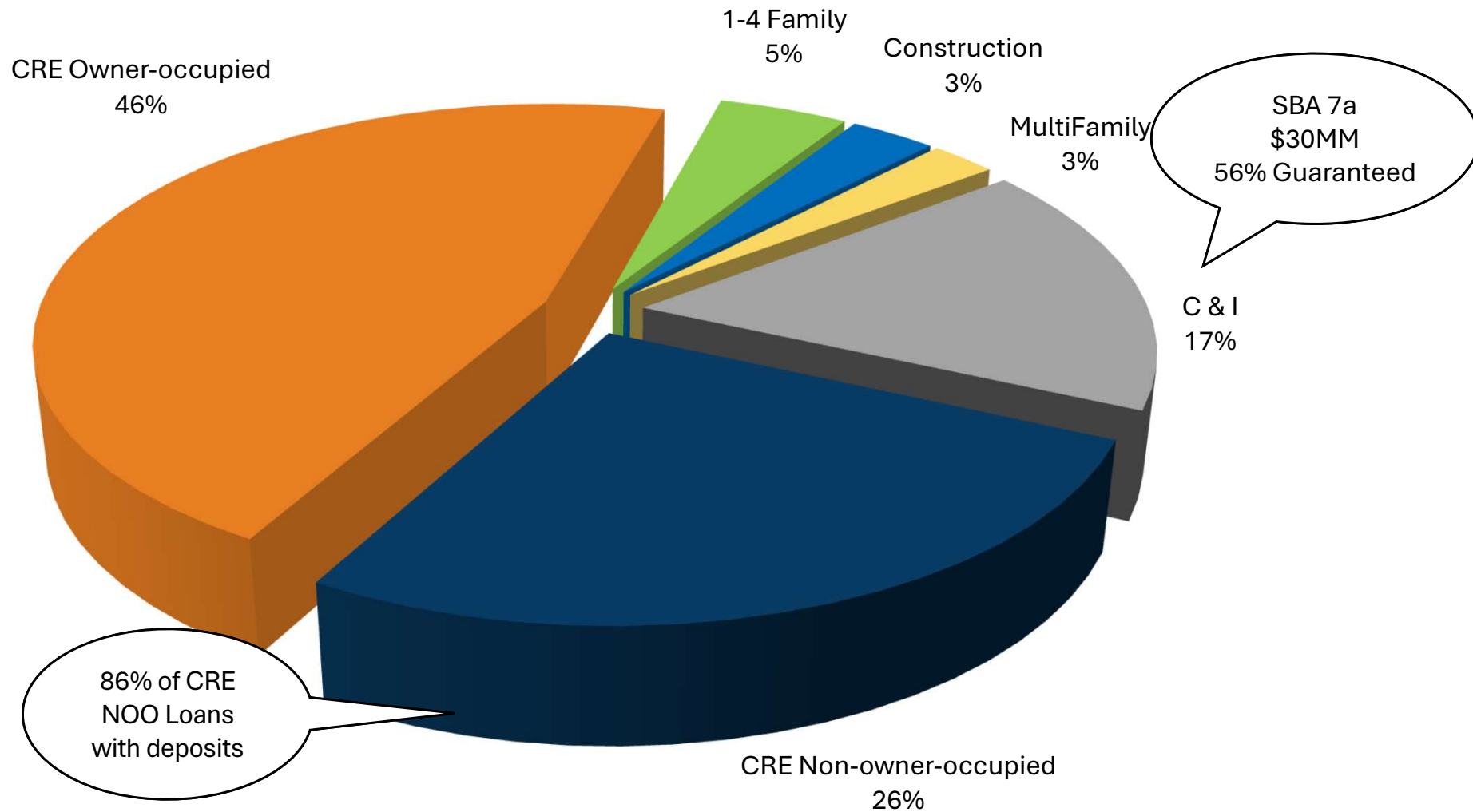
Balance Sheet History – Loans

- Largest Outstanding Loan Relationship \$46 million



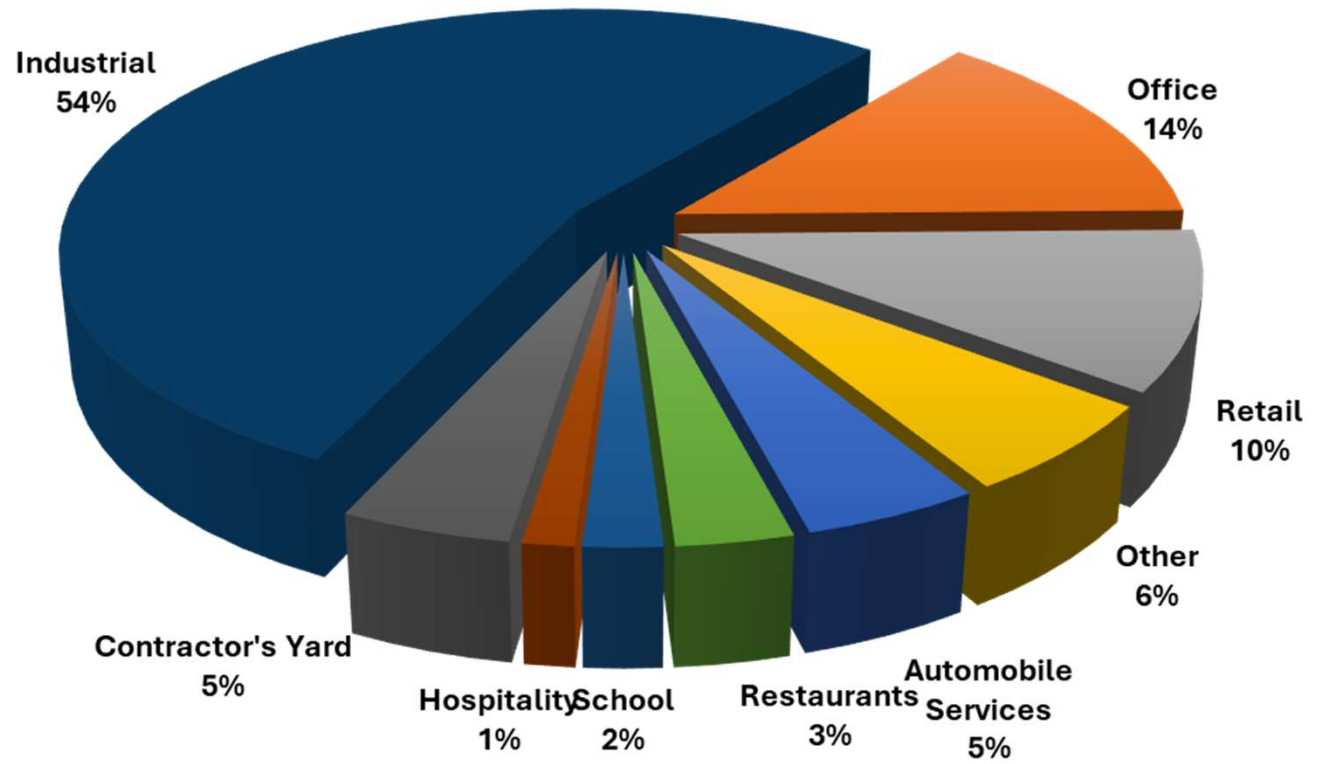
Business Model – Loans

- C&I Loans and Owner Occupied – CRE Loans Total 63%



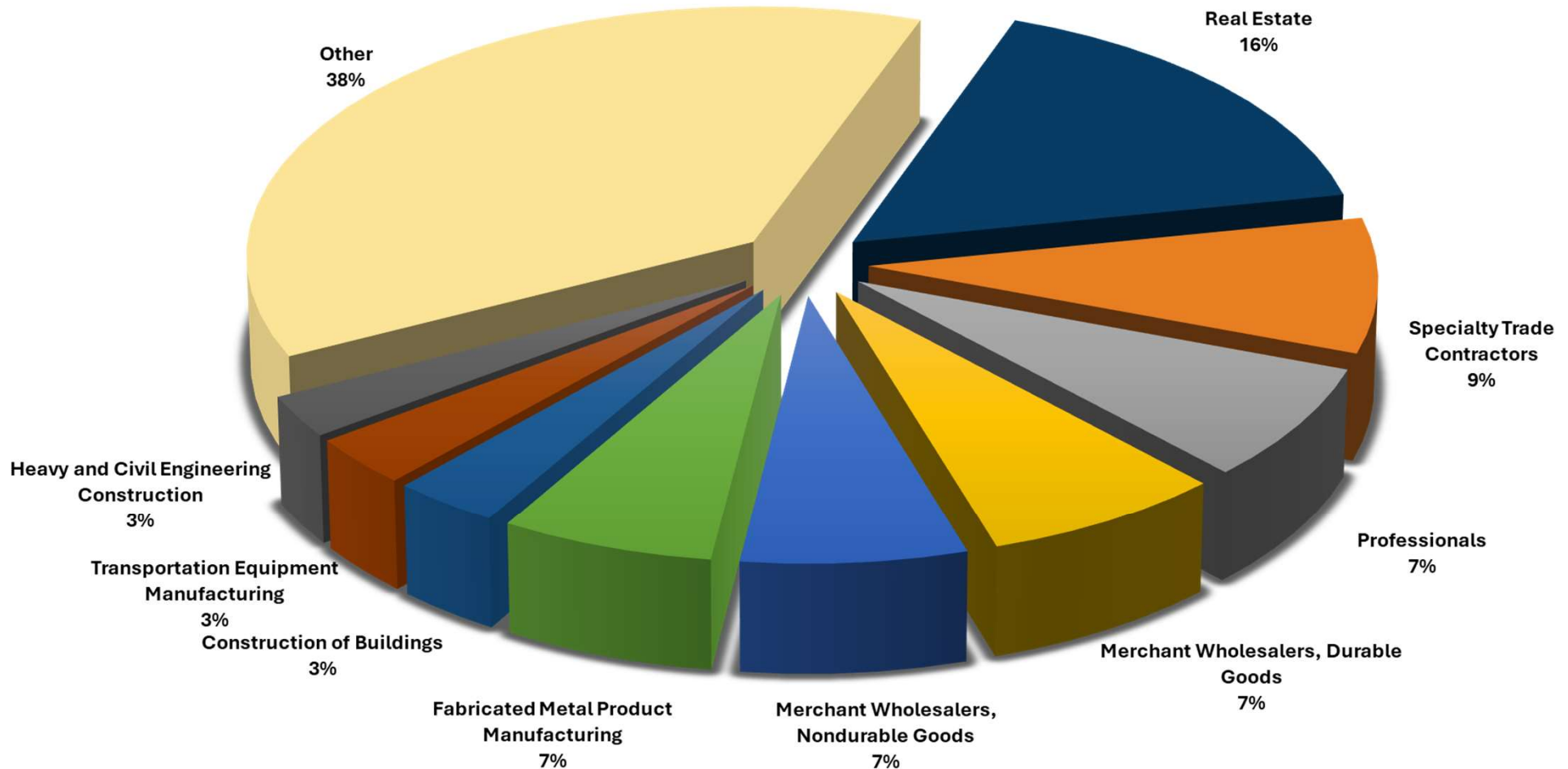
CRE Loans by Collateral

- Total CRE Loan \$2.1B
- Regulatory Supervisory Monitoring CRE as % of Total Capital 200%
- CRE Loan to Total Loans 72% (Non-Owner Occupied 26%, Owner Occupied 46%)
- NOO as 36% of CRE
- OO as 64% of CRE
- 88% in CA
- January 2025 Wildfire: One Commercial building impacted with adequate insurance



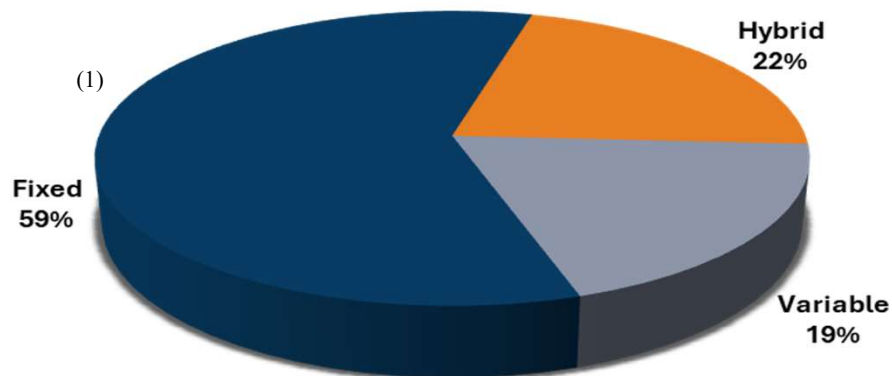
C&I and Owner Occupied CRE Industries

- Similar to our Greater LA Economy Excluding Entertainment and Tech



Interest Rate Components of the Loan Portfolio

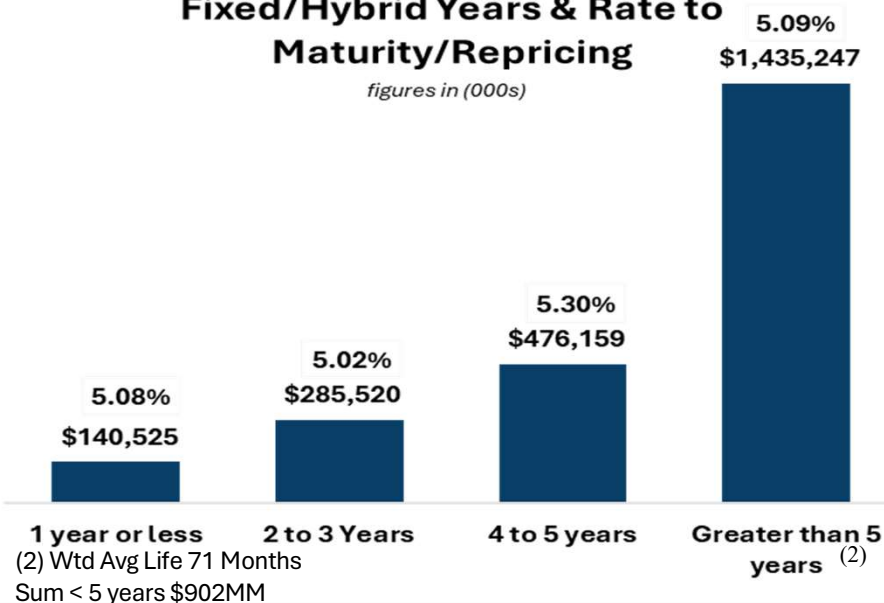
Loan Portfolio by Repricing type



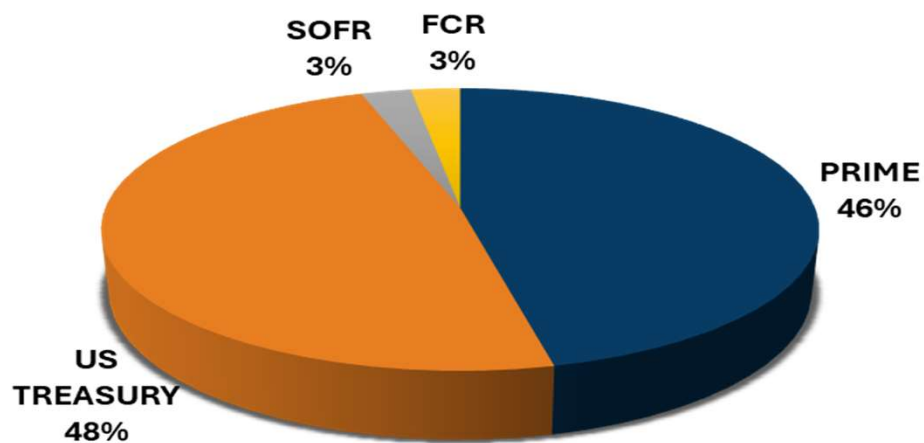
(1) Wtd Avg Life 64 Months; \$239 million maturing in the next 2 years

Fixed/Hybrid Years & Rate to Maturity/Repricing

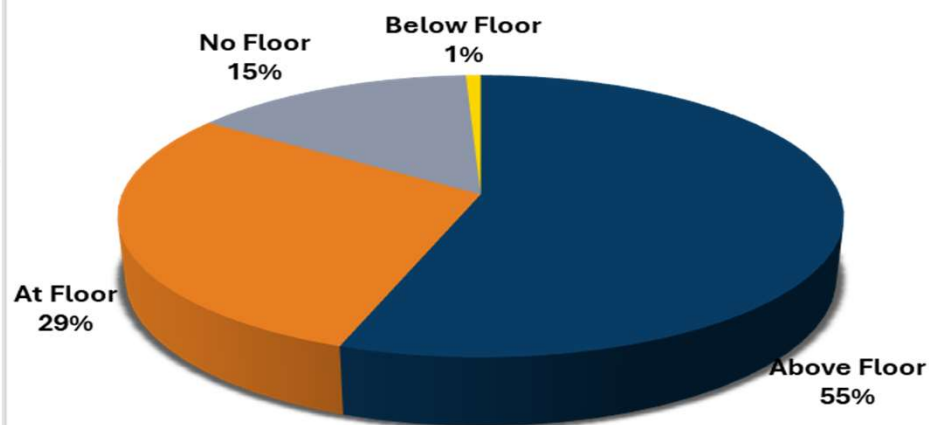
figures in (000s)



Hybrid/Variable Rate - Index Type Mix

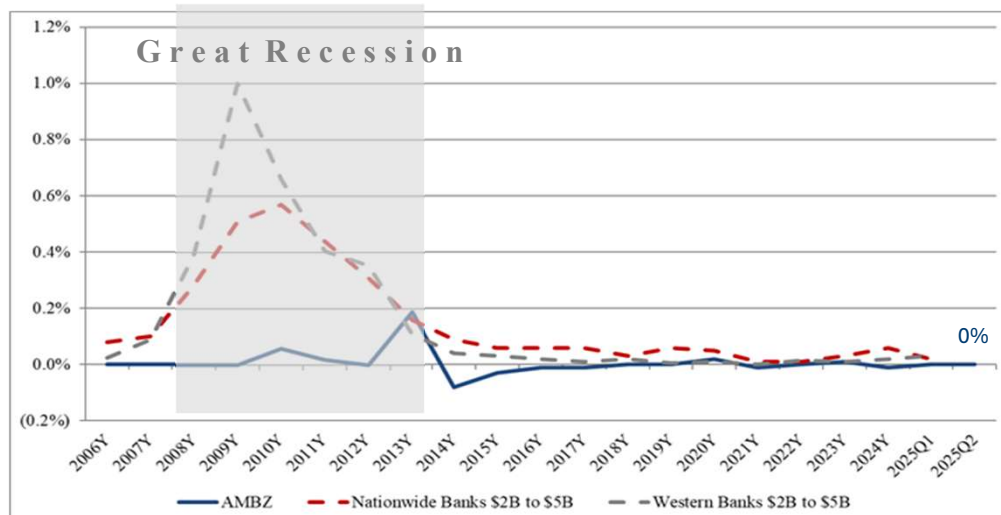


Floor Analysis - Variable Rate Loans

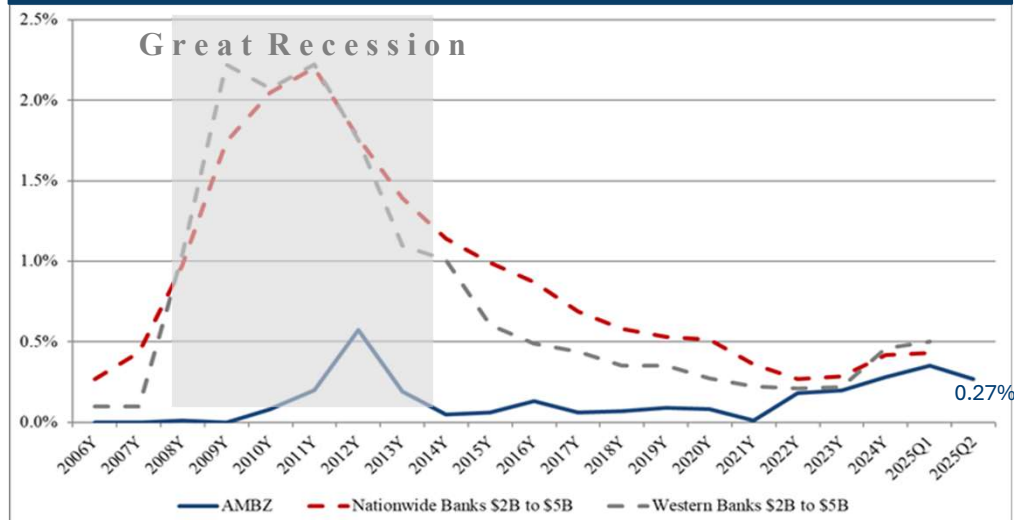


Asset Quality Trends

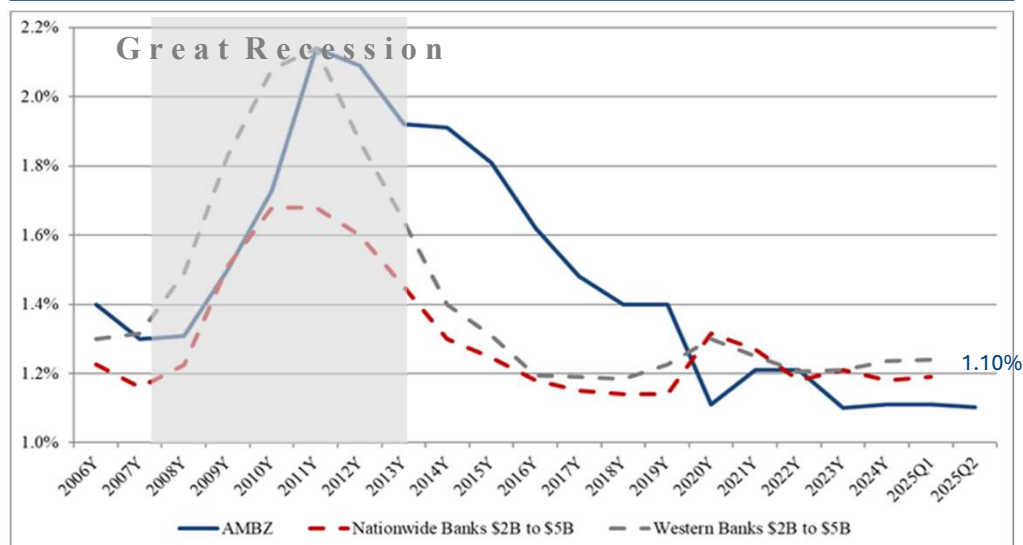
Net Charge-Offs / Average Loans



Non-Performing Assets (NPA) / Total Assets



Reserves / Gross Loans



Highlights

- 11 Non-accrual relationships total \$11.6 MM; Total individually evaluated reserve of \$461M; well positioned with collateral and SBA enhancements
- 26-year net charge-off history \$650M
- Total Allowance for Loan Losses \$31.9 MM
- ACL Ratio 1.10%

Industries of Concern

Loan Type	Offices	Avg Loan Size	% of Total Loan Portfolio	% of CRE Portfolio	Wtd Avg Current LTV	Wtd Avg Current DSCR
Owner Occupied (OORE)	\$185 MM	\$1.6 MM	6%	9%	48%	1.28
Non-Owner Occupied (NOORE)	\$ 101 MM	\$1.6 MM	3%	5%	37%	2.03

Offices

- Three Stories or Under; Located in Suburban markets, except for (1)

Two Largest Offices out of 180 loans

- \$16 MM loan, LTV 63%, DSCR 1.25, OORE, creative office with six contiguous parcels in Los Angeles Arts District (1)
- \$10 MM loan, LTV 35%, DSCR 2.22, OORE, creative one-story office in South Bay

Retail

- OORE \$26MM, NOORE \$191MM, Avg Loan Size \$2.7MM, 7% of loan portfolio, LTV 44%, DSCR 1.64

Two Largest Retail out of 79 loans

- \$12 MM loan, LTV 55%, DSCR 1.43, NOORE, department store in South Bay
- \$11 MM loan, LTV 33%, DSCR 2.00, NOORE, six-building community shopping center in Imperial County

Liquidity

Loan to Deposit Ratio: 75%

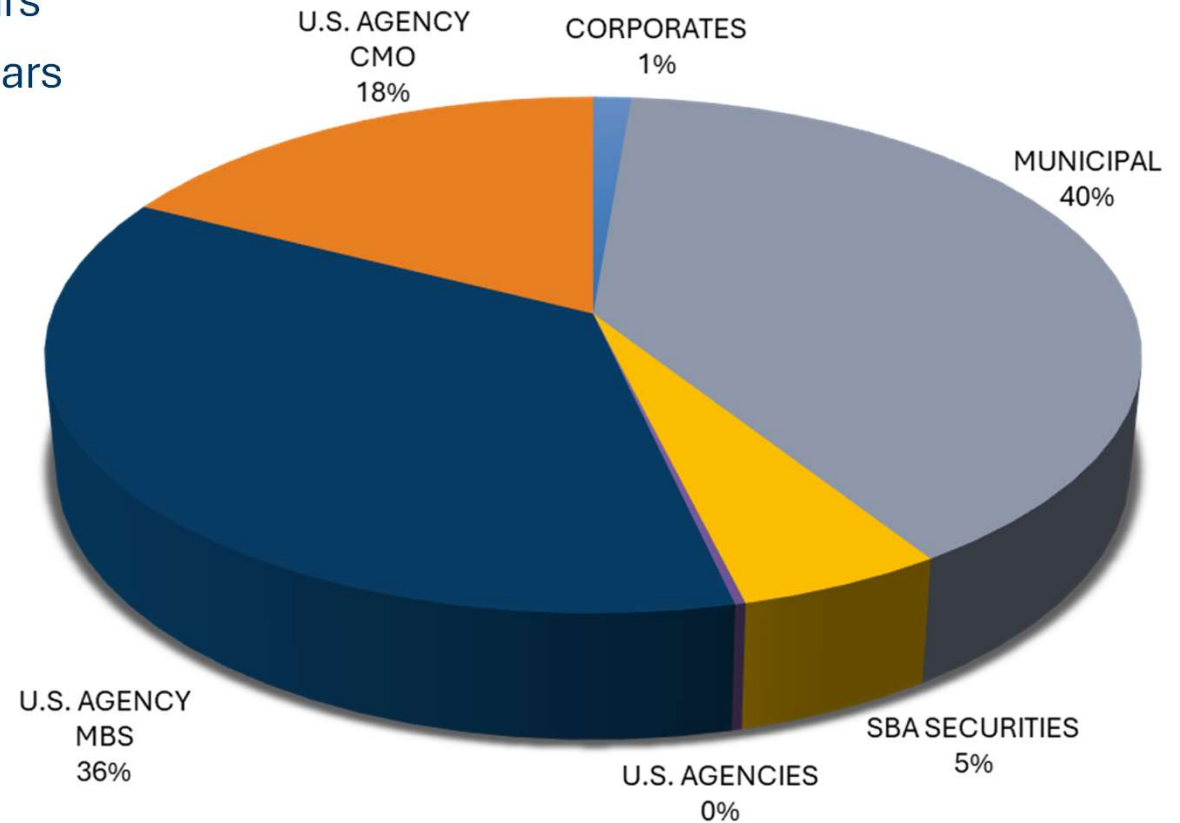
The Bank has no borrowings as of 06/30/25

Total available primary and secondary liquidity sources of \$1.6 billion

(\$ in thousands)		Current Availability	Utilization	Capacity
Primary Liquidity				
Cash and Cash Equivalent		\$ 250,571		
Secondary Liquidity				
FHLB		856,810	-	856,810
FRB (Discount Window)		752,083	-	752,083
Total Secondary Liquidity		\$ 1,608,894	\$ -	\$ 1,608,894
Total Primary & Secondary Liquidity		\$ 1,859,465		

Business Model – High Quality Investments

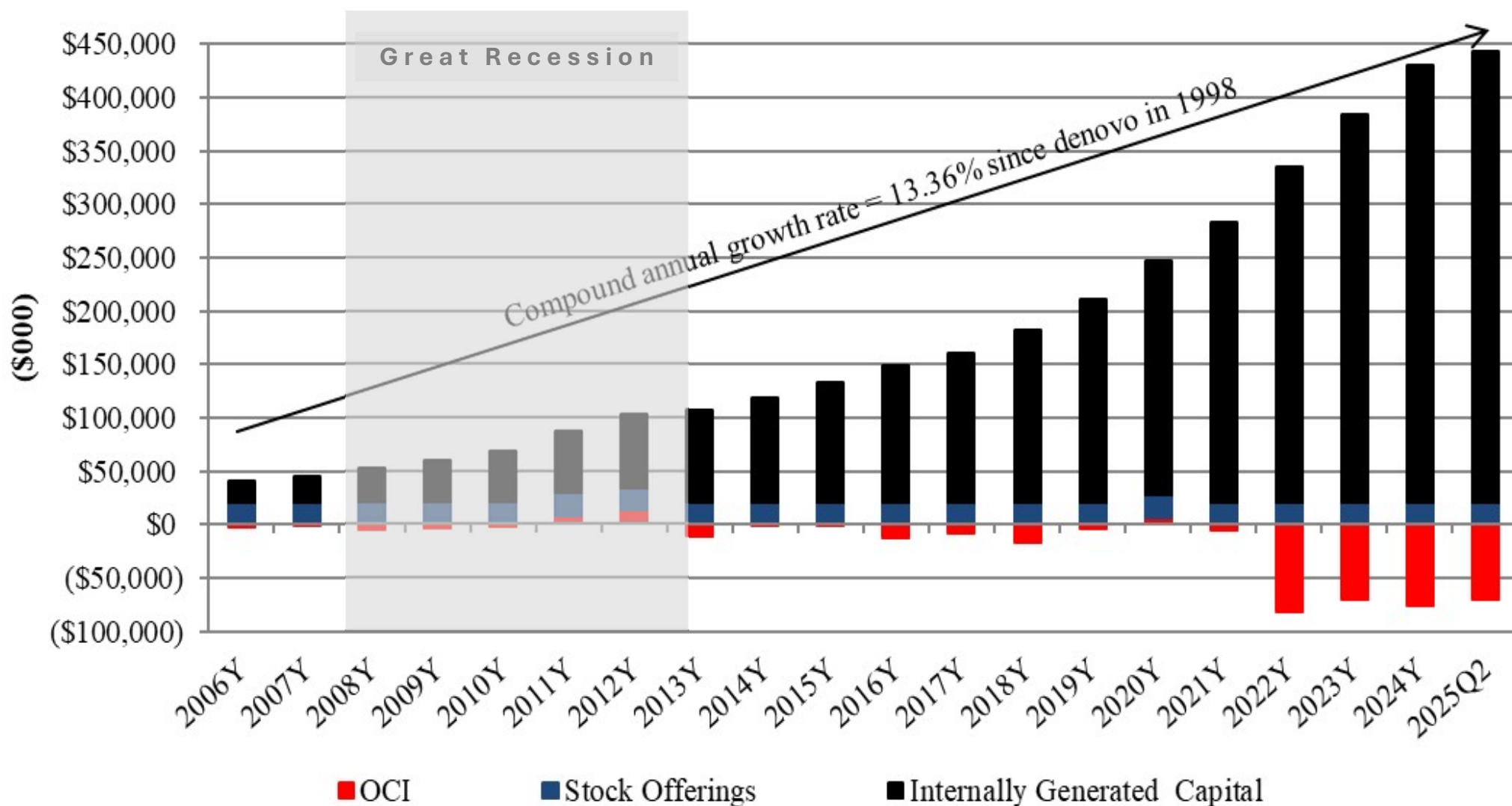
- The Bank has no non-agency mortgage-backed securities in its portfolio
- All Munis rated A or better. Only 8 Corporate Notes totaling \$14.8MM
- Municipal securities is comprised of 44 states with largest located in CA (16%), TX (13%), and NY (6%)
- Investments are 27% of Total Assets
- AFS Duration 6.1 years ; PY 5.8 years
- HTM Duration 8.2 years ; PY: 7.3 years
- 88% fixed rate



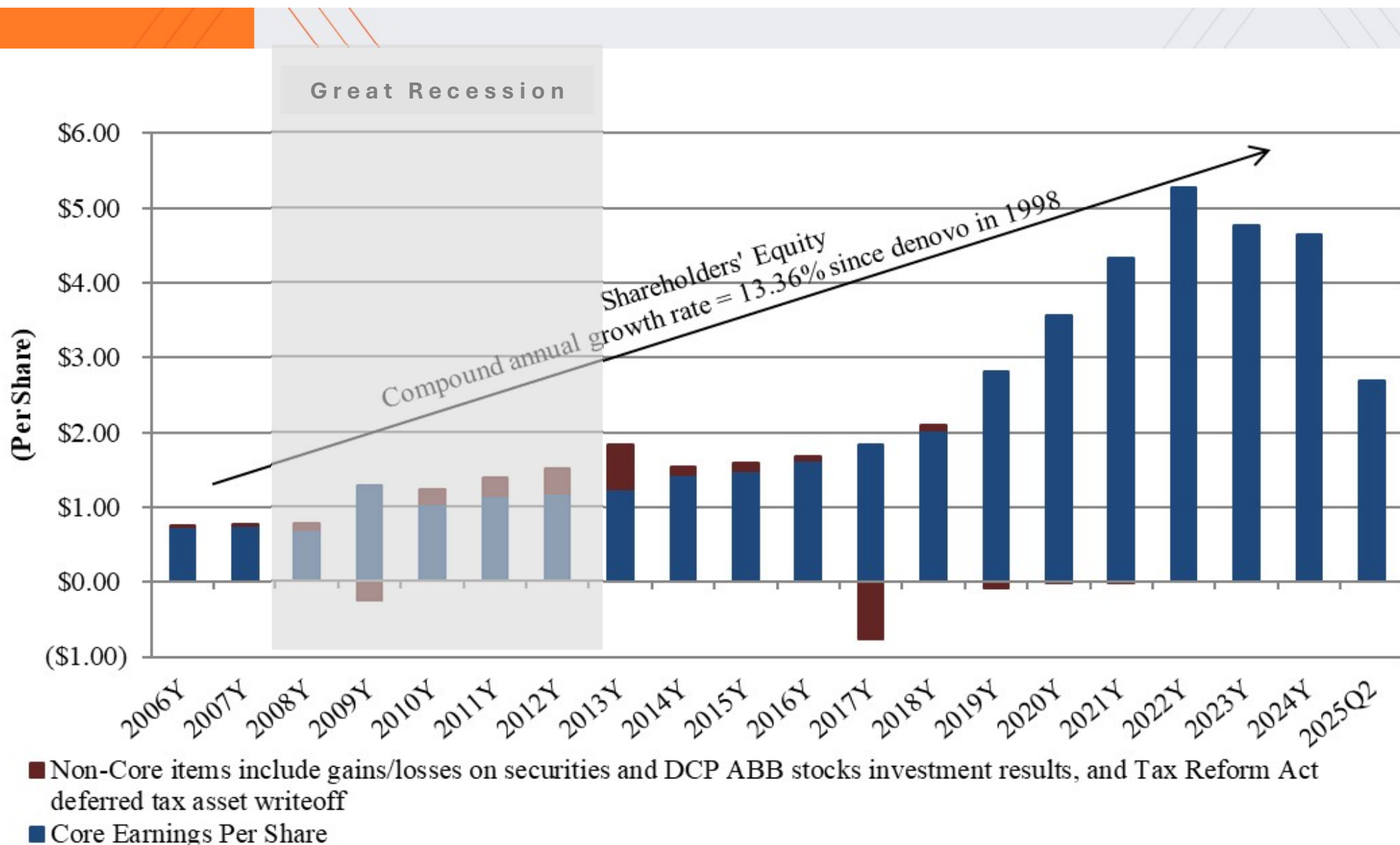
Capitalization

- The initial capital raise of \$14.3 million was completed in 1998 by selling shares primarily to our founders, our core customer base
- A follow-on offering of \$7 million was completed in 2002 by selling shares to existing shareholders
- Quarterly cash dividend of \$0.25 commenced March 2025
- Tangible book value per share has grown from \$3.27¹ at inception to \$41.55¹ at June 30, 2025 recording a 9.97% compound annual growth rate
- Stock repurchase program: 227,541 shares expiring January 7, 2026; Remaining 35,744 shares

Balance Sheet History – Shareholder's Equity



Profitability History – Core Earnings



* Adjusted for 10% stock dividend