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2Q QUARTER REPORT **2020**

The bottom half of the image features an abstract, dark blue background composed of various geometric shapes, including triangles and polygons, creating a sense of depth and movement.

BALANCE SHEETS

Unaudited - 000s omitted

June 30,	2020	2019
ASSETS		
Cash & cash equivalents	\$300,842	\$ 76,918
Investment securities	812,995	758,812
Loans receivable	2,131,258	1,324,842
Allowance for loan losses	(22,399)	(18,548)
Loans receivable, net	<u>2,108,859</u>	<u>1,306,294</u>
Furniture, equipment & leasehold improvements, net	8,520	6,453
Bank/Corp owned life insurance	26,651	25,975
Other assets	37,396	47,030
TOTAL ASSETS	<u>\$3,295,263</u>	<u>\$ 2,221,482</u>
LIABILITIES		
Deposits:		
Non-interest bearing demand deposits	\$ 1,684,662	\$ 988,259
Interest bearing transaction accounts	204,133	202,465
Money market & savings deposits	1,100,191	749,979
Certificates of deposits	35,713	59,524
Total Deposits	<u>3,024,699</u>	<u>2,000,227</u>
FHLB Advances/Other borrowings	-	-
Other liabilities	43,206	29,190
TOTAL LIABILITIES	<u>\$ 3,067,905</u>	<u>\$ 2,029,417</u>
SHAREHOLDERS' EQUITY		
Common stock & retained earnings	\$ 223,391	\$ 197,967
Accumulated other comprehensive income/(loss)	3,967	(5,902)
TOTAL SHAREHOLDERS' EQUITY	<u>\$ 227,358</u>	<u>\$ 192,065</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>\$3,295,263</u>	<u>\$ 2,221,482</u>
Standby Letters of Credit	\$ 37,259	\$ 40,346

INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

Six months ended June 30,	2020	2019
INTEREST INCOME		
Loans	\$ 36,464	\$ 30,922
Investments	6,997	8,419
Interest earning deposits in other financial institutions	147	766
TOTAL INTEREST INCOME	<u>43,608</u>	<u>40,107</u>
INTEREST EXPENSE		
Interest bearing transaction accounts	141	210
Money market & savings deposits	1,505	1,763
Certificates of deposits	69	221
FHLB Advances/Other borrowings	131	14
TOTAL INTEREST EXPENSE	<u>1,846</u>	<u>2,208</u>
NET INTEREST INCOME	<u>41,762</u>	<u>37,899</u>
Provision for loan losses	<u>2,114</u>	<u>1,018</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>39,648</u>	<u>36,881</u>
TOTAL NONINTEREST INCOME	<u>2,208</u>	<u>2,813</u>
TOTAL NONINTEREST EXPENSE	<u>25,972</u>	<u>25,318</u>
EARNINGS BEFORE INCOME TAXES	<u>15,884</u>	<u>14,376</u>
Income tax expense	4,310	3,706
NET INCOME	<u>\$ 11,574</u>	<u>\$ 10,670</u>
Earnings per share - basic	\$ 1.44	\$ 1.35
Earnings per share - diluted	\$ 1.43	\$ 1.32
Weighted average shares - basic	8,041,189	7,923,375
Weighted average shares - diluted	8,109,855	8,068,298

SHAREHOLDERS & CLIENTS,

As the world and American Business Bank settle into our new normal, we must recognize the many positives that have risen above the current challenges causing us to find meaningful ways to serve those who count on us. Such is the advantage of our close one-to-one relationships with our employees, customers, and shareholders, facilitated by our nimble, entrepreneurial business model.



Despite the fact that in the months since the COVID-19 crisis began, the U.S. economy has become increasingly strained resulting in a situation potentially more complicated than the Great Recession, the American spirit continues to prevail. Likewise, our team of employees, the majority of whom are safe at home, eagerly await opportunities to attend to our continuously growing and fiercely loyal customer base.

Against this unprecedented backdrop, ABB achieved record operating performance in the second quarter, with total assets up \$893 million, or 37% from year-end December 31, 2019, largely due to the PPP originations made to support our customers during the recent quarter. The Bank reported record second quarter and year-to-date net income of \$6.7 million and \$11.6 million, respectively. The Bank remains well capitalized by regulatory standards, and our levels of liquidity continue to be substantial.

While we cannot predict exactly how the rest of the year will unfold, with the entrepreneurial spirit that drives us, we are taking the actions we need to take to control what we can. With the business model and customer philosophy that has served us well for 22 years, we are executing our plans and managing our business with the sole pursuit of forming solid relationships with our customers that will stand the test of time, even and especially during pandemics! We are honored to offer you educated, time tested advice with the belief that this steadfastness will see us all through, day-by-day, one month at a time.

Wishing 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