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# 3Q QUARTER REPORT **2020**

## BALANCE SHEETS

Unaudited - 000s omitted

	September 30,	2020	2019
<b>ASSETS</b>			
Cash & cash equivalents		\$ 134,446	\$ 114,288
Investment securities		959,649	733,858
Loans receivable		2,175,995	1,429,615
Allowance for loan losses		(22,910)	(20,014)
Loans receivable, net		<u>2,153,085</u>	<u>1,409,601</u>
Furniture, equipment & leasehold improvements, net		8,145	8,700
Bank/Corp owned life insurance		27,013	26,110
Other assets		39,041	39,087
<b>TOTAL ASSETS</b>		<b><u>\$3,321,379</u></b>	<b><u>\$ 2,331,644</u></b>
<b>LIABILITIES</b>			
Deposits:			
Non-interest bearing demand deposits	\$ 1,658,673	\$ 1,084,152	
Interest bearing transaction accounts		228,585	221,196
Money market & savings deposits		1,124,329	751,415
Certificates of deposits		36,981	42,555
Total Deposits		<u>3,048,568</u>	<u>2,099,318</u>
FHLB Advances/Other borrowings		-	-
Other liabilities		36,822	31,258
<b>TOTAL LIABILITIES</b>		<b><u>\$3,085,390</u></b>	<b><u>\$ 2,130,576</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock & Retained earnings	\$ 232,022	\$ 204,259	
Accumulated other comprehensive income/(loss)		3,967	(3,191)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 235,989</b>	<b><u>\$ 201,068</u></b>	
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<b><u>\$3,321,379</u></b>	<b><u>\$ 2,331,644</u></b>
Standby Letters of Credit	\$ 35,131	\$ 39,722	

## INCOME STATEMENTS

Unaudited - 000s omitted except share and per share amounts

	Nine months ended September 30,	2020	2019
<b>INTEREST INCOME</b>			
Loans	\$ 56,257	\$ 47,813	
Investments	11,045	12,678	
Interest earning deposits in other financial institutions	217	1,098	
<b>TOTAL INTEREST INCOME</b>	<u>67,519</u>	<u>61,589</u>	
<b>INTEREST EXPENSE</b>			
Interest bearing transaction accounts	182	363	
Money market & savings deposits	2,004	2,804	
Certificates of deposits	90	293	
FHLB Advances/Other borrowings	131	15	
<b>TOTAL INTEREST EXPENSE</b>	<u>2,407</u>	<u>3,475</u>	
<b>NET INTEREST INCOME</b>	65,112	58,114	
Provision for loan losses	<u>2,564</u>	<u>2,478</u>	
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	62,548	55,636	
<b>TOTAL NONINTEREST INCOME</b>	3,642	4,147	
<b>TOTAL NONINTEREST EXPENSE</b>	39,608	38,027	
<b>EARNINGS BEFORE INCOME TAXES</b>			
Income tax expense	26,582	21,756	
	7,134	5,668	
<b>NET INCOME</b>	<b><u>\$ 19,448</u></b>	<b><u>\$ 16,088</u></b>	
Earnings per share - basic	\$ 2.42	\$ 2.02	
Earnings per share - diluted	\$ 2.40	\$ 1.99	
Weighted average shares - basic	8,050,992	7,948,632	
Weighted average shares - diluted	8,109,732	8,078,529	

## SHAREHOLDERS & CLIENTS,

2020 is proving to be a defining year for the world, our economy, our country, and our company. Despite the ongoing uncertainty posed by the continuing pandemic, be assured our team starts and ends each day determined to manage through the challenges. Readjusting is often necessary, as one would suspect, with the sole goal of not missing a step for our clients who count on us to be resilient.



Despite considerable headwinds, ABB achieved record operating performance in the third quarter, with record net income of \$7.9 million compared to \$5.4 million for the same period in 2019, primarily due to the Bank's strong participation in the SBA PPP Loan Program. Total loans, excluding PPP loans, increased \$58 million or 4% from a year ago, and total deposits, excluding estimated deposits related to PPP loans, increased \$261 million or 12% from a year ago. From December 31, 2019 to September 30, 2020, total assets increased \$919 million, or 38%, to \$3.3 billion, with 75% of the increase attributable to PPP loan originations. As of September 30th, we continued to exceed the highest levels of regulatory requirements for well-capitalized institutions.

Our unique culture – the ABB way – is a competitive advantage that will continue to empower us to deliver on critical promises made to customers, employees, and shareholders. Throughout our company we have team members who do more than what is expected of them, every day in every way. The resilience and strength of our long-held strategies to build trusted relationships with our valued clients, provide unparalleled customer service, and take care of our own will continue to provide the roadmap for our future decisions and actions.

On behalf of our entire team, I thank you for your continued trust and confidence in American Business Bank.

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