AMERICAN BUSINESS BANK

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS

APRIL 8, 2019

INTRODUCTION

This proxy statement is furnished in connection with the solicitation of proxies for use at the 2018 Annual Meeting of Shareholders of American Business Bank (the "Bank") to be held in Bernard's at the Millennium Biltmore Hotel located at 506 S. Grand Avenue, Los Angeles, California, at 10:00 a.m., on Tuesday, May 21, 2019, and at any and all adjournments thereof. The stock symbol for American Business Bank is AMBZ, and its CUSIP# is 02475L105.

It is expected that this proxy statement and the accompanying notice and form of proxy will be mailed to shareholders eligible to receive notice of and vote at the annual meeting on or about April 8, 2019.

General Information

Voting By Proxy. Whether or not you plan to attend the annual meeting, you may submit a proxy to vote your shares via Internet, telephone or mail as more fully described below:

- By Internet: Go to **www.envisionreports.com/AMBZ** and follow the instructions. You will need information from your proxy card or electronic delivery notice to submit your proxy.

- By Telephone: Call **1-800-652-VOTE (8683)** and follow the voice prompts. You will need information from your proxy card or electronic delivery notice to submit your proxy.

- By Mail: Mark your vote, sign your name exactly as it appears on your proxy card, date your proxy card and return it in the envelope provided.

If a bank, broker or other nominee holds your shares, you will receive voting instructions directly from the holder of record. All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via Internet or telephone. If you properly submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the board of directors' recommendations "FOR":

- Proposal 1: Election of ten (10) persons named in this proxy statement to the board of directors of the Bank to serve until the 2020 Annual Meeting of Shareholders and until their successors are elected and have been qualified; and

- Proposal 2: Ratification of Grant Thornton LLP as the Bank's independent public accountants for 2019.

If other matters properly come before the annual meeting, the persons appointed to vote the proxies will vote on such matters in accordance with their best judgment. Such persons also have discretionary authority to vote to adjourn the annual meeting, including for the purpose of soliciting proxies to vote in accordance with the Bank's board of directors' recommendations on any of the above items.

Revocability of Proxies

You may revoke your proxy at any time before it is exercised by:

- delivering written notice of revocation to the Corporate Secretary;
- executing a proxy of a later date and mailing it to the Bank;
- casting a new vote by telephone or Internet; or
- voting in person at the annual meeting if you are the record holder.

If you are a street name shareholder and you voted by proxy, you may revoke your proxy by informing the holder of record in accordance with that entity's procedures.

Persons Making the Solicitation

This solicitation of proxies is being made by the Bank's board of directors. The expense of preparing, assembling, printing and mailing this proxy statement and the materials used in the solicitation of proxies for the annual meeting will be borne by the Bank. It is contemplated that proxies will be solicited principally through the mail, but directors, officers and employees of the Bank may solicit proxies personally or by telephone, without receiving special compensation therefore.

VOTING SECURITIES

There were issued and outstanding 7,732,083 shares of the Bank's common stock on March 18, 2019, which has been fixed as the record date for determining shareholders entitled to notice of, and to vote at, the annual meeting (the "record date"). On any matter submitted to the vote of the shareholders, each holder of the Bank's common stock will be entitled to one vote, in person or by proxy, for each share of common stock he or she held of record on the books of the Bank as of the record date. In the election of directors, shares may be voted cumulatively if a shareholder present at the annual meeting gives notice at the annual meeting, prior to the voting for election of directors, of his or her intention to vote cumulatively. If any shareholder of the Bank gives such notice, then all shareholders eligible to vote will be entitled to cumulate their shares in voting for election of directors. Cumulative voting allows a shareholder to cast votes equal to the number of shares held in his or her name as of the record date, multiplied by the number of directors to be elected. These votes may be cast for any one nominee or may be distributed among as many nominees as the shareholder sees fit. If cumulative voting is declared at the annual meeting, votes represented by proxies delivered pursuant to this proxy statement may be cumulated in the discretion of the proxies, in accordance with management's recommendation.

SHAREHOLDINGS OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Management of the Bank knows of no person who owns, beneficially or of record, either individually or together with associates, 5 percent or more of the outstanding shares of the Bank's common stock, except as set forth in the table below. The following table sets forth, as of March 1, 2019, the number and percentage of shares of the Bank's outstanding common stock beneficially owned, directly or indirectly, by each of the Bank's directors and principal shareholders and by the directors and officers of the Bank as a group. The shares "beneficially owned" are determined under SEC Rules, and do not necessarily indicate ownership for any other purpose. In general, beneficial ownership includes shares over which the director, principal shareholder or officer has voting or investment power and shares which such person has the right to acquire as of March 1, 2018.

Directors	Amount and Nature of Beneficial Ownership	Percent of Class
Leon I. Blankstein	142,115(1)	1.8%
Donald P. Johnson	223,154(2)	2.9%
Gaurav Malhotra	6,529	*
Edith Matthai	15,653	*
Trent D. Merrill	22,704	*
Javier Sanchez	0	*
Robert F. Schack	325,910	4.2%
Wes Schaefer	89,396(3)	1.2%
Jon H. Schlobohm	11,257	*
Robert I. Usdan	96,410(4)	1.2%
David van Diest Skilling	66,765	*
Pasy Wang	0	*
Principal Shareholder		
Wellington Management Group LLP	439,616(4)	5.7%
Directors and Officers as a group (numbering 15)	1,117,940(5)	14.2%

* Less than 1%.

(1) Includes 46,495 shares acquirable by the exercise of stock options.

(2) Mr. Johnson has shared voting and investment powers as to 138,093 of these shares.

(3) Mr. Schaefer has 14,000 shares acquirable by the exercise of stock options.

(3) Mr. Usdan has shared voting and investment powers as to 40,410 of these shares.

(4) Wellington Management Group LLP's address is c/o 280 Congress Street, Boston, Massachusetts 02210.

(5) Includes 125,814 shares acquirable by the exercise of stock options.

PROPOSAL 1
ELECTION OF DIRECTORS

Nominees

The Bank's Bylaws provide that the number of directors of the Bank shall not be less than seven (7) nor more than thirteen (13) until changed by an amendment to the Bylaws adopted by the Bank's shareholders. With respect to the 2019 election of directors, the board of directors has fixed the exact number of directors at ten (10) until changed by a Bylaw or Bylaw amendment duly adopted by the Bank's shareholders or Bank's board of directors or changed by a resolution of the Bank's board of directors.

The persons named below, all of whom are currently members of the Bank's board of directors, will be nominated for election as directors at the annual meeting to serve until the 2019 Annual Meeting of Shareholders and until their successors are elected and have qualified. Votes of the proxies will be cast in such a manner as to effect the election of all ten (10) nominees, as appropriate (or as many thereof as possible under the rules of cumulative voting). The ten nominees for directors receiving the most votes will be elected directors. In the event any of the nominees should be unable to serve as a director, it is intended that the proxy will be voted for the election of such substitute nominee, if any, as shall be designated by the Bank's board of directors. The Bank's board of directors has no reason to believe that any of the nominees named below will be unable to serve if elected. Additional nominations for directors may only be made by complying with the nomination procedures which are included in the Notice of Annual Meeting of Shareholders accompanying this proxy statement.

The following table sets forth, as of March 1, 2019, the names of, and certain information concerning, the persons nominated by the Bank's board of directors for election as directors of the Bank.

Name and Title	Age	Director Since	Principal Occupation During the Past Five Years
Leon I. Blankstein President and Chief Executive Officer	59	2011	President and Chief Executive Officer of the Bank. Senior Executive Officer of the Bank since its founding in 1998.
Donald P. Johnson Vice Chairman	73	1998	Vice Chairman of the Board. Former Consultant to the Bank and former Chief Executive Officer of the Bank.
Gaurav Malhotra	44	2015	Certified Public Accountant and Partner at Lucas, Horsfall, Murphy & Pindroh, an accounting firm.
Edith R. Matthai	68	2013	President of Robie & Matthai, APC, a legal firm.

Name and Title	Age	Director Since	Principal Occupation During the Past Five Years
Trent D. Merrill Audit Committee Chairman	65	1998	President of Triple R Group LLC which specializes in retail realty representation for existing and developing retailers. Vice President and co-founder of Indian of Orange County. Mr. Merrill is also a certified public accountant.
Javier Sanchez	48	2019	Chief Financial Officer and Chief Credit Officer of Jonathan Louis International, a furniture manufacturer.
Robert F. Schack	71	1998	Chairman Emeritus and Consultant to the Bank. Former Chairman of the Board of the Bank.
Jon H. Schlobohm	80	1998	Retired. Private investor.
Robert I. Usdan Chairman	53	2012	Portfolio Manager with Endicott Management Co.
Pasy Wang	42	2019	Senior Managing Director of Investments at Caltech.

PROPOSAL 2:
RATIFICATION OF APPOINTMENT OF GRANT THORNTON LLP AS THE BANK'S INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The firm of Grant Thornton LLP, Los Angeles, California, served as independent certified public accountants for the Bank through the year 2018. The Bank has selected Grant Thornton LLP to serve as the Bank’s independent certified public accountants for the year 2019. All services rendered by Grant Thornton LLP were approved by the Bank’s board of directors, which has determined the firm of Grant Thornton LLP to be independent. In addition, all fees paid to Grant Thornton LLP during 2018 were for auditing services.

Aggregate fees billed by Grant Thornton LLP to the Bank for the year ended 2018 were $212,474. All fees were pre-approved by the Bank’s Audit Committee.

In the event the Bank’s shareholders do not ratify the appointment of Grant Thornton LLP as the Bank’s independent certified public accountants for the forthcoming fiscal year, such appointment will be reconsidered by the Bank’s Audit Committee and the Bank’s board of directors.

Ratification of the appointment of Grant Thornton LLP as the Bank’s independent certified public accountants for fiscal year 2019 requires the affirmative vote of a majority of the outstanding shares of the Bank’s common stock represented and voting at the meeting.

The Bank's board of directors recommends that the shareholders vote "FOR" ratification of the appointment of Grant Thornton LLP as the Bank's independent certified public accountants for 2019.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Some of the Bank's directors and executive officers and their immediate families as well as the companies with which they may have interest in, have had loans with the Bank in the ordinary course of the Bank's business. In addition, the Bank expects to have loans with these persons in the future. In the Bank's management opinion, all these loans and commitments to lend were made in the ordinary course of business, were made in compliance with applicable laws on substantially the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other persons of similar creditworthiness and, in the opinion of management, did not involve more than a normal risk of collectability or present other unfavorable features.

OTHER MATTERS

Management does not know of any matters to be presented at the annual meeting other than those set forth above. However, if other matters come before the annual meeting, it is the intention of the persons named in the accompanying proxy to vote the shares represented by the proxy in accordance with the recommendations of management on such matters, and discretionary authority to do so is included in the proxy.

Dated: April 8, 2019

BOARD OF DIRECTORS OF
AMERICAN BUSINESS BANK

IT IS VERY IMPORTANT THAT EVERY SHAREHOLDER VOTES. WE URGE YOU TO VOTE BY INTERNET, TELEPHONE, OR SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON.

IN ORDER TO FACILITATE THE PROVIDING OF ADEQUATE ACCOMMODATIONS, PLEASE INDICATE ON THE PROXY WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING.

A COPY OF THE BANK'S ANNUAL DISCLOSURE STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018 MAY BE OBTAINED BY WRITING TO MR. WES SCHAEFER AT AMERICAN BUSINESS BANK, 523 WEST 6TH STREET, SUITE 900, LOS ANGELES, CALIFORNIA 90014 OR BY TELEPHONING HIM AT (213) 430-4000.