



US Metro Bancorp Announces Second Quarter 2020 Financial Results

Year over Year US Metro Bank:

61% ANNUAL INCREASE IN LOANS
41% ANNUAL INCREASE IN DEPOSITS
6% ANNUAL INCREASE IN EARNINGS

Garden Grove, California: July 29, 2020: [US Metro Bancorp](#) (OTC Pink: USMT) Mr. Dong Il Kim, President and CEO, announced US Metro Bancorp and US Metro Bank's financial results for the second quarter 2020. As of January 2, 2020, US Metro Bancorp ("Bancorp"), a small bank holding company (BHC), was formed making US Metro Bank its lone subsidiary. On a consolidated basis the Bancorp earned \$1,074,000 in the second quarter of 2020 compared to \$1,025,000 in the first quarter and \$2,099,000 for the six months ending June 30, 2020. On a year-to-date basis the Bancorp recorded a return on average assets ("ROAA") of 0.70% and a return on average equity ("ROAE") of 7.04%. With 16,230,000 shares outstanding, earnings per share ("EPS") for the second quarter was \$0.07 compared to \$0.06 in the first quarter 2020. At June 30, 2020 the Bancorp's Book Value was \$3.71 per share.

US Metro Bank recorded year over year loan growth of \$198.1million or 61%. Included in the annual loan growth is \$70 million in Payroll Protection Program (PPP) loans booked during the second quarter. Deposits grew \$168.7 million or 41% over the second quarter last year. The opening of the Bank's Torrance Branch in December 2019 accounted for \$55.4 million of the total deposit growth. Net Interest Income increased \$0.5 million or 13% for the second quarter compared to the second quarter a year earlier with interest income increasing \$0.1 million while interest expense decreased \$0.4 million. SBA premium income recorded a decrease over the same second quarter of last year declining \$376 thousand or 65% on lower SBA origination volumes during the second quarter 2020 compared to the second quarter a year earlier. Net income of \$1,140,000 for the three months ending June 30, 2020 compares to \$1,120,000 reported for the same three months in 2019, a year over year increase of \$20 thousand or 2%.

The Bank reported total assets of \$665.3 million as of June 30, 2020, representing a 40.6% increase compared to the reporting period ending June 30, 2019 and a 13.0% increase over the first quarter 2020. In 2017 the Bank opened a branch office on April 3, 2017 on Wilshire Boulevard in Koreatown, Los Angeles and a new branch in downtown Los Angeles' Fashion District on November 1, 2017. On December 5, 2018 a fifth branch was opened in Buena Park (Fullerton Branch), California. On December 20, 2019 a sixth branch was opened in Torrance, California. As of June 30, 2020 the Wilshire branch recorded a total deposit base of \$85.1 million including \$21.5 million in non-interest bearing deposits. The Fashion District Branch had \$99.8 million in total deposits at June 30, 2020 including \$40.4 million in non-interest bearing deposits. The Fullerton Branch recorded a deposit base of \$116.5 million with \$27.3 million in non-interest bearing deposits at June 30, 2020 and the new Torrance Branch had \$55.7 million in deposits at June 30, 2020 including \$18.4 million in non-interest bearing deposits. Total Bank deposits ended the second quarter of 2020 at \$579.0 million, a 41% increase from \$410.3 million at June 30, 2019 and compares to \$513.7 million at March 31, 2020, a 12.7% increase.

SBA loan originations for the quarter ending June 30, 2020 were \$2.7 million compared to \$9.1 million for the first quarter in 2020. SBA gain on sale income of \$0.2 million during the second quarter compares to \$0.5 million recorded in the first quarter of 2020. Due to the Covid19 Pandemic and the uncertainty of current economic climate, the Bank closed three of its four SBA Loan Production Offices on April 15, 2020. The Dallas LPO remains open.

Loan quality remains good with non-performing assets as a percent of total assets of 0.12% compared to 0.10% as of June 30, 2019. The Bank had no Other Real Estate Owned at June 30,

2020. Allowance for loan and lease losses (ALLL) to gross loans has remained the same from 1.32% as of June 30, 2019 to 1.31% as of June 30, 2020. With the uncertainty in the economy related to the COVID 19 Pandemic, the Bank recorded \$1.6 million in provision for loan loss expense, for the six months ending June 30, 2020 compared to \$0.6 million recorded for the six months ending June 30, 2019.

“The Board of Directors is pleased with the continued growth and profitability of the Bank during the second quarter of 2020. However, beginning with the interest rate decreases seen mid-March, earnings on liquid investments have decreased substantially. As the Board assesses the impact to the Bank from the COVID 19 pandemic, Management is proactively preparing for reduced earnings compared to last year. USMB has funded \$70 million in PPP loans and have provided loan modifications on \$139 million for our borrowers. We have implemented the Bank’s Pandemic Contingency Plan with staff working remotely if possible and practicing social distancing through telecommunication meetings and rotating staff through shelter at home practices. Capital and Liquidity remain strong and USMB is well positioned to manage through the Pandemic.”

US Metro Bank is a California chartered, full service commercial nonmember bank headquartered in Garden Grove, California with six branch offices in California - Garden Grove, Anaheim, Buena Park (Fullerton Branch), Koreatown/Los Angeles, Fashion District/Los Angeles, Torrance and with one remaining loan production office in Dallas. The Bank opened for business on September 15, 2006, and offers deposit and loan products (including commercial real estate, commercial and industrial and SBA loans), as well as related banking services to its targeted client base of executives, professionals, and small to medium-sized businesses, generally in the Southern California area.

This release contains forward-looking statements, including our expectations with respect to future events that are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations include: fluctuation in market rates of interest and loan and deposit pricing, adverse changes in the overall national economy as well as adverse economic conditions in our specific market areas, maintenance and development of well-established and valued client relationships and referral source relationships, and acquisition or loss of key production personnel. Other risks that can affect the Bank are detailed from time to time in our annual reports. We caution readers that the list of factors above is not exclusive. The forward-looking statements are made as of the date of this release, and we may not undertake steps to update the forward-looking statements to reflect the impact of any circumstances or events that arise after the date the forward-looking statements are made. In addition, our past results of operations are not necessarily indicative of future performance.

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SOURCE US Metro Bancorp

US METRO BANCORP*
CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)

	At or for the Three Months Ended		
	6/30/2020	3/31/2020	% Change
Net Income	\$ 1,074	\$ 1,025	4.78%
Net Income Per Share (Basic)	\$ 0.07	\$ 0.06	4.78%
ROAA (Annualized)	0.68%	0.72%	-0.04%
ROAE (Annualized)	7.19%	6.89%	0.30%
Efficiency Ratio	49.06%	68.29%	-19.22%
Assets	\$ 665,303	\$ 588,773	13.00%
Gross Loans	\$ 523,032	\$ 418,866	24.87%
Deposits	\$ 578,038	\$ 512,776	12.73%
Non-Interest Bearing Deposits	\$ 184,089	\$ 121,405	51.63%
Common Equity	\$ 60,263	\$ 59,188	1.82%
<i>Ending Common Shares O/S</i>	<i>16,230,000</i>	<i>16,230,000</i>	
<i>Book Value Per Common Shares</i>	<i>\$ 3.71</i>	<i>\$ 3.65</i>	

	At or for the Six Months Ended	
	6/30/2020	
Net Income	\$ 2,099	
Net Income Per Share (Basic)	\$ 0.13	
ROAA (Annualized)	0.70%	
ROAE (Annualized)	7.04%	
Efficiency Ratio	59.19%	
Assets	\$ 665,303	
Gross Loans	\$ 523,032	
Deposits	\$ 578,038	
Non-Interest Bearing Deposits	\$ 184,089	
Common Equity	\$ 60,263	
<i>Ending Common Shares O/S</i>	<i>16,230,000</i>	
<i>Book Value Per Common Shares</i>	<i>\$ 3.71</i>	

* BANCORP Formed in January 2020

US METRO BANK (only)
FINANCIAL HIGHLIGHTS (unaudited)

BALANCE SHEET

(All amounts in thousands except per share information)

Assets	6/30/2020	6/30/2019	Y-O-Y Change	
Cash and Due From Bank	\$ 12,924	\$ 10,971	\$ 1,953	17.8%
Investments and Fed Funds Sold	\$ 119,810	\$ 127,071	(7,261)	-5.7%
Loans Outstanding	523,032	324,922	198,110	61.0%
Loan Loss Reserve	(6,868)	(4,282)	(2,586)	60.4%
Other Assets	16,405	14,415	1,990	13.8%
Total Assets	\$ 665,303	\$ 473,097	\$ 192,206	40.6%

Liabilities and Capital	6/30/2020	6/30/2019	Y-O-Y Change	
Deposits	\$ 578,972	\$ 410,273	\$ 168,699	41.1%
Borrowings	13,838	5,578	8,260	148.1%
Other Liabilities	3,165	2,285	880	38.5%
Equity	69,328	54,961	14,367	26.1%
Total Liabilities and Capital	\$ 665,303	\$ 473,097	\$ 192,206	40.6%

STATEMENT OF OPERATIONS

Three Months Ended

Income Statement	6/30/2020	6/30/2019	Q-O-Q Change	
Interest Income	\$ 5,928	\$ 5,803	\$ 125	2.2%
Interest Expense	1,247	1,654	(407)	-24.6%
Net Interest Income	4,681	4,149	532	12.8%
Provision for Loan Losses	1,200	300	900	300.0%
Other Income	804	1,196	(392)	-32.8%
Operating Expenses	2,659	3,416	(757)	-22.2%
Tax	487	509	(23)	-4.4%
Net Income	\$ 1,140	\$ 1,120	\$ 20	1.7%

STATEMENT OF OPERATIONS

Six Months Ended

Income Statement	6/30/2020	6/30/2019	Y-O-Y Change	
Interest Income	\$ 12,789	\$ 11,277	\$ 1,512	13.4%
Interest Expense	3,064	3,024	40	1.3%
Net Interest Income	9,725	8,253	1,472	17.8%
Provision for Loan Losses	1,650	600	1,050	N/A
Other Income	1,792	2,242	(450)	-20.1%
Operating Expenses	6,778	6,894	(116)	-1.7%
Tax	925	950	(26)	NM
Net Income	\$ 2,165	\$ 2,051	\$ 114	5.5%

Ratios	6/30/2020	6/30/2019	Y-O-Y Change
Net Loan to Deposits	89.15%	78.15%	11.00%
ALLL/Gross Loans	1.31%	1.32%	0.00%
NPAs/Total Assets	0.12%	0.10%	0.02%
Tier One Leverage Ratio	10.83%	11.64%	-0.81%
YTD ROAA (annualized)	0.72%	0.94%	-0.22%
YTD ROAE (annualized)	6.77%	7.63%	-0.85%
Net Interest Margin (QTD)	3.07%	3.79%	-0.73%
Net Interest Margin (YTD)	3.35%	3.96%	-0.61%