



## **US Metro Bancorp Announces Third Quarter 2020 Financial Results**

**Year over Year US Metro BANK (only):**  
**52% ANNUAL INCREASE IN LOANS**  
**45% ANNUAL INCREASE IN DEPOSITS**  
**2% ANNUAL INCREASE IN EARNINGS**

*Garden Grove, California:* October 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 third 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 \$1,105,000 in the third quarter of 2020 compared to \$1,074,000 in the second quarter and \$3,204,000 for the nine months ending September 30, 2020. On a year-to-date basis the Bancorp recorded a return on average assets ("ROAA") of 0.68% and a return on average equity ("ROAE") of 6.95%. With 16,230,000 shares outstanding, earnings per share ("EPS") for the third quarter was \$0.07 compared to \$0.07 in the second quarter and \$0.06 in the first quarter of 2020. At September 30, 2020 the Bancorp's Book Value was \$3.78 per share.

US Metro Bank recorded year over year loan growth of \$199.9 million or 52%. Included in the annual loan growth is \$70 million in Payroll Protection Program (PPP) loans booked during the second quarter. Deposits grew \$199.7 million or 45% over the third quarter last year. The opening of the Bank's Torrance Branch in December 2019 accounted for \$36.9 million of the total deposit growth. Net Interest Income increased \$0.8 million or 16% for the third quarter compared to the third quarter a year earlier with interest income the same as last year while interest expense decreased \$0.8 million. SBA premium income recorded an increase over the same third quarter of last year increasing \$186 thousand or 15% on higher SBA origination volumes during the third quarter 2020 compared to the third quarter a year earlier. Net income of \$1,572,000 for the three months ending September 30, 2020 compares to \$1,543,000 reported for the same three months in 2019, a year over year increase of \$29 thousand or 2%.

The Bank reported total assets of \$733.7 million as of September 30, 2020, representing a 44.6% increase compared to the reporting period ending September 30, 2019 and a 10.3% increase over the second 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 September 30, 2020 the Wilshire branch recorded a total deposit base of \$93.5 million including \$21.0 million in non-interest bearing deposits. The Fashion District Branch had \$101.7 million in total deposits at September 30, 2020 including \$40.8 million in non-interest bearing deposits. The Fullerton Branch recorded a deposit base of \$124.3 million with \$24.7 million in non-interest bearing deposits at September 30, 2020 and the new Torrance Branch had \$63.6 million in deposits at September 30, 2020 including \$20.8 million in non-interest bearing deposits. Total Bank deposits ended the third quarter of 2020 at \$641.8 million, a 45% increase from \$442.1 million at September 30, 2019 and compares to \$579.0 million at June 30, 2020, a 10.8% increase.

SBA loan originations for the quarter ending September 30, 2020 were \$37.7 million compared to \$2.7 million for the second quarter and \$9.1 million for the first quarter of 2020. SBA gain on sale income of \$1.3 million during the third quarter compares to \$0.2 million in the second quarter and \$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 0.29% compared to 0.04% as of September 30, 2019. The Bank had no Other Real Estate Owned at September 30, 2020. Allowance for loan and lease losses (ALLL) to gross loans was 1.41% as of September 30, 2020 compared to 1.26% as of September 30, 2019. With the uncertainty in the economy related to the COVID 19 Pandemic, the Bank recorded \$3.1 million in provision for loan loss expense, for the nine months ending September 30, 2020 compared to \$1.2 million recorded for the nine months ending September 30, 2019.

“The Board of Directors is pleased with the continued growth and profitability of the Bank during the third quarter of 2020. However, beginning with the interest rate decreases seen mid-March, earnings on liquid investments have decreased substantially. Fortunately SBA loan demand has been positive. The Bank has been proactive in implementing elements of the Strategic Plan and has formed a Mortgage Finance Group which has contributed \$75 million in outstanding mortgage warehouse loans as of September 30, 2020. Through the COVID 19 pandemic economic stimulus programs, the Bank has funded \$70 million in PPP loans and have provided loan modifications on \$171 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

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**US METRO BANCORP\***  
**CONSOLIDATED FINANCIAL HIGHLIGHTS (unaudited)**

	At or for the Three Months Ended		
	9/30/2020	6/30/2020	% Change
Net Income	\$ 1,105	\$ 1,074	2.89%
Net Income Per Share (Basic)	\$ 0.07	\$ 0.07	2.89%
ROAA (Annualized)	0.65%	0.68%	-0.03%
ROAE (Annualized)	7.19%	7.19%	0.00%
Efficiency Ratio	53.16%	49.06%	4.10%
Assets	\$ 733,656	\$ 665,303	10.27%
Gross Loans	\$ 582,012	\$ 523,032	11.28%
Deposits	\$ 641,144	\$ 578,038	10.92%
Non-Interest Bearing Deposits	\$ 189,238	\$ 184,089	2.80%
Common Equity	\$ 61,367	\$ 60,263	1.83%
<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>\$ 3.78</i>	<i>\$ 3.71</i>	

	At or for the Nine Months Ended	
	9/30/2020	
Net Income	\$ 3,204	
Net Income Per Share (Basic)	\$ 0.20	
ROAA (Annualized)	0.68%	
ROAE (Annualized)	6.95%	
Efficiency Ratio	58.35%	
Assets	\$ 733,656	
Gross Loans	\$ 582,012	
Deposits	\$ 640,475	
Non-Interest Bearing Deposits	\$ 188,569	
Common Equity	\$ 61,367	
<i>Ending Common Shares O/S</i>	<i>16,230,000</i>	
<i>Book Value Per Common Shares</i>	<i>\$ 3.78</i>	

\* BANCORP Formed in January 2020

**US METRO BANK (only)**  
**FINANCIAL HIGHLIGHTS (unaudited)**

**BALANCE SHEET**

*(All amounts in thousands except per share information)*

<b>Assets</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>Y-O-Y Change</b>	
Cash and Due From Bank	\$ 14,380	\$ 13,757	\$ 623	4.5%
Investments and Fed Funds Sold	\$ 125,646	\$ 101,641	24,005	23.6%
Loans Outstanding	582,012	382,091	199,921	52.3%
Loan Loss Reserve	(8,235)	(4,822)	(3,413)	70.8%
Other Assets	19,853	14,581	5,272	36.2%
<b>Total Assets</b>	<b>\$ 733,656</b>	<b>\$ 507,248</b>	<b>\$ 226,408</b>	<b>44.6%</b>

<b>Liabilities and Capital</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>Y-O-Y Change</b>	
Deposits	\$ 641,813	\$ 442,098	\$ 199,715	45.2%
Borrowings	17,837	5,437	12,400	228.1%
Other Liabilities	3,105	3,203	(98)	-3.1%
Equity	70,901	56,510	14,391	25.5%
<b>Total Liabilities and Capital</b>	<b>\$ 733,656</b>	<b>\$ 507,248</b>	<b>\$ 226,408</b>	<b>44.6%</b>

**STATEMENT OF OPERATIONS**

**Three Months Ended**

<b>Income Statement</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>Q-O-Q Change</b>	
Interest Income	\$ 6,549	\$ 6,566	\$ (17)	-0.3%
Interest Expense	1,003	1,778	(775)	-43.6%
Net Interest Income	5,546	4,788	758	15.8%
Provision for Loan Losses	1,460	600	860	143.3%
Other Income	2,121	1,749	372	21.3%
Operating Expenses	3,968	3,743	225	6.0%
Tax	667	651	16	2.5%
<b>Net Income</b>	<b>\$ 1,572</b>	<b>\$ 1,543</b>	<b>\$ 29</b>	<b>1.9%</b>

**STATEMENT OF OPERATIONS**

**Nine Months Ended**

<b>Income Statement</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>Y-O-Y Change</b>	
Interest Income	\$ 19,338	\$ 17,843	\$ 1,495	8.4%
Interest Expense	4,067	4,802	(735)	-15.3%
Net Interest Income	15,271	13,041	2,230	17.1%
Provision for Loan Losses	3,110	1,200	1,910	N/A
Other Income	3,913	3,991	(78)	-2.0%
Operating Expenses	10,746	10,637	109	1.0%
Tax	1,591	1,601	(10)	NM
<b>Net Income</b>	<b>\$ 3,737</b>	<b>\$ 3,594</b>	<b>\$ 143</b>	<b>4.0%</b>

<b>Ratios</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>Y-O-Y Change</b>
Net Loan to Deposits	89.40%	85.34%	4.06%
ALLL/Gross Loans	1.41%	1.26%	0.15%
NPAs/Total Assets	0.29%	0.04%	0.24%
Tier One Leverage Ratio	10.23%	11.19%	-0.97%
YTD ROAA (annualized)	0.79%	1.06%	-0.26%
YTD ROAE (annualized)	7.54%	8.80%	-1.26%
Net Interest Margin (QTD)	3.29%	4.08%	-0.80%
Net Interest Margin (YTD)	3.35%	4.00%	-0.65%