

METROCITY BANKSHARES, INC.

FOR IMMEDIATE RELEASE

METROCITY BANKSHARES, INC. REPORTS EARNINGS FOR THIRD QUARTER 2019

ATLANTA, GA (October 24, 2019) – MetroCity Bankshares, Inc. (“MetroCity” or the “Company”) (NASDAQ: MCBS), holding company for Metro City Bank (the “Bank”), today reported net income of \$12.4 million, or \$0.50 per diluted share, for the third quarter of 2019, compared with \$9.9 million, or \$0.40 per diluted share, for the third quarter of 2018, and \$13.0 million, or \$0.53 per diluted share, for the second quarter of 2019.

On August 30, 2019, the Company effected a 2-for-1 common stock split, as approved by the Company’s board of directors. Common stock and per share data included in this earnings release have been restated to reflect this stock split.

On October 7, 2019, the Company completed its initial public offering of 1,000,000 shares of common stock at a public offering price of \$13.50 per share. The Company received proceeds, before expenses, of approximately \$12.6 million in the offering. The shares began trading on the Nasdaq Global Select Market on October 3, 2019, under the ticker symbol “MCBS”. The underwriters of the initial public offering have a 30-day option to purchase an additional 290,850 shares of common stock at the initial public offering price less the underwriting discount.

Third Quarter 2019 Highlights:

- Annualized return on average assets was 3.07%, compared to 3.44% for the second quarter of 2019 and 2.81% for the third quarter of 2018.
- Annualized return on average equity was 26.44%, compared to 29.61% for the second quarter of 2019 and 25.65% for the third quarter of 2018.
- Efficiency ratio was 37.7%, compared to 36.3% for the second quarter of 2019 and 43.3% for the third quarter of 2018.
- Total assets increased by \$120.2 million, or 7.9%, to \$1.64 billion from the previous quarter.
- Total loans, excluding loans held for sale, increased by \$70.6 million, or 5.9%, to \$1.26 billion from the previous quarter.
- The yield earned on average loans, including loans held for sale, was 6.22%, compared to 6.11% for the second quarter of 2019 and 5.95% for the third quarter of 2018.
- Annualized net recovery to average loans for the quarter was (0.11%), compared to a net charge-off to average loans ratio of 0.01% for the second quarter of 2019 and 0.07% for the third quarter of 2018.

Nack Paek, Chairman and CEO, commented, “We are pleased with our third quarter results which continues to solidify our position as one of the top performing banks in the industry. The completion of our IPO should enable us to further our growth and profitability.”

Results of Operations

Net Income

Net income was \$12.4 million for the third quarter of 2019, a decrease of \$604,000, or 4.7%, from \$13.0 million for the second quarter of 2019. This decrease was primarily due to the decrease in noninterest income of \$1.1 million and a slight increase in noninterest expense of \$228,000, offset by an increase in net interest income of \$731,000. Net income increased \$2.5 million, or 25.4%, compared to \$9.9 million for the third quarter of 2018. This increase was primarily due to increases in net interest income of \$1.1 million and noninterest income of \$1.9 million.

Net Interest Income and Net Interest Margin

Interest income totaled \$21.9 million for the third quarter of 2019, an increase of \$1.1 million, or 5.2%, from the previous quarter, primarily due to an 11 basis points increase in the yield on average loans, including loans held for sale, and an 11 basis points increase in the yield on average federal funds sold and interest-bearing cash accounts. As compared to the third quarter of 2018, interest income increased by \$3.1 million, or 16.7%, primarily due to the 27 basis points increase in the yield on average loans coupled with a \$120.2 million increase in average loan balances.

Interest expense totaled \$5.9 million for the third quarter of 2019, an increase of \$359,000, or 6.4%, from the previous quarter, primarily due to a 6 basis points increase in deposit costs and a \$39.3 million increase in average balances for total interest-bearing deposits. As compared to the third quarter of 2018, interest expense increased by \$2.1 million, or 53.8%, primarily due to a 62 basis points increase in deposit costs.

The net interest margin for the third quarter of 2019 was 4.22% compared to 4.27% for the previous quarter, a decrease of 5 basis points. The cost of interest-bearing liabilities remained flat at 2.23%, while the yield on interest-earning assets decreased by 5 basis points to 5.78% from 5.83% for the previous quarter. Average earning assets increased by \$70.6 million, primarily due to an increase in lower yielding assets including \$65.5 million in federal funds sold and interest-earning cash accounts. Average interest-bearing liabilities increased by \$53.5 million as average interest-bearing deposits increased by \$39.3 million and average borrowings increased by \$14.3 million.

As compared to the same period a year ago, the net interest margin for the third quarter of 2019 decreased by 27 basis points to 4.22% from 4.49%, primarily due to a 57 basis point increase in the cost of interest-bearing liabilities of \$1.06 billion, partially offset by an increase of 13 basis points in the yield on interest-earning assets of \$1.5 billion. Average earning assets increased by \$185.9 million, primarily due to an increase of \$120.2 million in average loans and \$68.9 million in federal funds sold and interest-earning cash accounts. Average interest-bearing liabilities increased by \$136.0 million, primarily driven by an increase in average interest-bearing deposits of \$109.6 million and average borrowings of \$26.5 million.

Noninterest Income

Noninterest income for the third quarter of 2019 was \$11.0 million, a decrease of \$1.1 million, or 9.1%, from the second quarter of 2019, primarily due to lower mortgage and SBA servicing income and other commissions and fees earned from mortgage loan originations.

Compared to the same period a year ago, noninterest income for the quarter increased by \$1.9 million, or 20.3%, primarily due to the increase in the gains earned from the sales of SBA and mortgage loans.

Noninterest Expense

Noninterest expense for the third quarter of 2019 totaled \$10.2 million, an increase of \$228,000, or 2.3%, from \$9.9 million for the second quarter of 2019. The increase was primarily attributable to higher salaries and employee benefits. Compared to the third quarter of 2018, noninterest expense decreased by \$258,000, or 2.5%, partially due to lower mortgage related expenses.

The Company's efficiency ratio was 37.7% in the third quarter of 2019 compared with 36.3% and 43.3% for the second quarter of 2019 and third quarter of 2018, respectively.

Income Tax Expense

The Company's effective tax rate for the third quarter of 2019 was 26.5%, compared to 25.6% for the second quarter of 2019 and 26.0% for the third quarter of 2018.

Balance Sheet

Total Assets

Total assets were \$1.64 billion at September 30, 2019, an increase of \$120.2 million, or 7.9%, from \$1.52 billion at June 30, 2019, and an increase of \$205.3 million, or 14.3%, from \$1.44 billion at September 30, 2018. The \$120.2 million increase from the prior quarter was primarily due to increases in cash and due from banks of \$113.9 million and loans held for investment of \$70.6 million, offset by a decrease in loans held for sale of \$69.7 million.

Loans

Loans held for investment at September 30, 2019, were \$1.26 billion, an increase of \$70.6 million, or 5.9%, compared to \$1.19 billion at June 30, 2019, and an increase of \$181.0 million, or 16.8%, compared to \$1.08 billion at September 30, 2018. Loan growth during the quarter for loans held for investment was experienced in all loan categories, with the exception of consumer and other loans. Specifically, commercial real estate increased \$16.4 million and residential mortgages increased \$46.3 million. Loans held for sale were zero at September 30, 2019, compared to \$69.7 million at June 30, 2019 and \$91.2 million at September 30, 2018.

Deposits

Total deposits at September 30, 2019 were \$1.34 billion, an increase of \$39.2 million, or 3.0%, over total deposits of \$1.30 billion at June 30, 2019, and an increase of \$80.3 million, or 6.4%, over total deposits

of \$1.26 billion at September 30, 2018. The increase from the prior quarter was primarily due to the increase in money market accounts and time deposits.

Noninterest bearing deposits were \$311.2 million at September 30, 2019, compared to \$309.3 million at June 30, 2019, and \$294.6 million at September 30, 2018. Noninterest bearing deposits comprised 23.3% of total deposits at September 30, 2019, compared to 23.9% at June 30, 2019, and 23.5% at September 30, 2018. Interest bearing deposits were \$1.02 billion at September 30, 2019, compared to \$986.8 million at June 30, 2019, and \$960.5 million at September 30, 2018. Interest bearing deposits comprised 76.7% of total deposits at September 30, 2019, compared to 76.1% at June 30, 2019, and 76.5% at September 30, 2018.

Asset Quality

The Company recorded no provision for loan losses during the third quarter of 2019 as asset quality remains strong. Annualized net charge-offs to average loans for the third quarter of 2019 was (0.11%) (a net recovery), compared to 0.01% for the second quarter of 2019, and 0.07% for the third quarter of 2018.

Nonperforming assets totaled \$14.9 million, or 0.91% of total assets, at September 30, 2019, a \$1.9 million decrease from \$16.8 million, or 1.10% of total assets, at June 30, 2019. This decrease was mainly due to a \$2.6 million decrease in nonaccrual loans, offset by a \$423,000 increase in other real estate owned and a \$509,000 increase in loans past due ninety days and still accruing.

Allowance for loan losses as a percentage of total loans held for investment was 0.54% at September 30, 2019, compared to 0.54% and 0.64% at June 30, 2019 and September 30, 2018, respectively. Allowance for loan losses as a percentage of nonperforming loans was 47.19% at September 30, 2019, compared to 38.67% and 75.34% at June 30, 2019 and September 30, 2018, respectively.

About MetroCity Bankshares, Inc.

MetroCity Bankshares, Inc. is a Georgia corporation and a bank holding company for its wholly-owned banking subsidiary, Metro City Bank, which is headquartered in the Atlanta metropolitan area. Metro City Bank currently operates 19 full-service branch locations in multi-ethnic communities in Alabama, Florida, Georgia, New York, New Jersey, Texas and Virginia. To learn more about Metro City Bank, visit www.metrocitybank.bank.

Forward-Looking Statements

Statements in this press release regarding our expectations and beliefs about our future financial performance and financial condition, as well as trends in our business and markets, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project,” “outlook,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” The forward-looking statements in this press release are based on current information and on assumptions that we make about future events and circumstances that are subject to a number of risks and uncertainties that are often difficult to predict and beyond our control. As a result of those risks and uncertainties, our actual financial results in the future could differ, possibly materially, from those expressed in or implied by the forward-looking statements contained in this press release and could cause us to make changes to our future plans. Additional information regarding these and other risks and uncertainties to which our business and future financial performance are subject is contained in the section titled “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in the Company’s final prospectus filed

pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended, filed with the SEC on October 3, 2019 (Registration No. 333-233625), relating to our initial public offering, and in other documents that we file with the SEC from time to time. In addition, our actual financial results in the future may differ from those currently expected due to additional risks and uncertainties of which we are not currently aware or which we do not currently view as, but in the future may become, material to our business or operating results. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release or to make predictions based solely on historical financial performance. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. All forward-looking statements, express or implied, included in this press release are qualified in their entirety by this cautionary statement.

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METROCITY BANKSHARES, INC.
SELECTED FINANCIAL DATA

| | As of or for the Three Months Ended | | | | | As of or for the Nine Months Ended | |
|---|-------------------------------------|------------------|-------------------|----------------------|-----------------------|------------------------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| <i>(Dollars in thousands, except per share data)</i> | | | | | | | |
| Selected income statement data: | | | | | | | |
| Interest income | \$ 21,908 | \$ 20,818 | \$ 19,862 | \$ 19,023 | \$ 18,766 | \$ 62,588 | \$ 53,856 |
| Interest expense | 5,929 | 5,570 | 5,058 | 4,548 | 3,854 | 16,557 | 10,127 |
| Net interest income | 15,979 | 15,248 | 14,804 | 14,475 | 14,912 | 46,031 | 43,729 |
| Provision for loan losses | — | — | — | 48 | 318 | — | 1,189 |
| Noninterest income | 11,001 | 12,098 | 7,434 | 9,104 | 9,145 | 30,533 | 28,505 |
| Noninterest expense | 10,162 | 9,934 | 10,064 | 10,485 | 10,420 | 30,160 | 28,090 |
| Income tax expense | 4,462 | 4,452 | 3,442 | 3,310 | 3,466 | 12,356 | 11,357 |
| Net income | 12,356 | 12,960 | 8,732 | 9,736 | 9,853 | 34,048 | 31,598 |
| Per share data: | | | | | | | |
| Basic income per share | \$ 0.51 | \$ 0.54 | \$ 0.36 | \$ 0.40 | \$ 0.41 | \$ 1.40 | \$ 1.31 |
| Diluted income per share | \$ 0.50 | \$ 0.53 | \$ 0.36 | \$ 0.40 | \$ 0.40 | \$ 1.39 | \$ 1.29 |
| Dividends per share | \$ 0.11 | \$ 0.10 | \$ 0.10 | \$ 0.10 | \$ 0.10 | \$ 0.31 | \$ 0.28 |
| Book value per share (at period end) | \$ 8.00 | \$ 7.58 | \$ 7.20 | \$ 6.95 | \$ 6.63 | \$ 8.00 | \$ 6.63 |
| Shares of common stock outstanding | 24,305,378 | 24,305,378 | 24,148,062 | 24,258,062 | 24,258,062 | 24,305,378 | 24,258,062 |
| Weighted average diluted shares | 24,502,621 | 24,386,049 | 24,540,538 | 24,591,537 | 24,567,925 | 24,440,485 | 24,446,641 |
| Performance ratios: | | | | | | | |
| Return on average assets | 3.07 % | 3.44 % | 2.42 % | 2.67 % | 2.81 % | 2.98 % | 3.13 % |
| Return on average equity | 26.44 | 29.61 | 21.08 | 24.06 | 25.65 | 25.81 | 29.41 |
| Dividend payout ratio | 21.79 | 18.85 | 28.10 | 25.21 | 24.91 | 22.29 | 21.64 |
| Yield on total loans | 6.22 | 6.11 | 6.18 | 5.92 | 5.95 | 6.17 | 5.93 |
| Yield on average earning assets | 5.78 | 5.83 | 5.80 | 5.52 | 5.65 | 5.80 | 5.64 |
| Cost of average interest bearing liabilities | 2.23 | 2.23 | 2.09 | 1.88 | 1.66 | 2.19 | 1.49 |
| Cost of deposits | 2.29 | 2.23 | 2.10 | 1.89 | 1.67 | 2.21 | 1.49 |
| Net interest margin | 4.22 | 4.27 | 4.32 | 4.20 | 4.49 | 4.27 | 4.58 |
| Efficiency ratio ⁽¹⁾ | 37.66 | 36.33 | 45.26 | 44.47 | 43.31 | 39.39 | 38.89 |
| Asset quality data (at period end): | | | | | | | |
| Net charge-offs/(recoveries) to average loans held for investment | (0.11)% | 0.01 % | 0.04 % | 0.10 % | 0.07 % | (0.02)% | 0.15 % |
| Nonperforming assets to gross loans and OREO | 1.18 | 1.41 | 0.98 | 0.78 | 0.85 | 1.18 | 0.85 |
| ALL to nonperforming loans | 47.19 | 38.67 | 58.46 | 74.12 | 75.34 | 47.19 | 75.34 |
| ALL to loans held for investment | 0.54 | 0.54 | 0.57 | 0.58 | 0.64 | 0.54 | 0.64 |
| Balance sheet and capital ratios: | | | | | | | |
| Gross loans held for investment to deposits | 94.46 % | 91.88 % | 88.68 % | 92.08 % | 86.03 % | 94.46 % | 86.03 % |
| Noninterest bearing deposits to deposits | 23.30 | 23.87 | 23.38 | 24.05 | 23.47 | 23.30 | 23.47 |
| Common equity to assets | 11.82 | 12.09 | 11.70 | 11.77 | 11.17 | 11.82 | 11.17 |
| Leverage ratio | 11.68 | 11.67 | 11.35 | 11.14 | 11.00 | 11.68 | 11.00 |
| Common equity tier 1 ratio | 18.62 | 17.99 | 17.40 | 17.44 | 17.17 | 18.62 | 17.17 |
| Tier 1 risk-based capital ratio | 18.62 | 17.99 | 17.40 | 17.44 | 17.17 | 18.62 | 17.17 |
| Total risk-based capital ratio | 19.31 | 18.66 | 18.09 | 18.16 | 17.95 | 19.31 | 17.95 |
| Mortgage and SBA loan data: | | | | | | | |
| Mortgage loans serviced for others | \$ 1,122,551 | \$ 1,016,352 | \$ 839,352 | \$ 804,188 | \$ 685,379 | \$ 1,122,551 | \$ 685,379 |
| Mortgage loan production | 163,517 | 188,713 | 151,068 | 182,889 | 193,755 | 503,298 | 533,251 |
| Mortgage loan sales | 152,503 | 205,893 | 55,123 | 144,991 | 160,293 | 413,519 | 391,020 |
| SBA loans serviced for others | 446,266 | 443,830 | 425,694 | 431,201 | 433,872 | 446,266 | 433,872 |
| SBA loan production | 48,878 | 45,850 | 29,556 | 37,890 | 28,972 | 124,284 | 83,119 |
| SBA loan sales | 28,914 | 28,675 | 30,751 | 17,036 | 16,749 | 88,340 | 76,261 |

(1) Represents noninterest expense divided by the sum of net interest income plus noninterest income.

METROCITY BANKSHARES, INC.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| | As of the Quarter Ended | | | | |
|--|-------------------------|---------------------|---------------------|----------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 |
| <i>(Dollars in thousands, except per share data)</i> | | | | | |
| ASSETS | | | | | |
| Cash and due from banks | \$ 264,981 | \$ 151,117 | \$ 105,510 | \$ 130,263 | \$ 171,663 |
| Federal funds sold | 9,567 | 5,966 | 7,140 | 8,164 | 6,289 |
| Cash and cash equivalents | 274,548 | 157,083 | 112,650 | 138,427 | 177,952 |
| Securities purchased under agreements to resell | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Securities available for sale (at fair value) | 15,913 | 17,846 | 18,712 | 18,888 | 19,099 |
| Loans | 1,259,046 | 1,188,419 | 1,136,654 | 1,143,575 | 1,078,061 |
| Allowance for loan losses | (6,850) | (6,483) | (6,526) | (6,645) | (6,881) |
| Loans less allowance for loan losses | 1,252,196 | 1,181,936 | 1,130,128 | 1,136,930 | 1,071,180 |
| Loans held for sale | — | 69,686 | 141,177 | 56,865 | 91,200 |
| Accrued Interest Receivable | 5,465 | 5,290 | 5,439 | 4,957 | 5,105 |
| Federal Home Loan Bank stock | 3,842 | 1,292 | 1,292 | 1,163 | 1,163 |
| Premises and equipment, net | 14,484 | 14,465 | 14,480 | 14,391 | 13,765 |
| Operating lease right-of-use asset | 12,431 | 12,783 | — | — | — |
| Foreclosed real estate, net | 423 | — | — | — | — |
| SBA servicing asset, net | 8,566 | 8,682 | 8,500 | 8,446 | 8,692 |
| Mortgage servicing asset, net | 17,740 | 16,771 | 14,909 | 14,934 | 13,475 |
| Bank owned life insurance | 20,101 | 19,982 | 19,865 | 19,749 | 19,631 |
| Other assets | 4,036 | 3,693 | 3,231 | 2,900 | 3,184 |
| Total assets | <u>\$ 1,644,745</u> | <u>\$ 1,524,509</u> | <u>\$ 1,485,383</u> | <u>\$ 1,432,650</u> | <u>\$ 1,439,446</u> |
| LIABILITIES | | | | | |
| Noninterest-bearing deposits | \$ 311,198 | \$ 309,343 | \$ 300,228 | \$ 299,182 | \$ 294,583 |
| Interest-bearing deposits | 1,024,154 | 986,844 | 983,751 | 945,050 | 960,516 |
| Total deposits | <u>1,335,352</u> | <u>1,296,187</u> | <u>1,283,979</u> | <u>1,244,232</u> | <u>1,255,099</u> |
| Federal Home Loan Bank advances | 60,000 | — | — | — | — |
| Other borrowings | 3,154 | 3,585 | 3,752 | 4,257 | 4,334 |
| Operating lease liability | 12,922 | 13,253 | — | — | — |
| Accrued interest payable | 940 | 1,415 | 1,663 | 1,251 | 889 |
| Other liabilities | 37,955 | 25,752 | 22,238 | 14,302 | 18,402 |
| Total liabilities | <u>\$ 1,450,323</u> | <u>\$ 1,340,192</u> | <u>\$ 1,311,632</u> | <u>\$ 1,264,042</u> | <u>\$ 1,278,724</u> |
| SHAREHOLDERS' EQUITY | | | | | |
| Preferred stock | — | — | — | — | — |
| Common stock | 243 | 243 | 242 | 242 | 242 |
| Additional paid-in capital | 39,526 | 39,096 | 38,746 | 39,915 | 39,340 |
| Retained earnings | 154,652 | 144,989 | 134,833 | 128,555 | 121,272 |
| Accumulated other comprehensive income (loss) | 1 | (11) | (70) | (104) | (132) |
| Total shareholders' equity | <u>194,422</u> | <u>184,317</u> | <u>173,751</u> | <u>168,608</u> | <u>160,722</u> |
| Total liabilities and shareholders' equity | <u>\$ 1,644,745</u> | <u>\$ 1,524,509</u> | <u>\$ 1,485,383</u> | <u>\$ 1,432,650</u> | <u>\$ 1,439,446</u> |

METROCITY BANKSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | Three Months Ended | | | | | Nine Months Ended | |
|--|-----------------------|------------------|-------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| <i>(Dollars in thousands, except per share data)</i> | | | | | | | |
| Interest and dividend income: | | | | | | | |
| Loans, including Fees | \$ 20,857 | \$ 20,159 | \$ 18,839 | \$ 18,116 | \$ 18,153 | \$ 59,855 | \$ 52,130 |
| Other investment income | 907 | 496 | 868 | 748 | 500 | 2,271 | 1,421 |
| Federal funds sold | 144 | 163 | 155 | 159 | 113 | 462 | 305 |
| Total interest income | <u>21,908</u> | <u>20,818</u> | <u>19,862</u> | <u>19,023</u> | <u>18,766</u> | <u>62,588</u> | <u>53,856</u> |
| Interest expense: | | | | | | | |
| Deposits | 5,873 | 5,445 | 5,057 | 4,545 | 3,822 | 16,375 | 9,466 |
| FHLB advances and other borrowings | 56 | 125 | 1 | 3 | 32 | 182 | 661 |
| Total interest expense | <u>5,929</u> | <u>5,570</u> | <u>5,058</u> | <u>4,548</u> | <u>3,854</u> | <u>16,557</u> | <u>10,127</u> |
| Net interest income | 15,979 | 15,248 | 14,804 | 14,475 | 14,912 | 46,031 | 43,729 |
| Provision for loan losses | — | — | — | 48 | 318 | — | 1,189 |
| Net interest income after provision for loan losses | 15,979 | 15,248 | 14,804 | 14,427 | 14,594 | 46,031 | 42,540 |
| Noninterest income: | | | | | | | |
| Service charges on deposit accounts | 294 | 262 | 255 | 260 | 256 | 811 | 776 |
| Other service charges, commissions and fees | 2,592 | 3,058 | 2,399 | 2,727 | 2,792 | 8,049 | 7,668 |
| Gain on sale of residential mortgage loans | 2,901 | 2,615 | 938 | 1,723 | 1,605 | 6,454 | 3,956 |
| Mortgage servicing income, net | 2,594 | 3,315 | 1,339 | 2,715 | 3,313 | 7,248 | 9,279 |
| SBA servicing income, net | 900 | 1,137 | 1,043 | 791 | 416 | 3,080 | 2,328 |
| Gain on sale of SBA loans | 1,404 | 1,565 | 1,327 | 577 | 621 | 4,296 | 4,039 |
| Other income | 316 | 146 | 133 | 311 | 142 | 595 | 459 |
| Total noninterest income | <u>11,001</u> | <u>12,098</u> | <u>7,434</u> | <u>9,104</u> | <u>9,145</u> | <u>30,533</u> | <u>28,505</u> |
| Noninterest expense: | | | | | | | |
| Salaries and employee benefits | 6,573 | 6,037 | 6,316 | 6,562 | 6,436 | 18,926 | 17,007 |
| Occupancy | 1,161 | 1,231 | 1,155 | 1,133 | 1,075 | 3,547 | 2,953 |
| Data Processing | 245 | 227 | 293 | 198 | 214 | 765 | 644 |
| Advertising | 142 | 143 | 170 | 156 | 146 | 455 | 457 |
| Other expenses | 2,041 | 2,296 | 2,130 | 2,436 | 2,549 | 6,467 | 7,029 |
| Total noninterest expense | <u>10,162</u> | <u>9,934</u> | <u>10,064</u> | <u>10,485</u> | <u>10,420</u> | <u>30,160</u> | <u>28,090</u> |
| Income before provision for income taxes | 16,818 | 17,412 | 12,174 | 13,046 | 13,319 | 46,404 | 42,955 |
| Provision for income taxes | 4,462 | 4,452 | 3,442 | 3,310 | 3,466 | 12,356 | 11,357 |
| Net income available to common shareholders | <u>\$ 12,356</u> | <u>\$ 12,960</u> | <u>\$ 8,732</u> | <u>\$ 9,736</u> | <u>\$ 9,853</u> | <u>\$ 34,048</u> | <u>\$ 31,598</u> |

METROCITY BANKSHARES, INC.
AVERAGE BALANCES AND YIELDS/RATES

| | Three Months Ended | | | | | | | | |
|---|--------------------|----------------------|-----------------|--------------------|----------------------|-----------------|--------------------|----------------------|-----------------|
| | September 30, 2019 | | | June 30, 2019 | | | September 30, 2018 | | |
| | Average Balance | Interest and Fees | Yield / Rate | Average Balance | Interest and Fees | Yield / Rate | Average Balance | Interest and Fees | Yield / Rate |
| <i>(Dollars in thousands)</i> | | | | | | | | | |
| Earning Assets: | | | | | | | | | |
| Federal funds sold and other investments ⁽¹⁾ | \$ 141,239 | \$ 842 | 2.37 % | \$ 75,775 | \$ 427 | 2.26 % | \$ 72,344 | \$ 394 | 2.16 % |
| Securities purchased under agreements to resell | 15,000 | 107 | 2.83 | 15,000 | 114 | 3.05 | 15,000 | 97 | 2.57 |
| Securities available for sale | 16,486 | 102 | 2.45 | 18,447 | 118 | 2.57 | 19,715 | 122 | 2.46 |
| Total investments | 172,725 | 1,051 | 2.41 | 109,222 | 659 | 2.42 | 107,059 | 613 | 2.27 |
| Construction and development | 34,903 | 579 | 6.58 | 30,060 | 490 | 6.54 | 48,207 | 746 | 6.14 |
| Commercial real estate | 474,455 | 8,210 | 6.87 | 457,599 | 7,599 | 6.66 | 390,424 | 6,484 | 6.59 |
| Commercial and industrial | 46,931 | 837 | 7.08 | 42,603 | 791 | 7.45 | 38,991 | 696 | 7.08 |
| Residential real estate | 772,068 | 11,181 | 5.75 | 790,667 | 11,219 | 5.69 | 727,786 | 10,125 | 5.52 |
| Consumer and other | 2,142 | 50 | 9.26 | 2,444 | 60 | 9.85 | 4,899 | 102 | 8.26 |
| Gross loans ⁽²⁾ | 1,330,499 | 20,857 | 6.22 | 1,323,373 | 20,159 | 6.11 | 1,210,307 | 18,153 | 5.95 |
| Total earning assets | 1,503,224 | 21,908 | 5.78 | 1,432,595 | 20,818 | 5.83 | 1,317,366 | 18,766 | 5.65 |
| Noninterest-earning assets | 95,437 | | | 80,439 | | | 74,257 | | |
| Total assets | 1,598,661 | | | 1,513,034 | | | 1,391,623 | | |
| Interest-bearing liabilities: | | | | | | | | | |
| NOW and savings deposits | 49,880 | 40 | 0.32 | 51,413 | 43 | 0.34 | 69,132 | 64 | 0.37 |
| Money market deposits | 152,867 | 822 | 2.13 | 121,511 | 683 | 2.25 | 55,157 | 171 | 1.23 |
| Time deposits | 816,752 | 5,011 | 2.43 | 807,311 | 4,719 | 2.34 | 785,634 | 3,587 | 1.81 |
| Total interest-bearing deposits | 1,019,499 | 5,873 | 2.29 | 980,235 | 5,445 | 2.23 | 909,923 | 3,822 | 1.67 |
| Borrowings | 37,075 | 56 | 0.60 | 22,822 | 125 | 2.20 | 10,604 | 32 | 1.20 |
| Total interest-bearing liabilities | 1,056,574 | 5,929 | 2.23 | 1,003,057 | 5,570 | 2.23 | 920,527 | 3,854 | 1.66 |
| Noninterest-bearing liabilities: | | | | | | | | | |
| Noninterest-bearing deposits | 303,759 | | | 304,220 | | | 292,275 | | |
| Other noninterest-bearing liabilities | 52,954 | | | 30,193 | | | 26,417 | | |
| Total noninterest-bearing liabilities | 356,713 | | | 334,413 | | | 318,692 | | |
| Shareholders' equity | 185,374 | | | 175,564 | | | 152,404 | | |
| Total liabilities and shareholders' equity | \$ 1,598,661 | | | \$ 1,513,034 | | | \$ 1,391,623 | | |
| Net interest income | | \$ 15,979 | | | \$ 15,248 | | | \$ 14,912 | |
| Net interest spread | | | 3.55 | | | 3.60 | | | 3.99 |
| Net interest margin | | | 4.22 | | | 4.27 | | | 4.49 |

(1) Includes income and average balances for term federal funds sold, interest-earning time deposits and other miscellaneous interest-earning assets.

(2) Average loan balances include nonaccrual loans and loans held for sale.

METROCITY BANKSHARES, INC.
AVERAGE BALANCES AND YIELDS/RATES

| | Nine Months Ended | | | | | |
|---|--------------------|----------------------|-----------------|--------------------|----------------------|-----------------|
| | September 30, 2019 | | | September 30, 2018 | | |
| | Average Balance | Interest and Fees | Yield / Rate | Average Balance | Interest and Fees | Yield / Rate |
| <i>(Dollars in thousands)</i> | | | | | | |
| Earning Assets: | | | | | | |
| Federal funds sold and other investments ⁽¹⁾ | \$ 112,310 | \$ 2,056 | 2.45 % | \$ 66,286 | \$ 1,084 | 2.19 % |
| Securities purchased under agreements to resell | 15,000 | 334 | 2.98 | 15,000 | 263 | 2.34 |
| Securities available for sale | 17,949 | 343 | 2.55 | 20,512 | 379 | 2.47 |
| Total investments | 145,259 | 2,733 | 2.52 | 101,798 | 1,726 | 2.27 |
| Construction and development | 34,598 | 1,721 | 6.65 | 47,127 | 2,088 | 5.92 |
| Commercial real estate | 453,741 | 23,109 | 6.81 | 388,683 | 18,685 | 6.43 |
| Commercial and industrial | 41,096 | 2,229 | 7.25 | 37,526 | 1,928 | 6.87 |
| Residential real estate | 764,873 | 32,636 | 5.70 | 695,790 | 29,091 | 5.59 |
| Consumer and other | 2,490 | 160 | 8.59 | 6,740 | 338 | 6.70 |
| Gross loans ⁽²⁾ | 1,296,798 | 59,855 | 6.17 | 1,175,866 | 52,130 | 5.93 |
| Total earning assets | 1,442,057 | 62,588 | 5.80 | 1,277,664 | 53,856 | 5.64 |
| Noninterest-earning assets | 83,947 | | | 72,787 | | |
| Total assets | 1,526,004 | | | 1,350,451 | | |
| Interest-bearing liabilities: | | | | | | |
| NOW and savings deposits | 52,007 | 132 | 0.34 | 72,597 | 215 | 0.40 |
| Money market deposits | 119,931 | 1,957 | 2.18 | 46,801 | 332 | 0.95 |
| Time deposits | 819,510 | 14,286 | 2.33 | 728,331 | 8,919 | 1.64 |
| Total interest-bearing deposits | 991,448 | 16,375 | 2.21 | 847,729 | 9,466 | 1.49 |
| Borrowings | 21,529 | 182 | 1.13 | 58,913 | 661 | 1.50 |
| Total interest-bearing liabilities | 1,012,977 | 16,557 | 2.19 | 906,642 | 10,127 | 1.49 |
| Noninterest-bearing liabilities: | | | | | | |
| Noninterest-bearing deposits | 300,851 | | | 280,021 | | |
| Other noninterest-bearing liabilities | 35,791 | | | 20,151 | | |
| Total noninterest-bearing liabilities | 336,642 | | | 300,172 | | |
| Shareholders' equity | 176,385 | | | 143,637 | | |
| Total liabilities and shareholders' equity | \$ 1,526,004 | | | \$ 1,350,451 | | |
| Net interest income | | \$ 46,031 | | | \$ 43,729 | |
| Net interest spread | | | 3.61 | | | 4.15 |
| Net interest margin | | | 4.27 | | | 4.58 |

(1) Includes income and average balances for term federal funds sold, interest-earning time deposits and other miscellaneous interest-earning assets.

(2) Average loan balances include nonaccrual loans and loans held for sale.

METROCITY BANKSHARES, INC.
LOAN DATA

| | As of the Quarter Ended | | | | | | | | | |
|-------------------------------|-------------------------|------------|---------------------|------------|---------------------|------------|---------------------|------------|---------------------|------------|
| | September 30, 2019 | | June 30, 2019 | | March 31, 2019 | | December 31, 2018 | | September 30, 2018 | |
| | Amount | % of Total | Amount | % of Total | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| <i>(Dollars in thousands)</i> | | | | | | | | | | |
| Construction and Development | \$ 42,106 | 3.3 % | \$ 37,132 | 3.1 % | \$ 39,435 | 3.5 % | \$ 42,718 | 3.7 % | \$ 39,635 | 3.6 % |
| Commercial Real Estate | 436,692 | 34.6 % | 420,332 | 35.3 % | 392,714 | 34.5 % | 396,598 | 34.6 % | 380,943 | 35.3 % |
| Commercial and Industrial | 47,247 | 3.8 % | 43,771 | 3.7 % | 41,916 | 3.7 % | 33,100 | 2.9 % | 32,558 | 3.0 % |
| Residential Real Estate | 733,702 | 58.2 % | 687,389 | 57.7 % | 662,272 | 58.1 % | 670,341 | 58.5 % | 622,842 | 57.7 % |
| Consumer and other | 1,658 | 0.1 % | 2,287 | 0.2 % | 2,294 | 0.2 % | 2,957 | 0.3 % | 3,791 | 0.4 % |
| Gross loans | \$ 1,261,405 | 100 % | \$ 1,190,911 | 100 % | \$ 1,138,631 | 100 % | \$ 1,145,714 | 100 % | \$ 1,079,769 | 100 % |
| Unearned income | (2,359) | | (2,492) | | (1,977) | | (2,139) | | (1,708) | |
| Allowance for loan losses | (6,850) | | (6,483) | | (6,526) | | (6,645) | | (6,881) | |
| Net loans | <u>\$ 1,252,196</u> | | <u>\$ 1,181,936</u> | | <u>\$ 1,130,128</u> | | <u>\$ 1,136,930</u> | | <u>\$ 1,071,180</u> | |

METROCITY BANKSHARES, INC.
NONPERFORMING ASSETS

| | As of the Quarter Ended | | | | |
|---|-------------------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 |
| | <i>(Dollars in thousands)</i> | | | | |
| Nonaccrual loans | \$ 11,039 | \$ 13,633 | \$ 7,865 | \$ 5,667 | \$ 5,814 |
| Past due loans 90 days or more and still accruing | 509 | — | — | — | — |
| Accruing troubled debt restructured loans | 2,969 | 3,130 | 3,298 | 3,298 | 3,319 |
| Total non-performing loans | 14,517 | 16,763 | 11,163 | 8,965 | 9,133 |
| Other real estate owned | 423 | — | — | — | — |
| Total non-performing assets | <u>\$ 14,940</u> | <u>\$ 16,763</u> | <u>\$ 11,163</u> | <u>\$ 8,965</u> | <u>\$ 9,133</u> |
| Nonperforming loans to gross loans | 1.15 % | 1.41 % | 0.98 % | 0.78 % | 0.85 % |
| Nonperforming assets to total assets | 0.91 % | 1.10 % | 0.75 % | 0.63 % | 0.63 % |
| Allowance for loan losses to non-performing loans | 47.19 % | 38.67 % | 58.46 % | 74.12 % | 75.34 % |

METROCITY BANKSHARES, INC.
ALLOWANCE FOR LOAN LOSSES

| | As of or for the Three Months Ended | | | | As of or for the Nine Months Ended | | |
|--|-------------------------------------|------------------|-------------------|----------------------|------------------------------------|-----------------------|--------------|
| | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | September 30, 2018 | |
| <i>(Dollars in thousands)</i> | | | | | | | |
| Balance, beginning of period | \$ 6,483 | \$ 6,526 | \$ 6,645 | \$ 6,881 | \$ 6,766 | \$ 6,645 | \$ 6,925 |
| Net charge-offs/(recoveries): | | | | | | | |
| Construction and development | — | — | — | — | — | — | — |
| Commercial real estate | (501) | (6) | (5) | 67 | (4) | (512) | — |
| Commercial and industrial | — | 14 | — | 39 | — | 14 | — |
| Residential real estate | — | — | — | — | — | — | — |
| Consumer and other | 134 | 35 | 124 | 178 | 207 | 293 | 1,233 |
| Total net charge-offs/(recoveries) | (367) | 43 | 119 | 284 | 203 | (205) | 1,233 |
| Provision for loan losses | — | — | — | 48 | 318 | — | 1,189 |
| Balance, end of period | \$ 6,850 | \$ 6,483 | \$ 6,526 | \$ 6,645 | \$ 6,881 | \$ 6,850 | \$ 6,881 |
| Total loans at end of period | \$ 1,261,405 | \$ 1,190,911 | \$ 1,138,631 | \$ 1,145,714 | \$ 1,079,769 | \$ 1,261,405 | \$ 1,079,769 |
| Average loans ⁽¹⁾ | \$ 1,295,657 | \$ 1,217,943 | \$ 1,136,450 | \$ 1,141,020 | \$ 1,127,294 | \$ 1,229,864 | \$ 1,114,232 |
| Net charge-offs to average loans | (0.11)% | 0.01 % | 0.04 % | 0.10 % | 0.07 % | (0.02)% | 0.15 % |
| Allowance for loan losses to total loans | 0.54 % | 0.54 % | 0.57 % | 0.58 % | 0.64 % | 0.54 % | 0.64 % |

(1) Excludes loans held for sale