

METROCITY BANKSHARES, INC.



KBW Community Bank
Investor Conference

NASDAQ: MCBS

July 2024

Disclaimer



This presentation contains “forward-looking statements” within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be regarding future events and our expectations and beliefs about our future financial performance and financial condition, as well as trends in our business and markets. In addition, certain statements may be contained in the Company’s future filings with the SEC, in press releases, and in oral and written statements made by or with the approval of the Company that are not statements of historical fact and constitute “forward-looking statements” within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Forward-looking statements are not historical in nature and may be identified by references to a future period or periods by the use of the words “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 presentation should not be relied on because they are based on current information and on assumptions that we make about future events and circumstances that are subject to a number of known and unknown risks and uncertainties that are often difficult to predict and beyond our control. As a result of those risks and uncertainties, and other factors, 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 presentation and could cause us to make changes to our future plans. Factors that might cause such differences include, but are not limited to: the impact of current and future economic conditions, particularly those affecting the financial services industry, including the effects of declines in the real estate market, high unemployment rates, inflationary pressures, elevated interest rates and slowdowns in economic growth, as well as the financial stress on borrowers as a result of the foregoing; potential impacts of adverse developments in the banking industry highlighted by high-profile bank failures, including impacts on customer confidence, deposit outflows, liquidity and the regulatory response thereto; risks arising from media coverage of the banking industry; risks arising from perceived instability in the banking sector; changes in the interest rate environment, including changes to the federal funds rate; changes in prices, values and sales volumes of residential and commercial real estate; developments in our mortgage banking business, including loan modifications, general demand, and the effects of judicial or regulatory requirements or guidance; competition in our markets that may result in increased funding costs or reduced earning assets yields, thus reducing margins and net interest income; interest rate fluctuations, which could have an adverse effect on the Company’s profitability; legislation or regulatory changes which could adversely affect the ability of the consolidated Company to conduct business combinations or new operations; changes in tax laws; significant turbulence or a disruption in the capital or financial markets and the effect of a fall in stock market prices on our investment securities; the effects of war or other conflicts including the impacts related to or resulting from Russia’s military action in Ukraine or the conflict in Israel and the surrounding region; and adverse results from current or future litigation, regulatory examinations or other legal and/or regulatory actions, including as a result of the Company’s participation in and execution of government programs. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized.

Additional information regarding these and other risks and uncertainties to which our business and future financial performance are subject is contained in the sections titled “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in the Company’s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q on file with the U.S. Securities and Exchange Commission (the “SEC”), and in other documents that we file with the SEC from time to time, which are available on the SEC’s website, <http://www.sec.gov>. 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.

Company Overview



Company

- Metro City Bank was founded in 2006
- The holding company, MetroCity Bankshares, Inc., was founded in 2014

Headquarters

- Doraville, Georgia (Atlanta Metro Area)

Focus

- Non-conforming mortgage lending, SBA lending and conservative CRE lending
- Predominantly Asian-American communities in growing metropolitan markets in the Eastern U.S. and Texas

2024 Size and Scale

- \$3.6 billion in total assets
- \$3.1 billion in gross loans
- \$2.7 billion in total deposits

2024 YTD Performance

- 1.77% Return on Average Assets
- 16.27% Return on Average Equity
- 3.45% Net Interest Margin
- 36.8% Efficiency Ratio

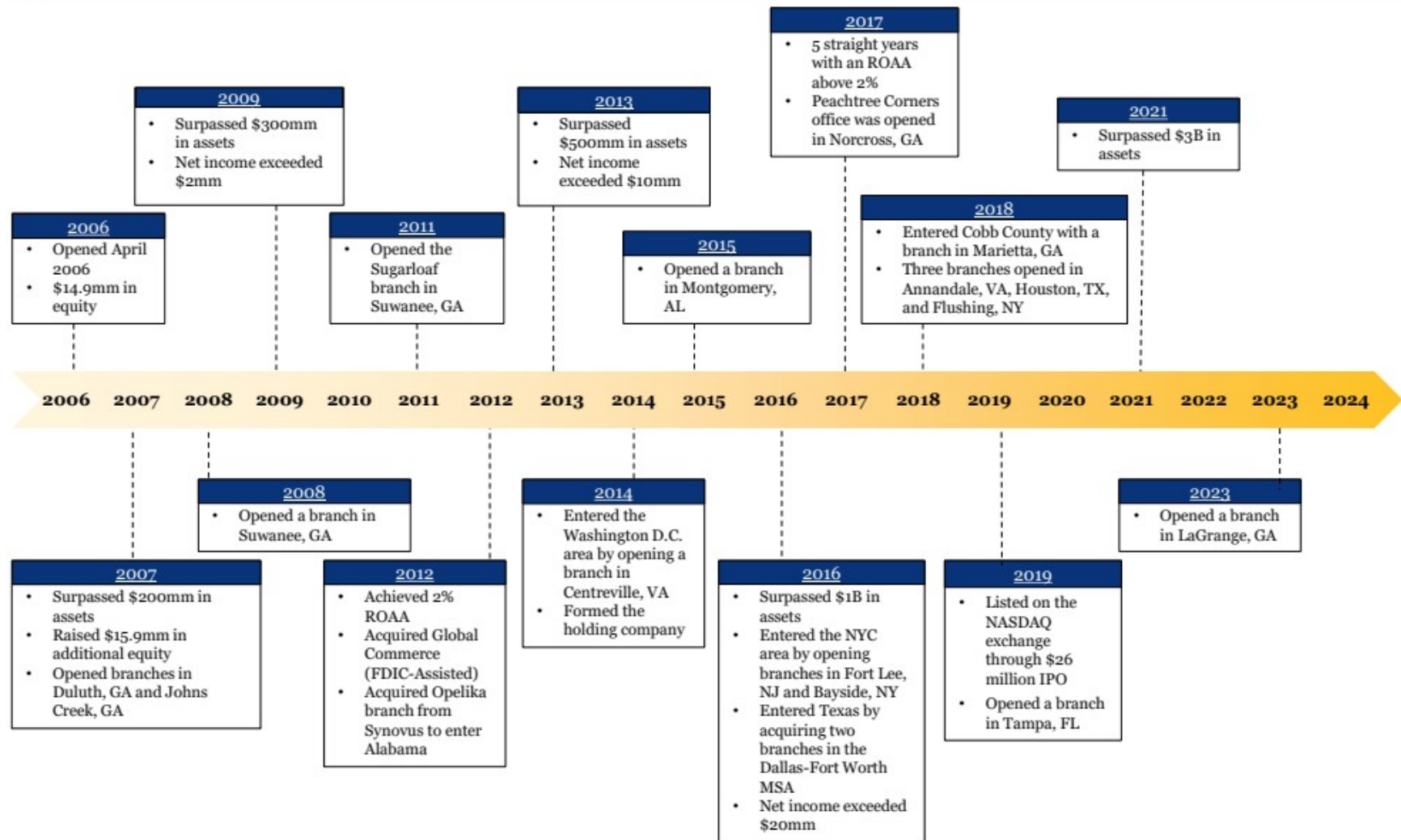
METROCITY BANKSHARES, INC.

● 20 Full-Service Branch Locations



Note: Financial data is as of or for the quarter ended June 30, 2024 and as of or for the six months ended June 30 for 2024 YTD

History of Metro City Bank



Senior Management Team



Our senior management team is supported by ten highly qualified and experienced individuals who oversee various aspects of our business

Name	Holding Company Title	Years in Industry	Year Joined MetroCity	Prior Experience
Nack Y. Paek	Chairman and Chief Executive Officer	43	2006	<ul style="list-style-type: none"> • Founder of MetroCity Bankshares, Inc. and Metro City Bank • Served as President of Government Loan Service Corp. which specialized in originating and servicing SBA loans • Founding director for Summit Bank Corporation where he served in various capacities, including Chairman of the Audit committee and Chairman of the Board of Directors
Farid Tan	President and Director	43	2006	<ul style="list-style-type: none"> • Began community banking career in Georgia in 1999 as Senior Vice President and Chief Lending Officer of Global Commerce Bank; named President and CEO in 2002 • Started banking career in 1981 for Bank Bumiputra Malaysia where he became the Assistant General Manager of their New York office
Howard H. Kim	Executive VP, Chief Operating Officer, Chief Lending Officer and Director	44	2006	<ul style="list-style-type: none"> • Served as Vice President, Commercial and SBA Lender for two local community banks in Doraville, Georgia prior to joining Metro City Bank in 2006 • Worked for Korea Development Securities Co. Ltd as an assistant branch manager, a manager of their accounting division and representative of their Amsterdam office from 1991 to 1997 • Worked for Korea Development Bank as an officer for lending, deposit, foreign exchange dealing and accounting from 1980 to 1991
Lucas C. Stewart	Executive VP, Chief Financial Officer	21	2019	<ul style="list-style-type: none"> • Most recently served as Vice President of Financial Reporting and SOX Compliance for Fidelity Bank in Atlanta, GA • Director of an Atlanta CPA firm and oversaw the audits of various financial institutions over the span of 9 years

Key Investment Highlights



Niche Focus

- Successful growth of customer base since our founding primarily through de novo branch openings in vibrant, multi-ethnic markets
- Suite of product offerings tailored to meet the needs of businesses and individuals already established in our communities

Balance Sheet Growth

- Strong asset growth in each of the last three years, driven by investments in personnel and branch infrastructure
- Since 2015, we have added twelve full-service branches in carefully selected locations and added 130 employees
- Investments yielded growth in assets, loans, deposits and shareholders' equity well in excess of our peer groups

Earnings Growth and Profitability

- Steady balance sheet expansion has driven consistent revenue and earnings growth
- Peer-leading profitability has enabled us to support growth while maintaining healthy capital ratios and achieving a dividend payout ratio greater than 24% over the last five years (excluding 2021)
- Greater than 1.50% return on average assets for every fiscal year since 2015

Credit Quality

- Growth and profitability have come without compromising on asset quality
- Only 5 foreclosures out of 19,550 residential mortgage loans originated between January 1, 2015 and June 30, 2024, none of which resulted in a loss

Beneficial Ownership of Executive Officers and Directors



Name	Age	Year Joined	Principal Occupation	Nationality	Title and Position with the Company	Shares of Common Stock Beneficially Owned
Nack Y. Paek	82	2006	Chairman and CEO of MetroCity Bankshares, Inc.	Korean	Chairman, CEO and Founder	5.46%
Farid Tan	66	2006	President and Director of MetroCity Bankshares, Inc.	Malaysian	President & Director	3.77%
Howard H. Kim	67	2006	Executive VP, COO and CLO of MetroCity Bankshares, Inc.	Korean	Executive VP, COO, CLO & Director	2.36%
Lucas Stewart	45	2019	Executive VP, CFO of MetroCity Bankshares, Inc.	American	Executive VP, CFO	0.01%
Beneficial Ownership of Executive Offices:						11.60%
Don Leung	66	2006	Vice Chairman of the Board of MetroCity Bankshares, Inc.	Chinese	Director	4.27%
Ajit Patel	59	2006	Managing Member of Amrit & Sons I, LLC and Relax Hospitality, LLC	Indian	Director	2.76%
Sam Sang-Koo Shim	81	2006	President of SKS Consulting, Inc.	Korean	Director	2.50%
Francis Lai	70	2010	Managing Member of Goldfield Capital, LLC	Malaysian	Director	2.14%
Frank Glover	45	2022	President of STG Investments	American	Director	0.80%
Feiying Lu	60	2006	Internal Controller with Imaex Trading Company	Chinese	Director	0.66%
William J. Hungeling	53	2020	Owner of Hungeling CPA	American	Director	0.62%
Frank S. Rhee	59	2006	Co-Owner, EEE Holdings LLC	Korean	Director	0.07%
Beneficial Ownership of Current Directors Excluding Management:						13.82%
Total Beneficial Ownership:						25.42%

Note: Beneficial ownership percentages include unvested restricted stock and are as of June 30, 2024

Financial Snapshot



As of or for the Six Months Ended,
June 30, 2024

Balance Sheet (\$mm)

Total Assets	\$3,615.4
Gross Loans	3,090.5
Total Deposits	2,745.9
Total Shareholders' Equity	407.2

Earnings and Profitability

Net Income (\$mm)	\$31.6
Return on Average Assets	1.77%
Return on Average Shareholders' Equity	16.27%
Net Interest Margin	3.45%
Efficiency Ratio	36.8%

Balance Sheet and Capital Ratios (Consolidated)

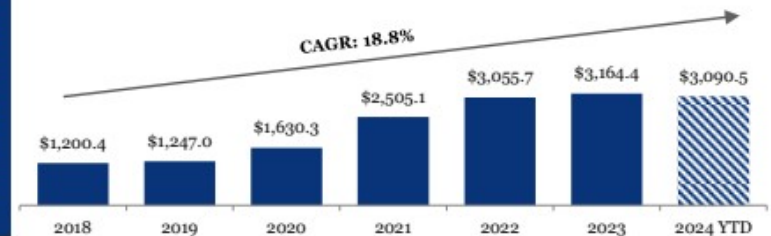
Gross Loans to Deposits	112.8%
Total Shareholders Equity to Total Assets	11.26%
Tier 1 Leverage Ratio	10.75%
Tier 1 Risk-Based Capital Ratio	18.25%
Total Risk-Based Capital Ratio	19.12%

Asset Quality

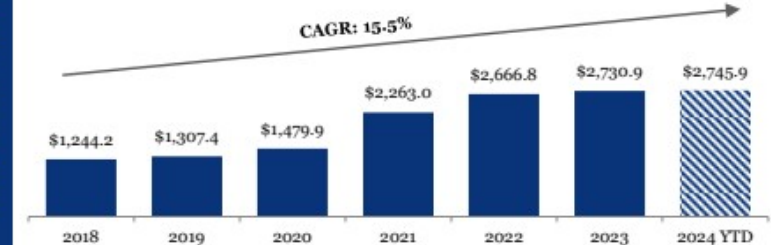
Nonperforming Assets to Total Assets	0.75%
Allowance for Loan Losses to Gross Loans	0.58%
Net Charge-Offs to Average Loans	(0.01%)

Track Record of Organic Growth

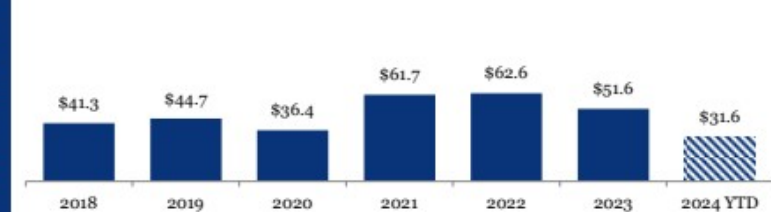
Gross Loans (\$mm)



Total Deposits (\$mm)



Net Income (\$mm)

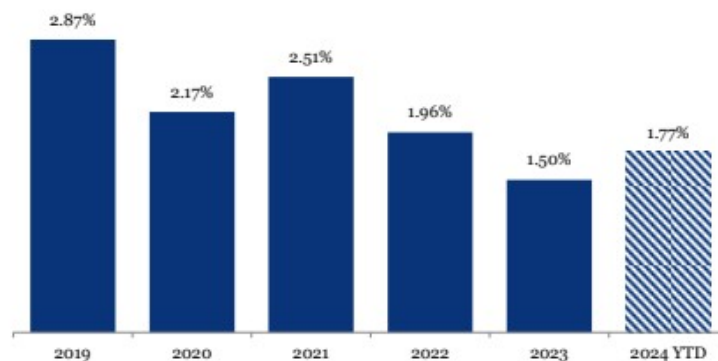


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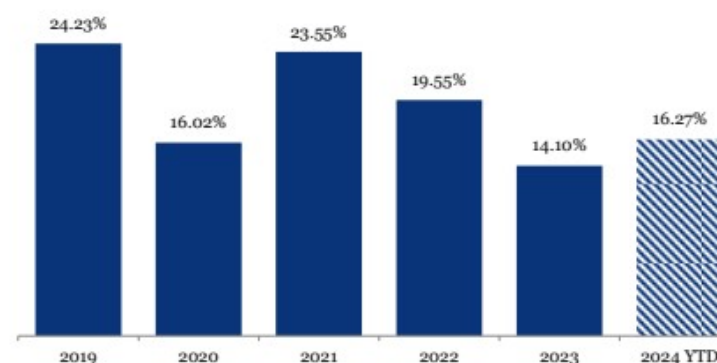
Exceptional Profitability and Growth



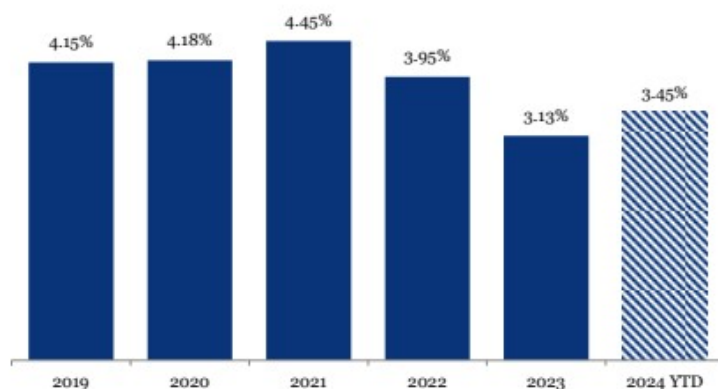
Return on Average Assets



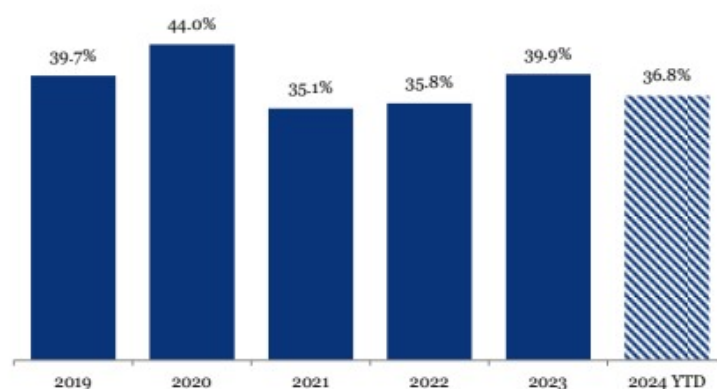
Return on Average Shareholders' Equity



Net Interest Margin



Efficiency Ratio



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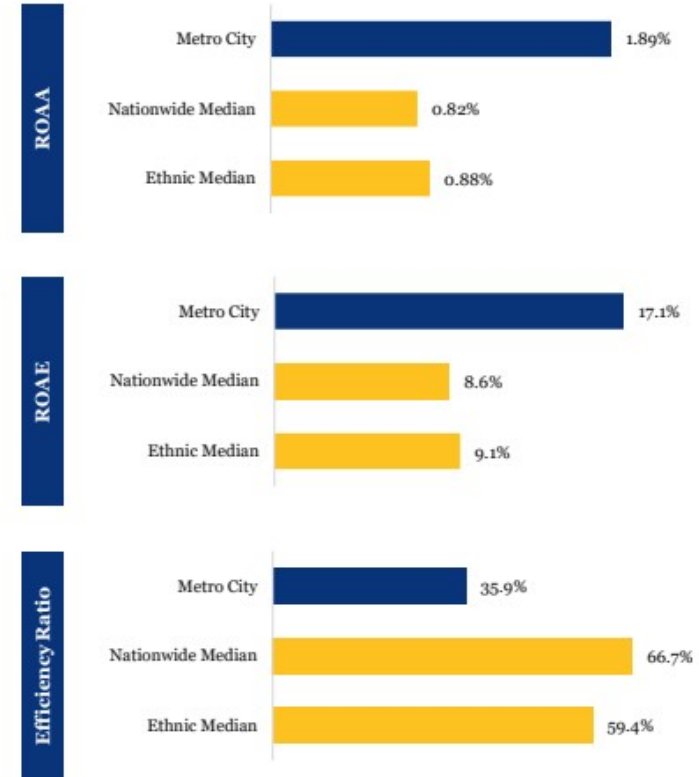
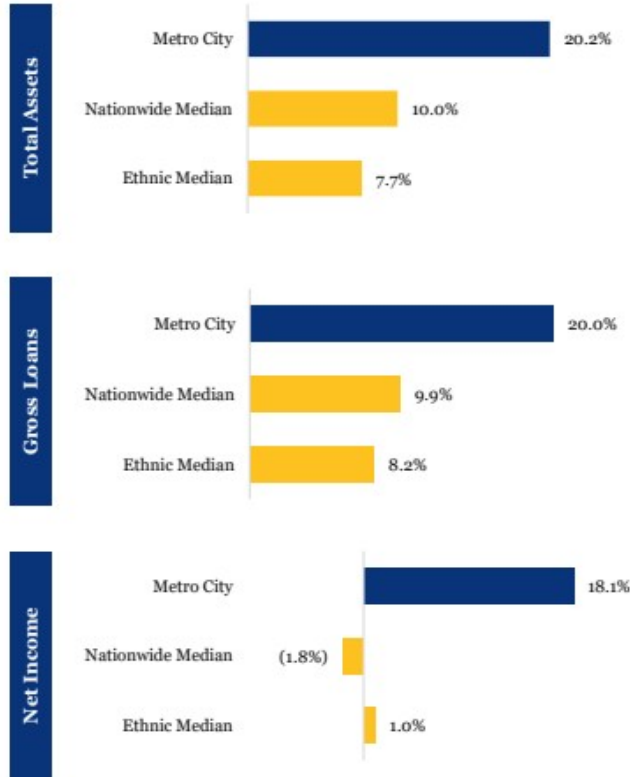
Peer Leading Performance



Growth Metrics vs. Peers⁽¹⁾

Performance Metrics vs. Peers⁽²⁾

Peer Median



Note: Ethnic Peer Group includes eight banks traded on either the NYSE or the Nasdaq Global Select Market and headquartered in the United States with a primary focus on serving distinct ethnic communities (EWBC, CATY, HOPE, HAFC, PFBC, RBB, OPBK, and PCB). Nationwide Peer Group includes 57 banks traded on either the NYSE or the Nasdaq Global Select Market with total assets between \$2.5 billion and \$5 billion as of the most recent quarter available

(1) Three year CAGR from December 31, 2020 to June 30, 2024 or the most recent quarter available

(2) Financial data as of the three months ended June 30, 2024 or the most recent quarter available

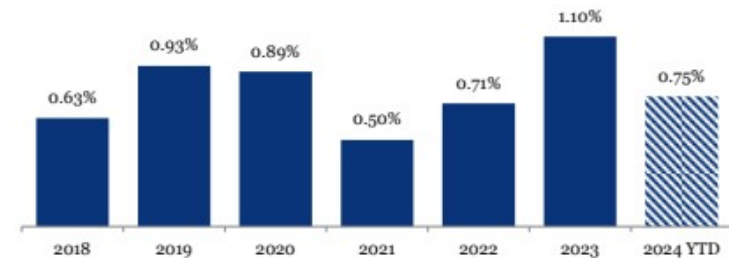
Strong Focus on Credit



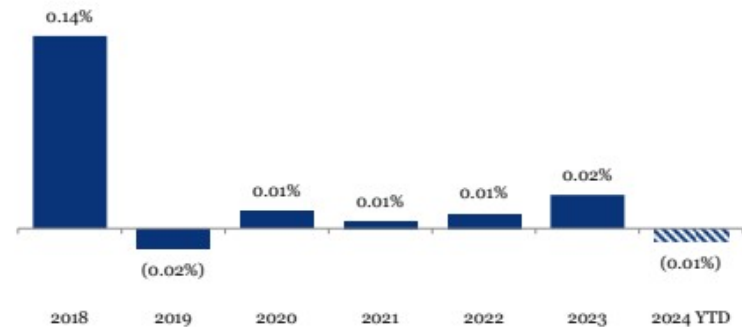
Credit Quality Highlights

- Adherence to disciplined and well-defined underwriting practices
 - No delegated individual lending authority
 - Lending authority governed by graduated size limits at each of our management loan committee, directors' loan committee, or our full board of directors
- Focus on low loan-to-value, strong cash flows and personal guarantees in most cases
- High level of involvement of our executive senior management team and board of directors
- Exceptional performance in our residential mortgage lending
 - Utilizes a pre-defined criteria approval system with no need for discretionary judgement or approval
 - Only 5 foreclosures out of 19,550 residential mortgage loans originated between January 1, 2015 and June 30, 2024, none of which resulted in a loss
- Take advantage of the SBA and USDA programs to augment credit via guarantees

NPAs / Total Assets



NCOs to Average Gross Loans



Note: Financial data is as of or for the 12 months ended December 31 for each respective year end as of or for the six months ended June 30 for 2024 YTD

Diverse Loan Portfolio

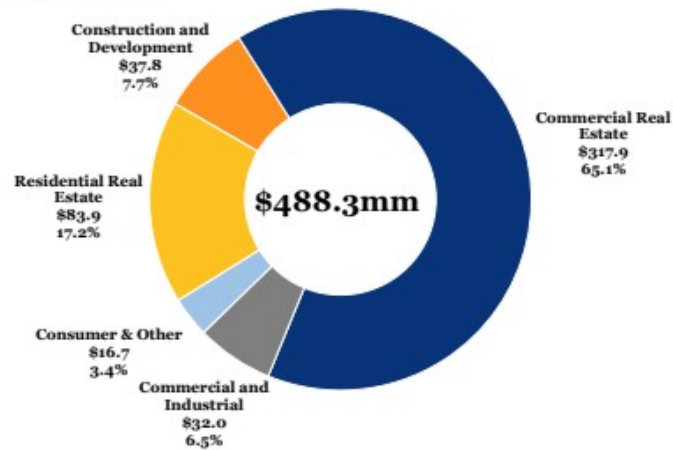


Loan Portfolio Highlights

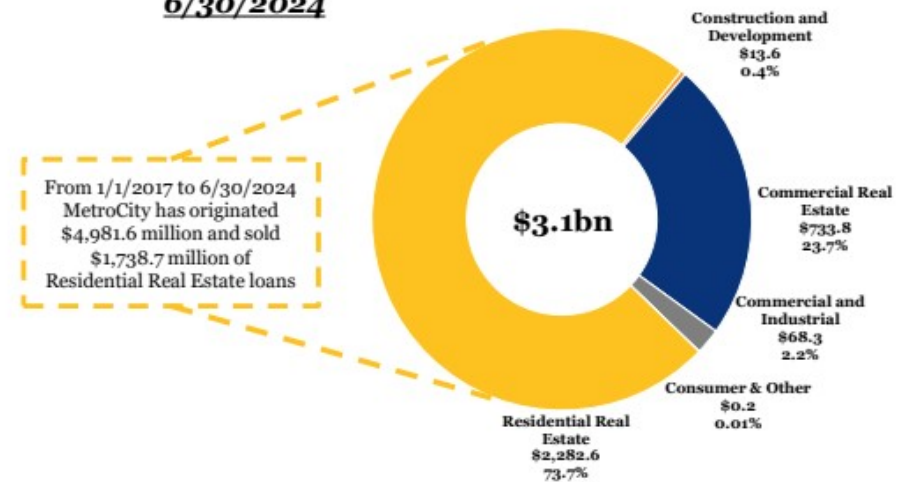
- Primary focus on real estate lending with an expertise in non-conforming single family residential (“SFR”) and Small Business Administration (“SBA”) lending
- We continue to diversify both geographically and by loan type
 - Since 2015, we have opened 12 new branches, including 3 in the Atlanta metropolitan area
 - We also opened three branches in Texas, two branches in New York, and one branch in each of Alabama, Florida, New Jersey and Virginia
 - We will continue to expand geographically to new gateway markets that are culturally diverse and experiencing demographic growth

Loan Portfolio Composition

12/31/2014



6/30/2024

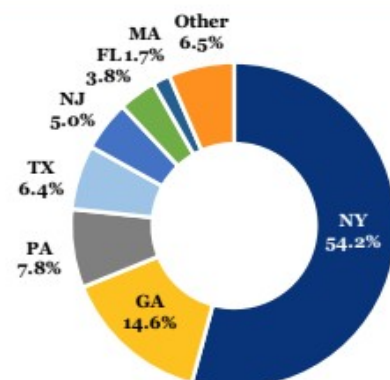


Note: Dollars in millions unless otherwise noted

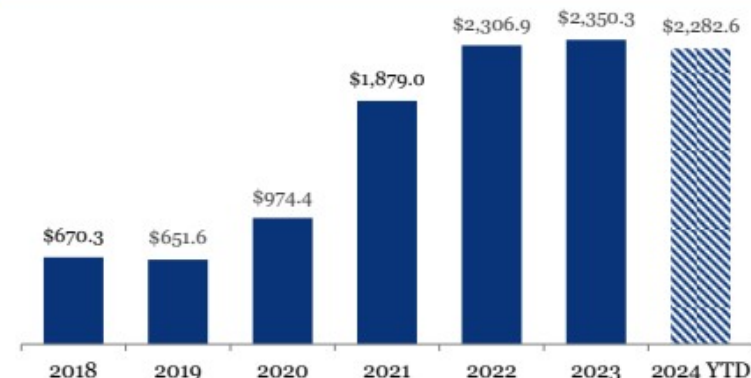
Residential Real Estate Lending



Geographic Breakdown



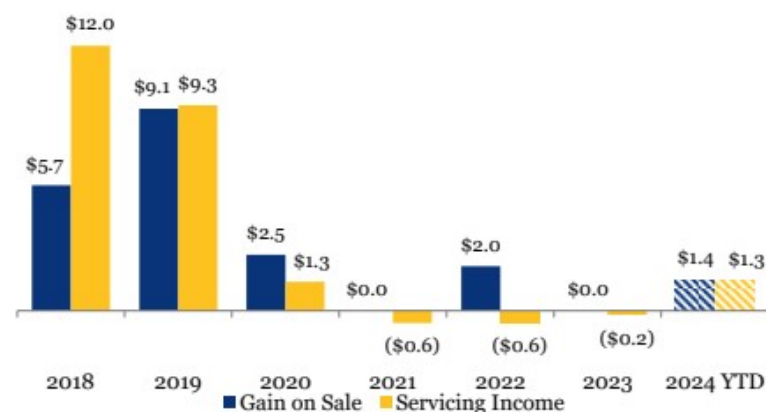
Residential Real Estate Loan Balances (\$mm)



Volume of Residential Loans Originated and Sold (\$mm)



Gain on Sale/ Servicing Income (\$mm)

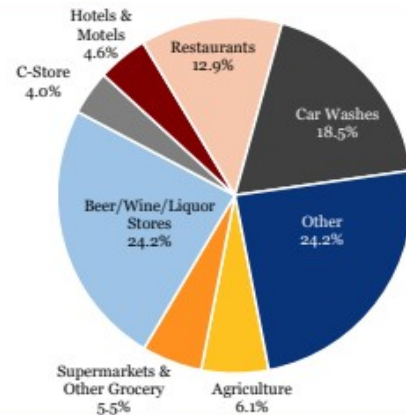


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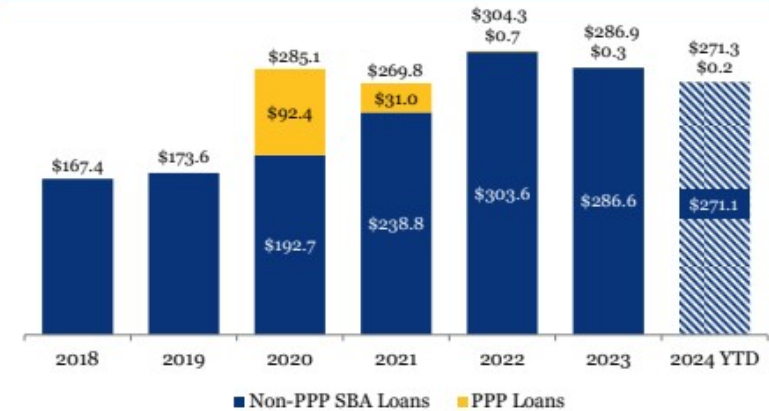
SBA Lending Continues to Support Growth



Major Industry Exposure



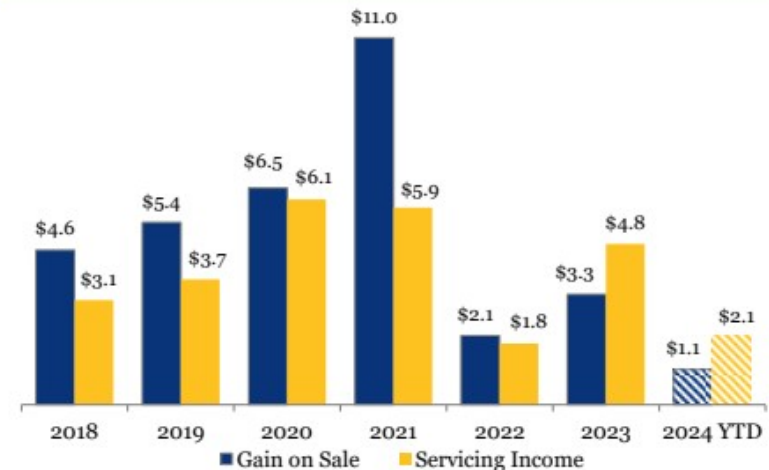
SBA Balances (\$mm)



Volume of SBA Loans Originated and Sold (\$mm)



Gain on Sale/Service Income (\$mm)



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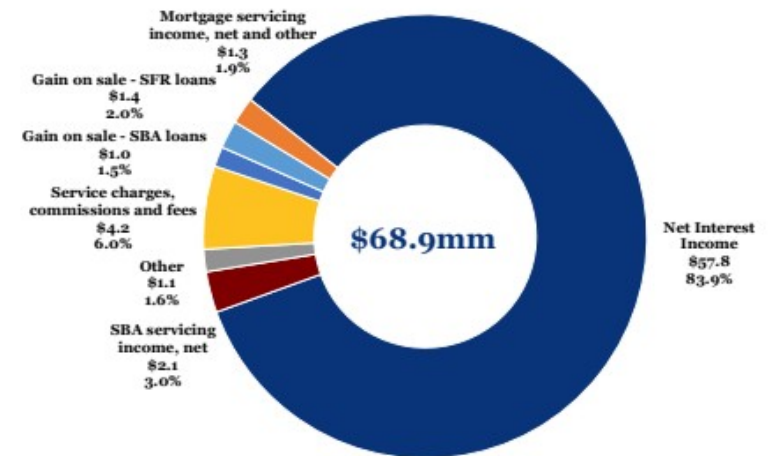
Well Diversified Revenue Streams



Highlights

- For the year ended December 31, 2023 and the six months ended June 30, 2024, 17.5% and 16.1%, respectively, of revenue came from noninterest income
- Noninterest income for the six month period ended June 30, 2024 was \$11.1 million, a decrease of \$0.3 million or 2.7%, compared to \$10.8 million for the six month period ended June 30, 2023
- A significant portion of noninterest income is associated with SBA and residential mortgage lending activity, consisting of gains on the sale of loans sold in the secondary market and servicing income from loans sold with servicing rights retained
- In recent years, we have elected to sell less loans to help maximize our interest income due to lower sales premiums offered from secondary market

Revenue for the six months ended June 30, 2024 (\$mm)



Note: Dollars in millions unless otherwise noted

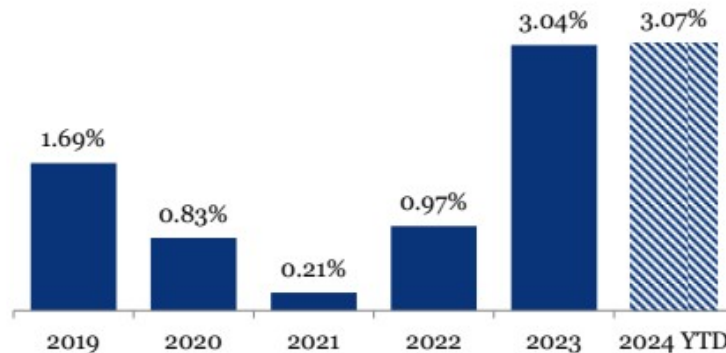
Deposit Portfolio



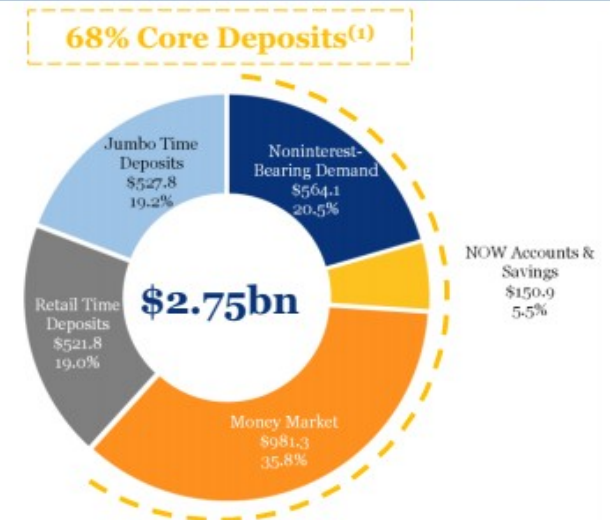
Deposit Portfolio Highlights

- Focused on growing our low-cost deposits, which we gather primarily through our branch network
 - We also utilize brokered deposits as a source of funding to support our asset growth
- Total deposits increased \$47.4 million, or 1.8% to \$2.75 billion at June 30, 2024 compared to \$2.70 billion at June 30, 2023
- Since 2014 we have placed an increased emphasis on growing our relationship-based deposits with our commercial and business lending customers; developing SBA borrowers into full-scale customer relationships
- Since 2017, we have been developing deposit relationships with our mortgage borrowers
- Uninsured deposits were 23.4% of total deposits at June 30, 2024 compared to 30.7% at June 30, 2023. As of June 30, 2024, we had \$1.2 billion of available borrowing capacity at the Federal Home Loan Bank (\$709.7 million), Federal Reserve Discount Window (\$509.2 million) and various other financial institutions (fed fund lines totaling \$47.5 million).

Cost of Deposits



Deposit Portfolio Composition as of June 30, 2024 (\$mm)



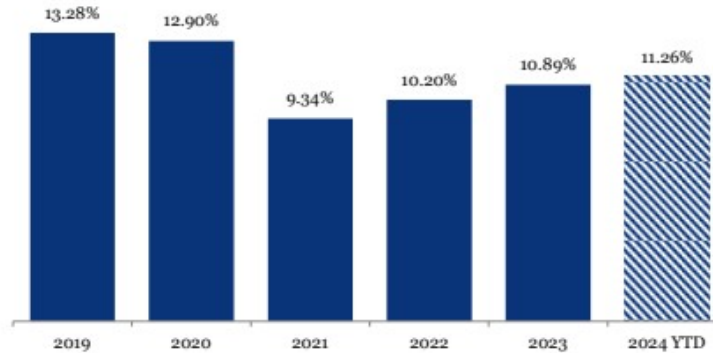
Note: Dollars in millions unless otherwise noted. Financial data is as of or for the 12 months ended December 31 for each respective year and as of or for the six months ended June 30, 2024 for 2024 YTD

(1) Core deposits exclude time deposits > 250,000 without other related deposit accounts

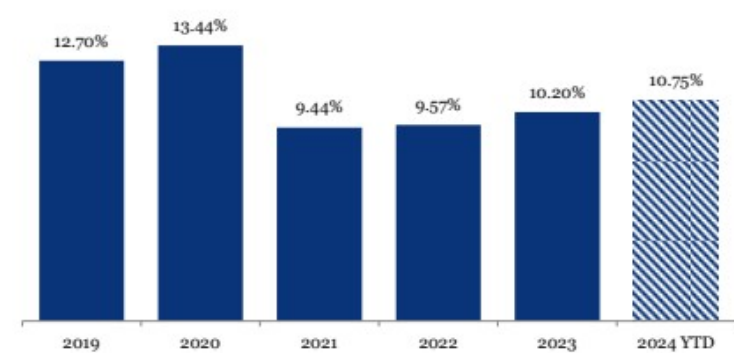
Strong Capital Position



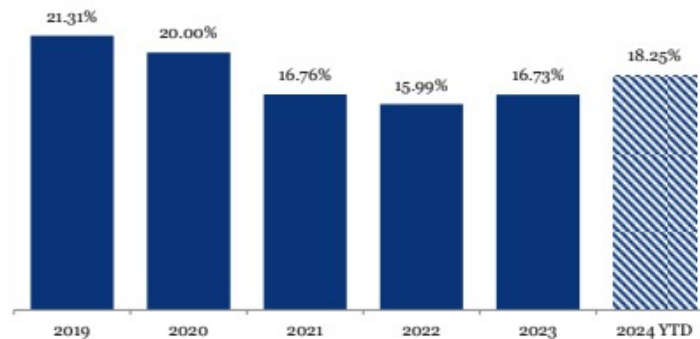
Total Shareholders Equity to Total Assets



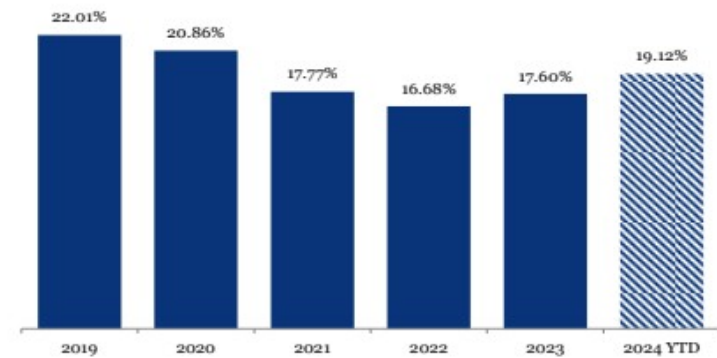
Tier 1 Leverage Ratio



Tier 1 Risk Based Capital



Total Risk-Based Capital



Note: Financial data is as of or for the 12 months ended December 31 for each respective year end and as of or for the six months ended June 30 for 2024 YTD

Appendix

Selected Historical Consolidated Financials



(Dollars in thousands, except per share data)	As of or for the Year Ended December 31,				As of or for the Six Months Ended June 30,	
	2020	2021	2022	2023	2024	
Statement of Income Data:						
Interest income	\$ 77,609	\$ 108,741	\$ 147,220	\$ 192,827	\$ 106,466	
Interest expense	11,489	4,572	27,609	91,348	48,669	
Net interest income	66,120	104,169	119,611	101,479	57,797	
Provision for credit losses	3,467	6,929	(2,767)	(15)	(268)	
Noninterest income	27,112	33,803	19,204	18,204	11,127	
Noninterest expense	41,001	48,424	50,365	47,726	25,393	
Income tax expense	12,370	20,918	28,615	20,359	12,232	
Net income	36,394	61,701	62,602	51,613	31,567	
Per Share Data:						
Basic income per share	\$ 1.42	\$ 2.41	\$ 2.46	\$ 2.05	\$ 1.25	
Diluted income per share	1.41	2.39	2.44	2.02	1.24	
Dividends per share	0.40	0.46	0.60	0.72	0.40	
Book value per share (at period end)	9.54	11.40	13.88	15.14	16.08	
Shares of common stock outstanding	25,674,573	25,465,236	25,169,709	25,205,506	25,331,916	
Weighted average diluted shares	25,798,549	25,788,781	25,688,696	25,518,516	25,547,171	
Balance Sheet Data:						
Gross loans held for investment	\$ 1,630,344	\$ 2,505,070	\$ 3,055,689	\$ 3,142,105	\$ 3,090,498	
Loans held for sale	-	-	-	22,267	-	
Allowance for loan losses	10,135	16,952	13,888	18,112	17,960	
Total assets	1,897,489	3,106,158	3,427,239	3,502,823	3,615,370	
Deposits	1,479,889	2,263,020	2,666,838	2,730,936	2,745,860	
Shareholders' equity	244,831	290,223	349,421	381,517	407,228	
Performance Ratios:						
Return on average assets	2.17%	2.51%	1.96%	1.50%	1.77%	
Return on average shareholders' equity	16.02	23.55	19.55	14.10	16.27	
Dividend payout ratio	28.32	19.17	24.52	35.43	32.23	
Yield on total loans	5.47	5.11	5.15	5.97	6.40	
Yield on average earning assets	4.91	4.65	4.86	5.94	6.36	
Cost of average interest bearing liabilities	1.15	0.29	1.25	3.73	3.81	
Cost of deposits	0.83	0.21	0.97	3.85	3.80	
Net interest margin	4.18	4.45	3.95	3.13	3.45	
Efficiency ratio	44.04	35.10	36.28	39.87	36.84	

Selected Historical Consolidated Financials



	As of or for the Year Ended December 31,				As of or for the Six Months Ended June 30,
(Dollars in thousands, except per share data)	2020	2021	2022	2023	2024
Asset quality data:					
Net charge-offs/(recoveries) to average loans HFI	0.01%	0.01%	0.01%	0.02%	(0.01%)
Nonperforming assets to gross loans HFI and OREO	1.03	0.61	0.80	1.22	0.87
ACL to nonperforming loans	77.40	147.97	69.50	49.06	70.16
ACL to loans held for investment	0.62	0.68	0.45	0.58	0.58
Balance sheet and capital ratios:					
Gross loans held for investment to deposits	110.48%	110.98%	114.94%	115.33%	112.85%
Noninterest bearing deposits to deposits	31.28	26.18	22.95	18.75	20.54
Tangible common equity to tangible assets	12.90	9.34	10.20	10.89	11.26
Leverage ratio	13.44	9.44	9.57	10.20	10.75
Common equity tier 1 ratio	20.00	16.76	15.99	16.73	18.25
Tier 1 risk-based capital ratio	20.00	16.76	15.99	16.73	18.25
Total risk-based capital ratio	20.86	17.77	16.68	17.60	19.12