

Metro Phoenix Bank Reports Earnings of \$849,000, or \$0.23 per Diluted Share in 1Q2019 and Loan Growth of 7.57%



PHOENIX, Arizona, May 1, 2019 /PRNEWSWIRE/-- Metro Phoenix Bank (OTCPink:MPHX) (“Bank”) announced net income for quarter ending March 31, 2019 increased 1.07% to \$849,000, or \$0.23 per diluted share, from \$840,000, or \$0.22 per diluted share in the fourth quarter of 2018. Net income increased 2.54% from \$828,000 in the first quarter of 2018.

Stephen P. Haggard, Bank President and Chief Executive Officer stated, “Although first quarter earnings represent only a modest increase from the linked quarter and year-over-year comparisons, it continues to support the consistency of the Metro Phoenix Bank business model, which has generated earnings of at least \$0.22 per diluted share in four of the past five previous quarters. Furthermore, with several new producers added to the lending team over the past two quarters, earnings growth is expected to accelerate throughout the balance of 2019. The Bank’s loan growth was strong in the first quarter and we believe the benefits of this new production will begin to materialize in the second quarter and beyond.”

First Quarter 2019 Highlights:

- Net Income for the quarter was \$849,000, or \$0.23 per diluted share.
 - ROA of 1.67% for the quarter;
 - ROE of 10.96% for the quarter;
- NIM of 5.09% for the quarter, with the total cost of funds of 0.76%, compared to the linked quarter of 0.72%.
- SBA Gains on Sale of \$150,000 for the quarter.
- Provision Expense of \$0 for the quarter.
- Efficiency Ratio of 58.21% for the quarter.
- Loan growth of 7.57% for the quarter.
- Deposit growth of 4.32% for the quarter.
- Non-Performing Asset Ratio is stable at 0.05%, compared to the linked quarter of 0.05%.

Balance Sheet: Total assets grew by 3.91% to \$207.0 million at March 31, 2019 and increased 14.26% compared to \$181.2 million a year ago. Total loans grew by 7.57% to \$163.6 million at March 31, 2019 and increased 13.22% compared to \$144.5 million a year ago. Total deposits grew by 4.32% to \$171.4 million at March 31, 2019 and increased 14.93% compared to \$149.1 million a year ago.

The allowance for loan losses totaled \$1.73 million at March 31, 2019, or 1.05% of total loans. No material changes have occurred in the credit quality of the loan portfolio since the preceding quarter.

Shareholders' equity increased to \$31.9 million at March 31, 2019, from \$30.9 million the preceding quarter. At March 31, 2019, book value and tangible book value were \$9.32 per share compared to \$9.08 per share at December 31, 2018 and \$8.39 per share a year ago.

Visit www.metrophoenixbank.com/Investor-Relations.aspx for additional financial performance information.

Capital Management

The Bank's capital ratios exceeded the regulatory guidelines for a well-capitalized financial institution under the Basel III and Dodd Frank Wall Street Reform requirements at March 31, 2019. The Bank reported the following capital ratios:

Regulatory Capital Ratios	Bank 03/31/19	Regulatory Well Capitalized
Tier 1 Leverage Ratio	15.51%	5.00%
Common Equity Tier 1 Capital Ratio	20.38%	6.50%
Tier 1 Risk Based Capital Ratio	20.38%	8.00%
Total Risk Based Capital Ratio	21.53%	10.00%

About the Company

Metro Phoenix Bank, Inc., established in 2007 and headquartered in Phoenix, Arizona, is a full-service community bank that caters to small-to mid-sized businesses and real estate professionals. MPB offers commercial clients with a variety of services ranging from U.S. Small Business Administration (SBA) financing solutions, commercial real estate construction loans, to a robust treasury management platform that includes a specialty Homeowners Association (HOA)/Property Management program. The company is traded over-the-counter as MPHX. For additional information, visit: www.metrophoenixbank.com.

Forward-looking Statements

This press release may include forward-looking statements about Metro Phoenix Bank. These statements involve certain risks and uncertainties that could cause actual results to differ materially from those in in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors: competition, fluctuations in interest rates, dependency on key individuals, loan defaults, geographical concentration, litigation and changes in federal laws, regulations and interpretations thereof. All forward-looking statements included in this press release are based on information available at the time of the release, and Metro Phoenix Bank assumes no obligation to update any forward-looking statement.

Unaudited Summary Financial Information

(dollars in thousands, except per share data or noted otherwise)

	For the Three months ended March 31,		For the Three months ended March 31,		Year-End 2018
	2019	2018	2019	2018	
Summary Income Data					
Interest Income	2,914	2,528	2,914	2,528	10,762
Interest expense	386	196	386	196	1,130
Net Interest Income	2,528	2,332	2,528	2,332	9,632
Provision for (reduction in) loan losses	-	50	-	50	135
Non-interest income	217	294	217	294	674
Non-interest expense	1,598	1,460	1,598	1,460	5,794
Realized gains (losses) on sales of securities	-	-	-	-	-
Income (loss) before income taxes	1,147	1,116	1,147	1,116	4,340
Provision for income tax	298	288	298	288	1,126
Net Income	849	828	849	828	3,214
Per Share Data:					
Shares outstanding end-of-period	3,424	3,386	3,424	3,386	3,408
Earnings per common share	0.25	0.24	0.25	0.24	0.94
Earnings per common share (Diluted)	0.23	0.22	0.23	0.22	0.85
Cash dividend declared	-	-	-	-	-
Total shareholders' equity	31,912	28,411	31,912	28,411	30,947
Book value per share	9.32	8.39	9.32	8.39	9.08
Selected Balance Sheet Data:					
Total assets	207,036	181,192	207,036	181,192	199,245
Securities available-for-sale	940	1,045	940	1,045	974
Loans	163,609	144,507	163,609	144,507	152,099
Allowance for loan losses	1,726	1,633	1,726	1,633	1,676
Deposits	171,404	149,139	171,404	149,139	164,303
Other borrowings	3,100	-	3,100	-	3,100
Shareholders' equity	31,912	28,411	31,912	28,411	30,947
Performance Ratios:					
Return on average shareholders' equity (annualized) (%)	10.96%	12.00%	10.96%	12.00%	11.00%
Net interest margin (%)	5.09%	5.52%	5.09%	5.52%	5.28%
Average assets	205,712	176,634	205,712	176,634	187,346
Return on average assets (annualized) (%)	1.67%	1.90%	1.67%	1.90%	1.72%
Shareholders' equity to assets (%)	15.41%	15.68%	15.41%	15.68%	15.53%
Efficiency ratio (%)	58.21%	55.60%	58.21%	55.60%	56.22%
Asset Quality Data:					
Nonaccrual loans	103	-	103	-	105
Troubled debt restructurings	15	425	15	425	380
Other real estate	-	-	-	-	-
Nonperforming assets	103	-	103	-	105
Nonperforming assets to total assets (%)	0.05%	0.00%	0.05%	0.00%	0.05%
Nonperforming loans to total loans (%)	0.06%	0.00%	0.06%	0.00%	0.07%
Reserve for loan losses to total loans (%)	1.05%	1.13%	1.05%	1.13%	1.10%
Reserve for loan losses to nonperforming loans (%)	1675.73%	0.00%	1675.73%	0.00%	1596.19%
Reserve for loan losses to nonperforming assets (%)	1675.73%	0.00%	1675.73%	0.00%	1596.19%
Net charge-offs for period	(50)	(1)	(50)	(1)	41
Average loans	153,393	138,802	153,393	138,802	145,525
Ratio of charge-offs to average loans (%)	-0.03%	0.00%	-0.03%	0.00%	0.03%
Regulatory Capital Ratios:					
Tier 1 leverage capital ratio (%)	15.51%	16.03%	15.51%	16.03%	15.60%
Common Equity Tier 1 (%)	20.38%	20.44%	20.38%	20.44%	20.94%
Tier 1 risk-based capital ratio (%)	20.38%	20.44%	20.38%	20.44%	20.94%
Total risk-based capital ratio (%)	21.53%	21.64%	21.53%	21.64%	22.12%

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