



FOR IMMEDIATE RELEASE:

MEDALLION BANK REPORTS 2020 FIRST QUARTER RESULTS AND BOARD OF DIRECTORS DECLARES SERIES F PREFERRED STOCK DIVIDEND

SALT LAKE CITY, UT – April 30, 2020 – Medallion Bank (Nasdaq: MBNKP, “the Bank”), an FDIC-insured bank providing consumer loans for the purchase of recreational vehicles, boats and home improvements, along with loan origination services to fintech partners, announced today its 2020 first quarter results. The Bank is a wholly owned subsidiary of Medallion Financial Corp. (Nasdaq: MFIN).

2020 First Quarter Highlights

- Net loss was \$0.4 million, compared to net income of \$2.4 million in the 2019 first quarter
- Net interest income was \$27.8 million, compared to \$23.9 million in the prior year period
- Provision for loan losses was \$15.3 million, compared to \$11.2 million in the prior year period, while annualized net charge-offs were 3.42% of average loans outstanding, compared to 5.33% in the prior year period
- The gross recreation and home improvement loan portfolios both grew 3% from December 31, 2019
- The gross medallion loan portfolio decreased 3% to \$105.1 million compared to \$108.4 million at December 31, 2019
- Total assets were \$1.2 billion as of March 31, 2020
- The Bank had \$224 million in capital and a Tier 1 leverage ratio of 18.78% as of March 31, 2020
- During March, the Bank launched its first fintech strategic partnership, which will leverage the Bank’s compliance, lending operations, and management expertise

Donald Poulton, President and Chief Executive Officer of Medallion Bank, stated, “The Bank had a strong start to the year but the escalating COVID-19 pandemic led us to increase our loan loss reserves in March. In addition, transaction activity during the quarter indicated the need to lower medallion collateral values substantially in New York City, which reduced the Bank’s net income by approximately \$7 million. While it is too early to predict how our consumer portfolio will be affected by the current economic disruption, we structured the Bank with resilience in mind and remain optimistic the Bank is well positioned to respond to opportunities to grow market share. The annualized consumer loan delinquency rate is only modestly higher than it was this time last year, our capital position remains strong, and our focus is on credit quality while moving forward cautiously. I am proud of how our employees have adapted and continued serving our customers and borrowers while working remotely. They demonstrate every day why we are a leader in our chosen niches.”

Recreation Lending Segment

The Bank’s gross recreation loan portfolio was \$720.2 million as of March 31, 2020, compared to \$699.5 million at the end of 2019. Net interest income for the first quarter was \$22.8 million, compared to \$19.6 million in the prior year period. Recreation loans were 66.2% of the Bank’s loans receivable as of March 31, 2020, compared to 65.9% at the end of 2019.

Home Improvement Lending Segment

The Bank’s gross home improvement loan portfolio was \$260.6 million as of March 31, 2020, compared to \$252.1 at the end of 2019. Net interest income for the first quarter was \$4.6 million, compared to \$3.5 million in the prior year period. Home improvement loans were 24.0% of the Bank’s loans receivable as of March 31, 2020, compared to 23.7% at the end of 2019.

Medallion Lending Segment

The Banks’s gross medallion loan portfolio was \$105.1 million as of March 31, 2020, compared to \$108.4 million at the end of 2019. Medallion loan delinquencies 90 days or more past due were \$1.2 million as of March 31, 2020, compared to \$0.4 million at the end of 2019. Medallion loan delinquencies 30 days or more past due were \$22.4 million as of March 31, 2020, compared to

\$10.3 million at the end of 2019. Medallion loans were 9.7% of the Bank's loans receivable as of March 31, 2020, compared to 10.2% at the end of 2019.

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On April 29, 2020, the Bank's Board of Directors declared a quarterly cash dividend of \$0.50 per share on the Bank's Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series F, which trades on the Nasdaq Capital Market under the ticker symbol "MBNKP." The dividend is payable on July 1, 2020 to holders of record at the close of business on June 15, 2020.

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About Medallion Bank

Medallion Bank specializes in providing consumer loans for the purchase of recreational vehicles, boats and home improvements, and offering loan origination services to fintech partners. The Bank works directly with thousands of dealers, contractors and financial service providers serving their customers throughout the United States. Since its founding in 2003, Medallion Bank has been in the top 2% of banks in the U.S. when measured by Tier 1 leverage ratio and annual return on assets. The Bank is a Utah-chartered, FDIC-insured industrial bank headquartered in Salt Lake City with an office in Bothell, Washington.

For more information, visit www.medallionbank.com

Please note that this press release contains forward-looking statements that involve risks and uncertainties relating to business performance, cash flow, costs, sales, net investment income, earnings, and growth. These statements are often, but not always, made through the use of words or phrases such as "will" and "continue" or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These statements relate to future public announcements of our earnings, expectations regarding medallion loan portfolio liquidation, the potential for future asset growth and market share growth opportunities. Medallion Bank's actual results may differ significantly from the results discussed in such forward-looking statements. For example, statements about the effects of the COVID-19 pandemic on Medallion Bank's business, operations, financial performance and prospects constitute forward-looking statements and are subject to the risk that the actual impacts may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond Medallion Bank's control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on Medallion Bank, its customers and third parties. In addition, Medallion Bank's financial results for any period are not necessarily indicative of Medallion Financial Corp.'s results for the same period. In addition to risks related to the ongoing COVID-19 pandemic, for a description of certain risks to which Medallion Bank is or may be subject, please refer to the factors discussed under the captions "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" included in Medallion Bank's Form 10-K filed with the FDIC. Medallion Bank's Form 10-K and other FDIC filings are available in the Investor Relations section of Medallion Bank's website.

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MEDALLION BANK
STATEMENTS OF OPERATIONS
(UNAUDITED)

For the Three Months Ended March 31

(Dollars in thousands)

	2020	2019
Total interest income	\$ 33,750	\$ 28,832
Total interest expense	5,941	4,922
Net interest income	27,809	23,910
Provision for loan losses	15,271	11,206
Net interest income after provision for loan losses	12,538	12,704
Other (loss) income		
Write-downs of loan collateral in process of foreclosure	(4,576)	(1,712)
Other non-interest income	17	11
Total non-interest (loss) income, net	(4,559)	(1,701)
Non-interest expense		
Loan servicing	2,755	2,534
Salaries and benefits	2,524	2,101
Collection costs	963	1,158
Professional fees	769	1,297
Regulatory fees	365	464
Occupancy and equipment	215	130
Other	975	900
Total non-interest expense	8,565	8,583
(Loss) income before income taxes	(586)	2,420
(Benefit) provision for income taxes	(150)	27
Net (loss) income	\$ (436)	\$ 2,393

MEDALLION BANK
BALANCE SHEETS
(UNAUDITED)

(Dollars in thousands)

	March 31, 2020	December 31, 2019
Assets		
Cash and federal funds sold	\$ 39,808	\$ 50,237
Investment securities, available-for-sale	46,127	48,998
Loans, inclusive of net deferred loan acquisition costs	1,105,918	1,079,553
Allowance for loan losses	(66,036)	(59,885)
Loans, net	<u>1,039,882</u>	<u>1,019,668</u>
Loan collateral in process of foreclosure	25,579	30,639
Fixed assets and right-of-use assets, net	3,764	3,852
Deferred tax assets	12,912	11,419
Accrued interest receivable and other assets	31,221	28,417
Total assets	<u>\$ 1,199,293</u>	<u>\$ 1,193,230</u>
Liabilities and Shareholders' Equity		
Deposits and other funds borrowed	\$ 960,376	\$ 951,651
Accrued interest payable	2,103	2,096
Income taxes payable	2,341	2,144
Other liabilities	9,857	9,157
Due to affiliates	924	1,041
Total liabilities	<u>975,601</u>	<u>966,089</u>
Total shareholders' equity	<u>223,692</u>	<u>227,141</u>
Total liabilities and shareholders' equity	<u>\$ 1,199,293</u>	<u>\$ 1,193,230</u>