



## **Financial Highlights June 30, 2018**

Bakersfield, California, July 30, 2018 -- Mission Bancorp ("Mission" or "the Company"), (OTC Pink: MSBC), a bank holding company and parent of Mission Bank (the "Bank"), reported unaudited net income available to common shareholders of \$3.0 million, or \$1.70 per basic common share, for the second quarter of 2018, compared to net income available to common shareholders of \$1.6 million, or \$0.91 per basic common share, for the second quarter of 2017. The second quarter of 2018 is the 77<sup>th</sup> consecutive quarter of profitability for the Bank.

Net income for the second quarter of 2018 increased by 88.4% to \$3.0 million, as compared to the quarter ended June 30, 2017. A 54.2% increase in pre-tax income, combined with the reduction of our effective tax rate due to the newly enacted Tax Cuts and Jobs Act ("the Trump Tax Cut") resulted in a significant increase in net income for the second quarter of 2018, compared to the same prior year period. The reduction of the Federal corporate income tax rate due to the enactment of the Tax Cuts and Jobs Act resulted in a 32.1% decline in our effective tax rate for the second quarter of 2018, compared to the second quarter of 2017.

During the second quarter of 2018, pre-tax income growth was driven by strong revenue growth, which continued to significantly outpace non-interest expense growth, on a year over year comparative basis. Revenue growth was propelled by a 26.6% increase in net interest income, and a 45.7% increase in non-interest income (net of the portion attributable to minority interests) for the second quarter of 2018, compared to the same prior year period. Non-interest expense grew by less than half the pace of revenue at 13.2% on a year-over-year basis. Net interest income growth was attributable to growth in average loans and net interest margin expansion. Non-interest income increased primarily due to a gain on sale associated with the sale of the Bank's Shafter branch building owned by Double W, LLC, a 50% owned subsidiary of Mission Bancorp. Approximately half of the gain on sale was deferred and will be realized over the term of the lease-back period of the building from the new owner in accordance with generally accepted accounting principles. Non-interest expense increased on a year over year basis, in part due to the hiring of personnel such as a key executive officer, and to our new Ventura, California loan production office, which opened late in 2017, and recently was converted into a full-service business banking center.

"Mission continues to produce strong earnings growth due to growth in core relationships, which resulted in a return to our shareholders of over 20% for the first half of 2018," said A.J. Antongiovanni, Mission's President and Chief Executive Officer. Mr. Antongiovanni continued, "We have had tremendous success in our new Ventura market since opening a loan production office in late 2017 and, just five months after opening for business, we converted our office into a full-service branch."

The Company's return on average assets was 1.78%, for the second quarter ended June 30, 2018, compared to 1.04% for the same prior year period. The Company's return on average equity increased to 20.92%, for the second quarter ended June 30, 2018, up from 12.80% for the second quarter of 2017.

Gross loans increased by \$33.0 million during the second quarter of 2018 to \$513.0 million and grew by \$84.3 million, or 19.7% on a year over year basis.

Mission's total deposits decreased by \$1.8 million during the second quarter to \$605.2 million at June 30, 2018, and increased by \$74.4 million, or 14.0%, compared to the same prior year period. Mission Bank's non-interest bearing deposits represented 53.1% of its total deposits at the end of the second quarter of 2018. Total assets grew by 15.0% to \$681.5 million at June 30, 2018 compared to \$592.8 million at June 30, 2017.


Shareholders' equity increased \$8.1 million, or 16.0% to \$58.7 million at June 30, 2018 compared to \$50.6 million at June 30, 2017. The increase in equity is due to strong earnings over the past year. Compared to the second quarter of 2017, book value per share increased by \$4.47, or 15.4%, to \$33.42 per share.

Mission Bancorp is the parent holding company of four wholly owned subsidiaries, Mission Bank, Mission Bank 1031 Exchange, LLC, Mission Community Development, LLC, and Nosbig 88, Inc. as well as a 50% owner of Double W, LLC. Mission Bancorp is headquartered in Bakersfield, California and has eight Business Banking Centers, serving the greater areas of Bakersfield, Lancaster, Mojave, Ridgecrest, and Ventura.

Contacts:

A.J. Antongiovanni, President and Chief Executive Officer  
661.859.2500

Jason Castle, Chief Financial Officer  
661.437.4418

 <b>MISSION BANCORP</b> <i>"Let our Experience work for you"</i>	MISSION BANCORP					
	(Unaudited)					
	Three Months			Six Months		
	June 30			June 30		
FOR THE PERIOD	2018	2017	% Change	2018	2017	% Change
Net Interest Income	\$ 6,902,103	\$ 5,452,390	26.59%	\$ 13,378,777	\$ 10,565,366	26.63%
Provision for Loan Loss	\$ 263,000	\$ 209,808	25.35%	\$ 483,552	\$ 511,763	-5.51%
Non Interest Income	\$ 2,593,368	\$ 1,165,504	122.51%	\$ 4,130,275	\$ 2,243,535	84.10%
Non Interest Expense	\$ 4,204,442	\$ 3,714,887	13.18%	\$ 8,355,328	\$ 7,142,487	16.98%
Net Income Attributable to the Non-Controlling Interest	\$ (900,302)	\$ (16,270)	5433.51%	\$ (912,280)	\$ (33,684)	2608.35%
Pre-tax Income	\$ 4,127,727	\$ 2,676,929	54.20%	\$ 7,757,892	\$ 5,120,967	51.49%
Provision for Income Taxes	\$ 1,143,996	\$ 1,093,106	4.66%	\$ 2,145,083	\$ 2,075,828	3.34%
Net Income	\$ 2,983,731	\$ 1,583,823	88.39%	\$ 5,612,809	\$ 3,045,139	84.32%
Shares Outstanding (End of Period)	1,757,597	1,749,314	0.47%	1,757,597	1,749,314	0.47%
Income Per Share - Basic	\$ 1.70	\$ 0.91	86.81%	\$ 3.19	\$ 1.74	83.33%
Note: Shares Outstanding were adjusted for the 5% dividend declared on April 19, 2018.						
<b>SELECTED FINANCIAL RATIOS</b>						
<b>(Annualized)</b>						
Return on average assets	1.78%	1.04%		1.70%	1.06%	
Return on average equity	20.92%	12.80%		20.13%	12.90%	
<b>AT PERIOD END</b>						
Total Cash and Cash Equivalents				\$ 92,201,114	\$ 69,781,985	32.13%
Securities				\$ 57,319,921	\$ 75,390,289	-23.97%
Loans & Leases				\$ 513,018,062	\$ 428,681,278	19.67%
Allowance for Loan Loss				\$ (5,899,246)	\$ (4,982,809)	18.39%
Total Assets				\$ 681,520,059	\$ 592,832,243	14.96%
Non-Interest Bearing Deposits				\$ 305,756,739	\$ 265,301,222	15.25%
Interest Bearing Deposits				\$ 299,362,688	\$ 265,384,609	12.80%
Components of Equity:						
Allowance for Loan Loss				\$ (5,899,246)	\$ (4,982,809)	18.39%
Other Assets				\$ 24,880,208	\$ 23,961,500	3.83%
Total Assets				\$ 681,520,059	\$ 592,832,243	14.96%
Non-Interest Bearing Deposits				\$ 305,756,739	\$ 265,301,222	15.25%
Interest Bearing Deposits				\$ 299,362,688	\$ 265,384,609	12.80%
Total Deposits				\$ 605,119,427	\$ 530,685,831	14.03%
Borrowings				\$ 12,000,000	\$ 10,000,000	20.00%
Other Liabilities				\$ 5,660,754	\$ 1,505,566	275.99%
Common Stock				\$ 29,291,538	\$ 23,284,811	
Retained Earnings				\$ 30,550,131	\$ 27,589,477	
Accumulated Other Comprehensive Income				\$ (1,125,858)	\$ (240,143)	
Minority Interest				\$ 24,067	\$ 6,701	
Shareholder equity				\$ 58,739,878	\$ 50,640,846	15.99%
Total Liabilities and Shareholder Equity				\$ 681,520,059	\$ 592,832,243	14.96%
Allowance for Loan Loss to Total Loans				1.15%	1.16%	-0.86%
Book value per share				\$ 33.42	\$ 28.95	15.44%