



Financial Highlights September 30, 2018

Bakersfield, California, October 22, 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 \$1.68 per basic common share, for the third quarter of 2018, compared to net income available to common shareholders of \$1.9 million, or \$1.08 per basic common share, for the third quarter of 2017. The third quarter of 2018 is the 78th consecutive quarter of profitability for the Bank.

Net income for the third quarter of 2018 increased by 58.5% to \$3.0 million, as compared to the quarter ended September 30, 2017. A 36.6% 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 third 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 26.4% decline in our effective tax rate for the third quarter of 2018, compared to the third quarter of 2017.

During the third 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 25.8% increase in net interest income. Non-interest expense grew by about a third of the pace of net-interest income growth at 8.5%, compared to the amount for the third quarter of 2017. Net interest income growth was attributable to growth in average loans and net interest margin expansion. Non-interest expense increased on a year over year basis, in part due to the hiring of our new Ventura, California loan production office, which opened late in 2017, and was converted into a full-service business banking center during the second quarter of 2018. In addition to the Ventura location, we have very recently opened a new location in Stockton, California. The onboarding of new employees in Stockton nominally increased our non-interest expense for the third quarter of 2018 as well.

"We had a very productive third quarter, accomplishing several key objectives which support our long-term growth strategy" said A.J. Antongiovanni, Mission's President and Chief Executive Officer. Mr. Antongiovanni continued, "During the third quarter we closed a successful capital raise focused on our new Ventura market. The purpose of the capital raise was to deepen existing relationships with key "Centers of Influence" in that market. We also celebrated our 20th anniversary during the quarter. Finally, we identified another high-quality market leader for our new location in Stockton, California who exhibits the same values and principles as we do at Mission Bank. Our de novo strategy will help to

ensure that we continue to produce the same levels of long-term shareholder value growth we have for the last twenty years.”

The Company’s return on average assets was 1.75%, for the third quarter ended September 30, 2018, compared to 1.27% for the same prior year period. The Company’s return on average equity increased to 19.46%, for the third quarter ended September 30, 2018, up from 14.52% for the third quarter of 2017.

Gross loans increased by \$14.3 million during the third quarter of 2018 to \$527.3 million and grew by \$79.7 million, or 17.8% on a year over year basis.

Mission’s total deposits decreased by \$14.7 million during the third quarter to \$590.5 million at September 30, 2018, and increased by \$57.8 million, or 10.8%, compared to the same prior year period. Mission Bank’s non-interest bearing deposits represented 53.2% of its total deposits at the end of the third quarter of 2018. Total assets grew by 14.5% to \$674.3 million at September 30, 2018 compared to \$589.0 million at September 30, 2017.


Shareholders’ equity increased \$10.8 million, or 20.6% to \$63.3 million at September 30, 2018 compared to \$52.5 million at September 30, 2017. The increase in equity is due primarily to strong earnings over the past year, and to a lesser extent the capital raise we completed during the third quarter of 2018 that was focused on our new Ventura market. Compared to the third quarter of 2017, book value per share increased by \$5.47, or 18.2%, to \$35.47 per share.

Mission Bancorp is the parent holding company of four wholly owned subsidiaries, Mission Bank, Mission 1031 Exchange, LLC, Mission Community Development, LLC, and Nosbig 88, Inc. Mission Bancorp is headquartered in Bakersfield, California and has eight Business Banking Centers, serving the greater areas of Bakersfield, Lancaster, Mojave, Ridgecrest, and Ventura, and one loan production office in Stockton, California.

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 MISSION BANCORP <i>"Let our Experience work for you"</i>	MISSION BANCORP					
	(Unaudited)					
	Three Months			Nine Months		
	September 30			September 30		
FOR THE PERIOD	2018	2017	% Change	2018	2017	% Change
Net Interest Income	\$ 7,361,283	\$ 5,853,614	25.76%	\$ 20,740,060	\$ 16,418,980	26.32%
Provision for Loan Loss	\$ 243,000	\$ 172,904	40.54%	\$ 726,552	\$ 684,667	6.12%
Non Interest Income	\$ 1,098,039	\$ 1,126,945	-2.56%	\$ 5,228,314	\$ 3,370,480	55.12%
Non Interest Expense	\$ 4,076,531	\$ 3,758,261	8.47%	\$ 12,431,859	\$ 10,900,748	14.05%
Net Income Attributable to the Non-Controlling Interest	\$ 3,221	\$ (17,268)	-118.65%	\$ (909,059)	\$ (50,952)	1684.15%
Pre-tax Income	\$ 4,143,012	\$ 3,032,126	36.64%	\$ 11,900,904	\$ 8,153,093	45.97%
Provision for Income Taxes	\$ 1,149,948	\$ 1,144,153	0.51%	\$ 3,295,031	\$ 3,219,981	2.33%
Net Income	\$ 2,993,064	\$ 1,887,973	58.53%	\$ 8,605,873	\$ 4,933,112	74.45%
Shares Outstanding (End of Period)	1,784,589	1,750,364	1.96%	1,784,589	1,750,364	1.96%
Income Per Share - Basic	\$ 1.68	\$ 1.08	55.56%	\$ 4.82	\$ 2.82	70.92%
Note: Shares Outstanding adjusted for 5% dividend declared on April 19, 2018.						
SELECTED FINANCIAL RATIOS						
(Annualized)						
Return on average assets	1.75%	1.27%		1.73%	1.12%	
Return on average equity	19.46%	14.52%		19.91%	13.44%	
AT PERIOD END						
Total Cash and Cash Equivalents				\$ 73,954,069	\$ 50,283,334	47.07%
Securities				\$ 55,062,941	\$ 71,642,574	-23.14%
Loans & Leases				\$ 527,321,071	\$ 447,612,160	17.81%
Allowance for Loan Loss				\$ (6,143,520)	\$ (5,157,016)	19.13%
Other Assets				\$ 24,081,297	\$ 24,619,240	-2.19%
Total Assets				\$ 674,275,858	\$ 589,000,292	14.48%
Non-Interest Bearing Deposits				\$ 313,072,522	\$ 273,763,148	14.36%
Interest Bearing Deposits				\$ 277,392,332	\$ 258,942,851	7.12%
Total Deposits				\$ 590,464,854	\$ 532,705,999	10.84%
Borrowings				\$ 15,000,000	\$ -	100.00%
Other Liabilities				\$ 5,503,495	\$ 3,780,164	45.59%
Shareholder equity				\$ 63,307,509	\$ 52,514,129	20.55%
Total Liabilities and Shareholder Equity				\$ 674,275,858	\$ 589,000,292	14.48%
Allowance for Loan Loss to Total Loans				1.17%	1.15%	1.74%
Book Value per share				\$ 35.47	\$ 30.00	18.23%
Selected Average Balance Data						
Average Assets	\$677,897,959	\$590,916,268	14.72%	\$666,154,768	\$ 589,627,696	12.98%
Average Equity	\$61,023,694	\$51,577,488	18.31%	\$57,786,488	\$ 49,067,392	17.77%