



Financial Highlights March 31, 2019

Bakersfield, California, April 26, 2019 -- 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 \$3.1 million, or \$1.66 per basic common share, for the first quarter of 2019, compared to net income available to common shareholders of \$2.6 million, or \$1.42 per basic common share, for the first quarter of 2018. The first quarter of 2019 is the 80th consecutive quarter of profitability for the Bank. Recognizing another year of strong earnings, balance sheet growth, and shareholder returns, the Company has declared a 5.00% stock dividend, which will be issued on June 3, 2019 to shareholders of record as of May 20, 2019. The financial results, including earnings per share, and book value per share, reported in this press release have been adjusted to reflect the impact of the 5.00% stock dividend.

Net income for the first quarter of 2019 increased by 19.4% to \$3.1 million, as compared to the quarter ended March 31, 2018. A 15.4% increase in pre-tax income, combined with the reduction of our effective tax rate, due to the exercise and subsequent sale of incentive stock options, led to the increase in quarterly earnings. Our effective tax rate was 25.1% for the first quarter of 2019 compared to 27.6% for the first quarter of 2018. The tax benefit generated by the incentive stock option exercises and sales was approximately \$110 thousand for the first quarter of 2019. Our effective tax rate would have been 27.7% for the first quarter of 2019 had these transactions not occurred.

Pre-tax income growth was driven by strong revenue growth, which significantly outpaced non-interest expense growth, on a year over year comparative basis. Total revenue, inclusive of both net interest income and non-interest income, grew by \$1.3 million, or 15.7%, while non-interest expense grew by \$621 thousand or 15.0% on a year-over-year basis. Net interest income growth was attributable to growth in average loans and net interest margin expansion. Our net interest margin reached 4.94% during the first quarter of 2019, increasing by 61 basis points since the prior year. Non-interest expense increased in part due to our new Stockton, California location which was approved to be converted into a full-service branch in January of 2019.

“Mission continues to generate shareholder returns far above industry averages. A recent analysis of California peer banks placed Mission amongst the top ranked within the upper quartile of asset and equity returns” said A.J. Antongiovanni, Mission’s President and Chief Executive Officer. Mr. Antongiovanni continued, “These returns are indicative of the higher level of service we provide to our customers and the types of loans and deposits we acquire by providing that service. We look forward to bringing our brand of banking to the Stockton market over the coming months and throughout California.”

The Company's return on average assets was 1.83%, for the first quarter ended March 31, 2019, compared to 1.63% for the same prior year period. The Company's return on average equity was 18.33%, for the first quarter ended March 31, 2019, compared to 19.38% for the first quarter of 2018.

Gross loans increased by \$13.4 million during the first quarter of 2019 to \$562.9 million and grew by \$82.9 million, or 17.3% on a year over year basis.

Mission's total deposits increased by \$58.0 million during the first quarter to \$649.0 million at March 31, 2019, and by \$42.0 million, or 6.9%, compared to the same prior year period. Mission Bank's non-interest-bearing deposits represented 51.0% of its total deposits at the end of the first quarter of 2019. Non-interest bearing demand deposits grew by \$47.3 million or 16.4% over the past year. Total assets grew by 9.1% to \$726.3 million at March 31, 2019 compared to \$666.1 million at March 31, 2018.

Shareholders' equity increased \$15.3 million, or 27.5% to \$71.0 million at March 31, 2019 compared to \$55.7 million at March 31, 2018. The increase in equity is due to strong earnings over the past year, the small capital raise in our Ventura market and improvement in the mark-to-market adjustment on our investment securities portfolio. Compared to the first quarter of 2018 book value per share increased by \$7.34, or 24.3%, to \$37.51.

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 nine Business Banking Centers, serving the greater areas of Bakersfield, Lancaster, Mojave, Ridgecrest, Stockton and Ventura, California.

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MISSION BANCORP

(Unaudited)

Three Months

March 31

FOR THE PERIOD	<u>2019</u>	<u>2018</u>	<u>% Change</u>
Net Interest Income	\$ 8,047,000	\$ 6,477,000	24.25%
Provision for Loan Loss	\$ 314,000	\$ 221,000	42.48%
Non Interest Income	\$ 1,228,000	\$ 1,537,000	-20.12%
Non Interest Expense	\$ 4,772,000	\$ 4,151,000	14.96%
Net Income Attributable to the Non-Controlling Interest	\$ -	\$ (12,000)	-100.00%
Pre-tax Income	\$ 4,189,000	\$ 3,630,000	15.39%
Provision for Income Taxes	\$ 1,050,000	\$ 1,001,000	4.92%
Net Income	\$ 3,138,000	\$ 2,629,000	19.37%
Shares Outstanding (End of Period)	1,891,927	1,845,274	2.53%
Income Per Share - Basic	\$ 1.66	\$ 1.42	16.90%
Note: Shares Outstanding adjusted for 5% dividend declared on April 18, 2019.			
SELECTED FINANCIAL RATIOS			
(Annualized)			
Return on average assets	1.83%	1.63%	
Return on average equity	18.33%	19.38%	
AT PERIOD END			
Total Cash and Cash Equivalents	\$ 92,659,000	\$ 104,252,000	-11.12%
Securities	\$ 49,707,000	\$ 62,681,000	-20.70%
Loans & Leases	\$ 562,863,000	\$ 479,984,000	17.27%
Allowance for Loan Loss	\$ (6,740,000)	\$ (5,634,000)	19.63%
Other Assets	\$ 27,854,000	\$ 24,784,000	12.39%
Total Assets	\$ 726,343,000	\$ 666,067,000	9.05%
Non-Interest Bearing Deposits	\$ 335,616,000	\$ 288,275,000	16.42%
Interest Bearing Deposits	\$ 313,386,000	\$ 318,689,000	-1.66%
Total Deposits	\$ 649,002,000	\$ 606,964,000	6.93%
Borrowings	\$ -	\$ -	100.00%
Other Liabilities	\$ 6,378,000	\$ 3,435,000	85.68%
Common Stock	\$ 31,169,000	\$ 23,530,000	
Retained Earnings	\$ 40,374,000	\$ 33,258,000	
Accumulated Other Comprehensive Income	\$ (580,000)	\$ (1,091,000)	
Minority Interest	\$ -	\$ (29,000)	
Shareholder equity	\$ 70,963,000	\$ 55,668,000	27.48%
Total Liabilities and Shareholder Equity	\$ 726,343,000	\$ 666,067,000	9.05%
Allowance for Loan Loss to Total Loans	1.20%	1.17%	2.56%
Book Value per share	\$ 37.51	\$ 30.17	24.33%
Selected Average Balance Data			
Average Assets	\$ 694,722,000	\$ 655,739,000	10.40%
Average Equity	\$ 69,423,000	\$ 55,011,000	21.01%