



Financial Highlights June 30, 2019

Bakersfield, California, July 30, 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 \$3.3 million, or \$1.73 per basic common share, for the second quarter of 2019, compared to net income available to common shareholders of \$3.0 million, or \$1.62 per basic common share, for the second quarter of 2018. The second quarter of 2019 is the 81st consecutive quarter of profitability for the Bank.

Net income for the second quarter of 2019 increased by 9.6% to \$3.3 million, as compared to the quarter ended June 30, 2018. A 7.3% 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 as compared to the same quarter a year ago. During the second quarter of 2018 the sale of a branch location generated approximately \$500 thousand of additional non-interest income. Adjusting for this non-recurring transaction, our pre-tax net income growth would have been approximately 22.0%. Our effective tax rate was 26.2% for the second quarter of 2019 compared to 27.7% for the second quarter of 2018. The tax benefit generated by the incentive stock option exercises and subsequent sales was approximately \$70 thousand for the second quarter of 2019. Our effective tax rate would have been 27.8% for the second quarter of 2019 had these transactions not occurred.

Pre-tax income growth was driven by quarterly net interest income growth of over 22.0% on year-over-year comparative basis. Net interest income growth was attributable to growth in average loans and net interest margin expansion. Non-interest expense grew by \$932 thousand or 22.2% on a year-over-year basis. Over 35% of the quarterly increase in non-interest expense was related to the conversion of our core data processing systems and the addition of our new Stockton, California business banking center. Without these items our year over year increase in non-interest expense would have been 14.5%.

“Mission’s success and earnings track record were highlighted in a recent American Banker’s Association report” said A.J. Antongiovanni, Mission’s President and Chief Executive Officer. Mr. Antongiovanni continued, “The report ranked the three-year return on average equity for publicly traded commercial banks under \$2 billion in total assets in the United States. Mission was ranked number 10 in the United States out of this group placing us in the 98th percentile.”

The Company’s return on average assets was 1.76%, for the second quarter ended June 30, 2019, compared to 1.78% for the same prior year period. The Company’s return on average equity was

17.91%, for the second quarter ended June 30, 2019, compared to 20.92% for the second quarter of 2018.

Gross loans increased by \$73.6 million, or 14.3% on a year over year basis, ending the second quarter of 2019 at \$586.6 million.

Mission's total deposits increased by \$65.1 million, or 10.8% over the last 12 months, ending at \$670.3 million at June 30, 2019. Mission Bank's non-interest-bearing deposits represented 52.3% of its total deposits at June 30, 2019. Non-interest bearing demand deposits grew by \$44.4 million or 14.5% over the past year. Total assets grew by 10.4% to \$752.2 million at June 30, 2019 compared to \$681.5 million at June 30, 2018.

Shareholders' equity increased \$16.4 million, or 27.9% to \$75.1 million at June 30, 2019 compared to \$58.7 million at June 30, 2018. The increase in equity is due primarily to strong earnings over the past year, and to a much lesser extent, the capital raise completed in our Ventura market during the third quarter of 2018, and improvement in the mark-to-market adjustment on our investment securities portfolio. Compared to the second quarter of 2018, book value per share increased by \$7.79, or 24.5%, to \$39.62.

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			Six Months		
	June 30			June 30		
FOR THE PERIOD	2019	2018	% Change	2019	2018	% Change
Net Interest Income	\$ 8,439,000	\$ 6,902,000	22.27%	\$ 16,487,000	\$ 13,379,000	23.23%
Provision for Loan Loss	\$ 314,000	\$ 263,000	19.39%	\$ 629,000	\$ 484,000	29.98%
Non Interest Income	\$ 1,442,000	\$ 2,593,000	-44.39%	\$ 2,670,000	\$ 4,130,000	-35.35%
Non Interest Expense	\$ 5,136,000	\$ 4,204,000	22.17%	\$ 9,908,000	\$ 8,355,000	18.58%
Net Income Attributable to the Non-Controlling Interest	\$ -	\$ (900,000)	-100.00%	\$ -	\$ (912,000)	-100.00%
Pre-tax Income	\$ 4,431,000	\$ 4,128,000	7.34%	\$ 8,620,000	\$ 7,758,000	11.11%
Provision for Income Taxes	\$ 1,161,000	\$ 1,144,000	1.49%	\$ 2,211,000	\$ 2,145,000	3.08%
Net Income	\$ 3,271,000	\$ 2,984,000	9.62%	\$ 6,409,000	\$ 5,613,000	14.18%
Shares Outstanding (End of Period)	1,895,436	1,845,477	2.71%	1,895,436	1,845,477	2.71%
Income Per Share - Basic	\$ 1.73	\$ 1.62	6.79%	\$ 3.38	\$ 3.04	11.18%
Note: Shares Outstanding adjusted for 5% dividend declared on April 18, 2019.						
SELECTED FINANCIAL RATIOS						
(Annualized)						
Return on average assets	1.76%	1.78%		1.79%	1.70%	
Return on average equity	17.91%	20.92%		18.12%	20.13%	
AT PERIOD END						
Total Cash and Cash Equivalents				\$ 89,199,000	\$ 92,201,000	-3.26%
Securities				\$ 54,590,000	\$ 57,320,000	-4.76%
Loans & Leases				\$ 586,595,000	\$ 513,018,000	14.34%
Allowance for Loan Loss				\$ (7,055,000)	\$ (5,899,000)	19.60%
Total Assets				\$ 752,237,000	\$ 681,520,000	10.38%
Non-Interest Bearing Deposits				\$ 350,204,000	\$ 305,757,000	14.54%
Interest Bearing Deposits				\$ 320,060,000	\$ 299,362,000	6.91%
Components of Equity:						
Allowance for Loan Loss				\$ (7,055,000)	\$ (5,899,000)	19.60%
Other Assets				\$ 28,908,000	\$ 24,880,000	16.19%
Total Assets				\$ 752,237,000	\$ 681,520,000	10.38%
Non-Interest Bearing Deposits				\$ 350,204,000	\$ 305,757,000	14.54%
Interest Bearing Deposits				\$ 320,060,000	\$ 299,362,000	6.91%
Total Deposits				\$ 670,264,000	\$ 605,119,000	10.77%
Borrowings				\$ -	\$ 12,000,000	100.00%
Other Liabilities				\$ 6,873,000	\$ 5,661,000	21.41%
Common Stock				\$ 38,540,000	\$ 29,292,000	31.57%
Retained Earnings				\$ 36,522,000	\$ 30,550,000	19.55%
Accumulated Other Comprehensive Income				\$ 38,000	\$ (1,126,000)	-103.37%
Minority Interest				\$ -	\$ 24,000	-100.00%
Shareholder equity				\$ 75,100,000	\$ 58,740,000	27.85%
Total Liabilities and Shareholder Equity				\$ 752,237,000	\$ 681,520,000	10.38%
Allowance for Loan Loss						
to Total Loans				1.20%	1.15%	4.35%
Book Value per share				\$ 39.62	\$ 31.83	24.47%
Selected Average Balance Data						
Average Assets	\$746,273,000	\$673,792,294	10.76%	\$ 720,642,000	\$ 665,180,000	8.34%
Average Equity	\$73,241,000	\$57,203,204	28.04%	\$ 71,336,000	\$ 56,238,000	26.85%