



## **Financial Highlights September 30, 2019**

Bakersfield, California, October 24, 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 \$3.7 million, or \$1.93 per basic common share, for the third quarter of 2019, compared to net income available to common shareholders of \$3.0 million, or \$1.60 per basic common share, for the third quarter of 2018. The third quarter of 2019 is the 82<sup>nd</sup> consecutive quarter of profitability for the Bank.

Net income for the third quarter of 2019 increased by 22.6% to \$3.7 million, as compared to the quarter ended September 30, 2018. A 23.4% increase in pre-tax income, led to the increase in quarterly earnings as compared to the same quarter a year ago. Our effective tax rate was 28.2% for the third quarter of 2019 compared to 27.8% for the third quarter of 2018.

Quarterly pre-tax income growth was driven by net interest income growth of over 20.0%, and non-interest income growth of over 26.0% on year over year comparative basis. Net interest income growth was attributable to growth in average loans and net interest margin expansion. Non-Interest income growth was primarily attributable to an increase in gain on loan sales and servicing fee income for the third quarter of 2019 as compared to the same prior year period. Non-interest expense grew by 18.6% on a year-over-year basis. Over 40% of the quarterly increase in non-interest expense is attributable to salaries and benefits costs, nearly 60% of which is attributable to our new Ventura and Stockton locations. Approximately 35% of the increase was attributable to other operating expenses, such as director compensation, and premium taxes related to our captive insurance subsidiary. The remainder of the increase was related to several smaller expense increases.

"The Mission team is proud to have achieved an all-time quarterly record for net income during the third quarter of 2019" said A.J. Antongiovanni, Mission's President and Chief Executive Officer. Mr. Antongiovanni continued, "This record quarterly earnings level is particularly impressive given the challenging interest rate environment, which has resulted in a negative slope in the yield curve in recent times. Our dedication to generating high quality business banking relationships is exhibited by our low cost funds, and our focus on cost control allows for us to continually produce top-tier returns in our industry despite the challenging interest-rate environment."

The Company's return on average assets was 1.84%, for the third quarter ended September 30, 2019, compared to 1.75% for the same prior year period. The Company's return on average equity was 18.73%, for the third quarter ended September 30, 2019, compared to 19.46% for the third quarter of 2018.

Gross loans increased by \$88.4 million, or 16.8% on a year over year basis, ending the third quarter of 2019 at \$615.7 million.

Mission's total deposits increased by \$125.9 million, or 21.3% over the last 12 months, ending at \$716.4 million at September 30, 2019. Mission Bank's non-interest-bearing deposits represented 54.3% of its total deposits at September 30, 2019. Non-interest-bearing demand deposits grew by \$75.7 million or 24.2% over the past year. Total assets grew by 19.3% to \$804.1 million at September 30, 2019 compared to \$674.3 million at September 30, 2018.

Shareholders' equity increased \$15.9 million, or 25.1% to \$79.2 million at September 30, 2019 compared to \$63.3 million at September 30, 2018. The increase in equity is due primarily to strong earnings over the past year, and improvement in the mark-to-market adjustment on our investment securities portfolio. Compared to the third quarter of 2018, book value per share increased by \$7.93, or 23.5%, to \$41.72.

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**

**Nine Months**

September 30

September 30

FOR THE PERIOD	2019	2018	% Change	2019	2018	% Change
Net Interest Income	\$ 8,870,000	\$ 7,361,000	20.50%	\$ 25,357,000	\$ 20,740,000	22.26%
Provision for Loan Loss	\$ 314,000	\$ 243,000	29.22%	\$ 943,000	\$ 727,000	29.76%
Non Interest Income	\$ 1,390,000	\$ 1,098,000	26.59%	\$ 4,060,000	\$ 5,228,000	-22.35%
Non Interest Expense	\$ 4,835,000	\$ 4,077,000	18.59%	\$ 14,743,000	\$ 12,432,000	18.59%
Net Income Attributable to the Non-Controlling Interest	\$ -	\$ 3,000	-100.00%	\$ -	\$ (909,000)	-100.00%
Pre-tax Income	\$ 5,111,000	\$ 4,143,000	23.36%	\$ 13,731,000	\$ 11,901,000	15.38%
Provision for Income Taxes	\$ 1,442,000	\$ 1,150,000	25.39%	\$ 3,653,000	\$ 3,295,000	10.88%
Net Income	\$ 3,668,000	\$ 2,993,000	22.55%	\$ 10,077,000	\$ 8,606,000	17.10%
Shares Outstanding (End of Period)	1,898,727	1,873,818	1.33%	1,898,727	1,873,818	1.33%
Income Per Share - Basic	\$ 1.93	\$ 1.60	20.63%	\$ 5.31	\$ 4.59	15.69%
Note: Shares Outstanding adjusted for 5% dividend declared on April 18, 2019.						
<b>SELECTED FINANCIAL RATIOS</b>						
(Annualized)						
Return on average assets	1.84%	1.75%		1.81%	1.73%	
Return on average equity	18.73%	19.46%		18.34%	19.91%	
<b>AT PERIOD END</b>						
Total Cash and Cash Equivalents				\$ 103,790,000	\$ 73,954,000	40.34%
Securities				\$ 61,820,000	\$ 55,063,000	12.27%
Loans & Leases				\$ 615,717,000	\$ 527,321,000	16.76%
Allowance for Loan Loss				\$ (7,371,000)	\$ (6,143,000)	19.99%
Other Assets				\$ 30,133,000	\$ 24,081,000	25.13%
Total Assets				\$ 804,089,000	\$ 674,276,000	19.25%
Non-Interest Bearing Deposits				\$ 388,789,000	\$ 313,073,000	24.18%
Interest Bearing Deposits				\$ 327,622,000	\$ 277,392,000	18.11%
Total Deposits				\$ 716,411,000	\$ 590,465,000	21.33%
Borrowings				\$ -	\$ 15,000,000	100.00%
Other Liabilities				\$ 8,464,000	\$ 5,503,000	53.81%
Common Stock				\$ 38,759,000	\$ 30,964,000	25.17%
Retained Earnings				\$ 40,187,000	\$ 33,543,000	19.81%
Accumulated Other Comprehensive Income				\$ 268,000	\$ (1,209,000)	-122.17%
Minority Interest				\$ -	\$ 10,000	-100.00%
Shareholder equity				\$ 79,214,000	\$ 63,308,000	25.12%
Total Liabilities and Shareholder Equity				\$ 804,089,000	\$ 674,276,000	19.25%
Allowance for Loan Loss to Total Loans				1.20%	1.16%	3.45%
Book Value per share				\$ 41.72	\$ 33.79	23.47%
<b>Selected Average Balance Data</b>						
Average Assets	\$789,692,000	\$677,898,000	16.49%	\$ 743,951,000	\$ 666,155,000	11.68%
Average Equity	\$77,705,000	\$61,024,000	27.34%	\$ 73,478,000	\$ 57,786,000	27.16%