



Financial Highlights December 31, 2019

Bakersfield, California, January 30, 2020 -- 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 \$3.6 million, or \$1.89 per basic common share, for the fourth quarter of 2019, compared to net income available to common shareholders of \$3.2 million, or \$1.73 per basic common share, for the fourth quarter of 2018. The fourth quarter of 2019 is the 83rd consecutive quarter of profitability for the Bank. For the year ended December 31, 2019, net income available to common shareholders was \$13.7 million, or \$7.19 per basic common share compared to net income available to common shareholders of \$11.9 million, or \$6.32 per basic common share for the year ended December 31, 2018.

Net income for the fourth quarter and year ended December 31, 2019 increased by 10.3% to \$3.6 million and by 15.2% to \$13.7 million, respectively, compared to the same periods in 2018. The increase in quarterly and annual earnings was driven by strong balance sheet growth. The loan portfolio grew by 18.9% during 2019, which resulted in 19.5% annual growth in net interest income.

Pre-tax income for the fourth quarter and full year increased by \$0.5 million, or 10.9% and \$2.3 million, or 14.2%, respectively, compared to the same periods in 2018. In 2019, pre-tax income growth was driven by strong revenue growth, which more than surpassed the increase in non-interest expense. A significant portion of the increase in non-interest expense for 2019 was attributable to both our new market expansion in Stockton and Ventura, as well as the non-recurring costs incurred for our 2019 core operating system conversion. During 2019 we also recorded higher loan loss provisioning levels than in 2018 to account for both portfolio growth and an increase in the ratio of our allowance for loan losses as a percentage of total loans, from 1.17% at the end of 2018 to 1.23% as of December 31, 2019.

"Our team has been working on developing and implementing our new deposit gathering strategy for the last couple of years. In 2019 these efforts were proven and evident in our financial results" said A.J. Antongiovanni, Mission's President and Chief Executive Officer. Mr. Antongiovanni continued, "We achieved total deposit growth of over \$160 million, or 28% in 2019, which included non-interest-bearing demand deposit growth of nearly \$100 million. These outstanding deposit growth results did not come at the cost of our shareholders or our traditionally highly desirable deposit profile. We generated a return on equity of over 18% and return on assets of nearly 1.80% during 2019 and ended the year with 53.7% of our total deposits consisting of non-interest-bearing demand deposits."

The Company's return on average assets was 1.71% and 1.78% for the fourth quarter, and year ended December 31, 2019, respectively, compared to 1.89% and 1.76%, respectively, for the same prior year

periods. Mission's return on average equity decreased to 17.40% and 18.09% for the fourth quarter, and year ended December 31, 2019, down from 19.77% and 19.86% for the fourth quarter, and year ended December 31, 2018.

Gross loans increased by \$37.4 million during the fourth quarter of 2019 to \$653.1 million, which represents an annualized growth rate of 24.3%. Gross loans grew by \$103.6 million, or 18.9% on a year over year basis. Asset quality remains strong at December 31, 2019 with just 0.11% of total assets designated as "non-performing".

Mission's total deposits increased by \$42.1 million during the fourth quarter to \$758.5 million at December 31, 2019, and increased by \$167.5 million, or 28.3% for the year ended December 31, 2019. Mission Bank's non-interest-bearing deposits grew by \$99.9 million, or 32.5% during 2019, and represented 53.7% of its total deposits at the end of 2019. Total assets grew by \$161.2 million, or 23.4% to \$850.0 million at December 31, 2019 compared to \$688.8 million at December 31, 2018.

Shareholders' equity increased by \$15.7 million, or 23.4% to \$82.7 million at December 31, 2019 compared to \$67.0 million at December 31, 2018. The increase in equity is due primarily to strong earnings over the past year, and to a lesser extent improvement on the fair market value of our investment securities portfolio. Compared to December 31, 2018, book value per share increased by \$7.80, or 21.8%, to \$43.55 per share as of December 31, 2019.

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 | | | Twelve Months | | |
| | December 31 | | | December 31 | | |
| FOR THE PERIOD | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Net Interest Income | \$ 8,936,000 | \$ 7,947,000 | 12.44% | \$ 34,293,000 | \$ 28,687,000 | 19.54% |
| Provision for Loan Loss | \$ 750,000 | \$ 280,000 | 167.86% | \$ 1,693,000 | \$ 1,007,000 | 68.15% |
| Non Interest Income | \$ 1,417,000 | \$ 1,080,000 | 31.20% | \$ 5,476,000 | \$ 6,308,000 | -13.19% |
| Non Interest Expense | \$ 4,741,000 | \$ 4,363,000 | 8.66% | \$ 19,484,000 | \$ 16,795,000 | 16.01% |
| Net Income Attributable to the Non-Controlling Interest | \$ - | \$ - | 0.00% | \$ - | \$ (909,000) | -100.00% |
| Pre-tax Income | \$ 4,862,000 | \$ 4,384,000 | 10.90% | \$ 18,593,000 | \$ 16,285,000 | 14.17% |
| Provision for Income Taxes | \$ 1,280,000 | \$ 1,136,000 | 12.68% | \$ 4,933,000 | \$ 4,431,000 | 11.34% |
| Net Income | \$ 3,582,000 | \$ 3,248,000 | 10.28% | \$ 13,660,000 | \$ 11,854,000 | 15.23% |
| Shares Outstanding (End of Period) | 1,899,402 | 1,875,344 | 1.28% | 1,899,402 | 1,875,344 | 1.28% |
| Income Per Share - Basic | \$ 1.89 | \$ 1.73 | 9.25% | \$ 7.19 | \$ 6.32 | 13.77% |
| Note: Shares Outstanding adjusted for 5% dividend declared on April 18, 2019. | | | | | | |
| SELECTED FINANCIAL RATIOS | | | | | | |
| (Annualized) | | | | | | |
| Return on average assets | 1.71% | 1.89% | | 1.78% | 1.76% | |
| Return on average equity | 17.40% | 19.77% | | 18.09% | 19.86% | |
| AT PERIOD END | | | | | | |
| Total Cash and Cash Equivalents | | | | \$ 102,940,000 | \$ 67,644,000 | 52.18% |
| Securities | | | | \$ 70,412,000 | \$ 52,626,000 | 33.80% |
| Loans & Leases | | | | \$ 653,077,000 | \$ 549,434,000 | 18.86% |
| Allowance for Loan Loss | | | | \$ (8,061,000) | \$ (6,424,000) | 25.48% |
| Other Assets | | | | \$ 31,642,000 | \$ 25,550,000 | 23.84% |
| Total Assets | | | | \$ 850,010,000 | \$ 688,830,000 | 23.40% |
| Non-Interest Bearing Deposits | | | | \$ 407,428,000 | \$ 307,552,000 | 32.47% |
| Interest Bearing Deposits | | | | \$ 351,086,000 | \$ 283,453,000 | 23.86% |
| Total Deposits | | | | \$ 758,514,000 | \$ 591,005,000 | 28.34% |
| Borrowings | | | | \$ - | \$ 25,000,000 | 100.00% |
| Other Liabilities | | | | \$ 8,778,000 | \$ 5,776,000 | 51.97% |
| Common Stock | | | | \$ 38,902,000 | \$ 30,805,000 | 26.28% |
| Retained Earnings | | | | \$ 43,761,000 | \$ 37,212,000 | 17.60% |
| Accumulated Other Comprehensive Income | | | | \$ 55,000 | \$ (978,000) | -105.62% |
| Minority Interest | | | | \$ - | \$ 10,000 | -100.00% |
| Shareholder equity | | | | \$ 82,718,000 | \$ 67,049,000 | 23.37% |
| Total Liabilities and Shareholder Equity | | | | \$ 850,010,000 | \$ 688,830,000 | 23.40% |
| Allowance for Loan Loss to Total Loans | | | | 1.23% | 1.17% | 5.13% |
| Book Value per share | | | | \$ 43.55 | \$ 35.75 | 21.82% |
| Selected Average Balance Data | | | | | | |
| Average Assets | \$830,419,000 | \$681,554,000 | 21.84% | \$ 765,690,000 | \$ 672,216,000 | 13.91% |
| Average Equity | \$81,674,000 | \$65,180,000 | 25.31% | \$ 75,507,000 | \$ 59,691,000 | 26.50% |