



**FOR IMMEDIATE RELEASE – April 24, 2020**

**Media Contact:**

Mission Bank President & CEO **A.J. Antongiovanni** – 661-859-2517

## **Mission Bancorp announces first quarter 2020 net income growth of 12.15% to \$3.5 million, while supporting its communities during the COVID-19 crisis**

BAKERSFIELD, Calif. (April 24, 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 \$3.5 million, or \$1.76 per basic common share, for the first quarter of 2020, compared to net income available to common shareholders of \$3.1 million, or \$1.59 per basic common share, for the first quarter of 2019.

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 8, 2020 to shareholders of record as of May 26, 2020. 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.

“Mission continues to produce industry leading returns even during this challenging economic environment” said A.J. Antongiovanni, Mission’s President and Chief Executive Officer. Mr. Antongiovanni continued, “Mission has also been able to fulfill its core purpose, to fuel and grow vibrant and prosperous communities, by being one of the first banks nationwide to process the SBA’s Paycheck Protection Program loans.”

Many banks have chosen not to participate in the SBA’s Payment Protection Program (PPP), citing regulatory concerns. “Our board of directors approved the program because it’s the right thing to do for our community,” said Antongiovanni. “We are proud that we created a program that mitigates risk to the borrower and the bank, while speeding up the process. This will allow Mission Bank to bring approximately \$100 million in stimulus funds to our local community.”

As of April 16, 2020, Mission has provided the following to its communities, customers, and team members:

- Received SBA approval for \$95 million in PPP loans to 416 businesses, positively impacting an estimated 9,500 jobs throughout our local communities.
- Offering a 90-day grace period for loan payments or 6-months interest only payment options for borrowers.
- All locations remain open for business, despite 75% of our staff working remotely.
- Premium pay to frontline staff supporting customers and awarded staff additional days off to spend with their families.
- Allowed sick-time pay in excess of the legal mandate and created weekly wellness activities such as guided meditation and visualization exercises.

Mission remains committed to supporting local businesses, its customers, and team members during this pandemic crisis.

Despite the unprecedented events at the end of March, net income for the first quarter of 2020 increased by 12.15% to \$3.5 million, as compared to the quarter ended March 31, 2019. This is the 84th consecutive quarter of profitability for the Bank. A 10.8% increase in pre-tax income, as well as 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 24.1% for the first quarter of 2020 compared to 25.1% for the first quarter of 2019.

Total revenue, inclusive of both net interest income and non-interest income, grew by \$1.1 million, or 11.8%, significantly outpacing non-interest expense growth of \$397 thousand, or 8.3% on a year-over-year basis. Net interest income growth was attributable to growth in average loans of \$111.1 million or 20.0% which more than offset net interest margin compression. Our net interest margin was 4.39% during the first quarter of 2020, decreasing by 55 basis points since the prior year. The provision for loan losses increased by \$245 thousand, or 77.9%, primarily due to macroeconomic risks created by the COVID-19 pandemic. While we have not determined any potential issues in our own loan portfolio, this general economic risk prompted us to raise our loan loss reserve ratio from 1.20% at March 31, 2019 to 1.24% at the current quarter end. Non-interest expense increased primarily due to addition of staff and upgrading of our facilities including our new downtown Bakersfield location.

The Company's return on average assets was 1.62%, for the first quarter ended March 31, 2020, compared to 1.83% for the same prior year period. The Company's return on average equity was 16.56%, for the first quarter ended March 31, 2020, compared to 18.33% for the first quarter of 2019.

Gross loans increased by \$25.8 million during the first quarter of 2020 to \$678.9 million and grew by \$116.0 million, or 20.6% on a year over year basis.

Mission's total deposits increased by \$47.1 million during the first quarter to \$805.6 million at March 31, 2020, and by \$156.6 million, or 24.1%, compared to the same prior year period. Mission Bank's non-interest-bearing deposits represented 53.5% of its total deposits at the end of the first quarter of 2020. Non-interest bearing demand deposits grew by \$95.1 million or 28.3% over the past year. Total assets grew by 25.5% to \$911.3 million at March 31, 2020 compared to \$726.3 million at March 31, 2019.

Shareholders' equity increased \$15.3 million, or 21.6% to \$86.3 million at March 31, 2020 compared to \$71.0 million at March 31, 2019. The increase in equity is due to strong earnings over the past year and improvement in the mark-to-market adjustment on our investment securities portfolio. Compared to the first quarter of 2019 book value per share increased by \$7.29, or 20.3%, to \$43.14 at March 31, 2020.

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.

Contacts:

A.J. Antongiovanni, President and Chief Executive Officer

661.859.2517

Jason Castle, Chief Financial Officer

661.437.4418



# MISSION BANCORP

*"Let our Experience work for you"*

## MISSION BANCORP

(Unaudited)

Three Months

March 31

FOR THE PERIOD	2020	2019	% Change
Net Interest Income	\$ 9,104,000	\$ 8,047,000	13.13%
Provision for Loan Loss	\$ 559,000	\$ 314,000	77.88%
Non Interest Income	\$ 1,265,000	\$ 1,228,000	3.03%
Non Interest Expense	\$ 5,169,000	\$ 4,772,000	8.33%
Pre-tax Income	\$ 4,640,000	\$ 4,189,000	10.77%
Provision for Income Taxes	\$ 1,120,000	\$ 1,050,000	6.65%
Net Income	\$ 3,520,000	\$ 3,138,000	12.15%
Weighted Average Shares Outstanding	1,999,871	1,979,278	1.04%
Income Per Share - Basic	\$ 1.76	\$ 1.59	10.69%
Note: Weighted Average Shares Outstanding adjusted for 5% dividend declared on April 23, 2020			
<b>SELECTED FINANCIAL RATIOS</b>			
<b>(Annualized)</b>			
Return on average assets	1.62%	1.83%	
Return on average equity	16.56%	18.33%	
<b>AT PERIOD END</b>			
Total Cash and Cash Equivalents	\$ 140,389,000	\$ 92,659,000	51.51%
Securities	\$ 69,943,000	\$ 49,707,000	40.71%
Loans & Leases	\$ 678,903,000	\$ 562,863,000	20.62%
Allowance for Loan Loss	\$ (8,430,000)	\$ (6,740,000)	25.07%
Other Assets	\$ 30,471,000	\$ 27,854,000	9.40%
Total Assets	\$ 911,276,000	\$ 726,343,000	25.46%
Non-Interest Bearing Deposits	\$ 430,706,000	\$ 335,616,000	28.33%
Interest Bearing Deposits	\$ 374,932,000	\$ 313,386,000	19.64%
Total Deposits	\$ 805,638,000	\$ 649,002,000	24.13%
Borrowings	\$ 12,000,000	\$ -	100.00%
Other Liabilities	\$ 7,365,000	\$ 6,378,000	15.48%
Common Stock	\$ 39,240,000	\$ 31,169,000	25.89%
Retained Earnings	\$ 47,281,000	\$ 40,374,000	17.11%
Accumulated Other Comprehensive Income	\$ (248,000)	\$ (580,000)	-57.24%
Shareholder equity	\$ 86,273,000	\$ 70,963,000	21.57%
Total Liabilities and Shareholder Equity	\$ 911,276,000	\$ 726,343,000	25.46%
Allowance for Loan Loss			
to Total Loans	1.24%	1.20%	3.33%
Book Value per share	\$ 43.14	\$ 35.85	20.33%
<b>Selected Average Balance Data</b>			
Average Assets	\$ 874,983,000	\$ 694,722,000	25.95%
Average Equity	\$ 85,500,000	\$ 69,423,000	23.16%