



FOR IMMEDIATE RELEASE – April 29, 2022

Mission Bancorp announces quarterly net income for the first quarter of 2022 of \$4.2 million. Annual deposit growth of 9.7%, loan growth of 5.6%. New Visalia, California banking team already funding loans. 5.00% annual stock dividend declared. Stock repurchase plan initiated.

Bakersfield, Calif., April 29, 2022 - Mission Bancorp (“Mission” or the “Company”) (OTC Pink: MSBC), a bank holding company and parent of Mission Bank (the “Bank”), reported net income available to common shareholders of \$4.2 million, or \$1.82 per basic common share, for the first quarter of 2022 compared to net income available to common shareholders of \$4.3 million, or \$1.90 per basic common share, for the first quarter of 2021, and net income available to common shareholders of \$5.4 million, or \$2.38 per basic common share for the fourth quarter of 2021.

First Quarter 2022 Financial Highlights

- Gross loans increased by \$49.2 million, or 5.6%, to \$924.2 million as of March 31, 2022, compared to \$875.0 million at March 31, 2021, and by \$38.1 million or 4.3% compared to \$886.1 million at December 31, 2021. Gross loans adjusted for the removal of Paycheck Protection Program (“PPP”) loans increased by \$145.1 million, or 18.7%, to \$921.9 million at March 31, 2022 compared to \$776.8 million at March 31, 2021, and by \$50.5 million or 5.8% compared to \$871.4 million at December 31, 2021.
- Total deposits increased by \$121.6 million, or 9.7% to \$1.38 billion at March 31, 2022 compared with \$1.26 billion a year earlier, and by \$8.3 million, or 0.6% during the first quarter of 2022. Noninterest-bearing demand deposits grew by 3.1% during the last year and by 1.9% over the last quarter to \$735.4 million, and represent 53.4% of total deposits at March 31, 2022.
- The allowance for loan and lease losses (“ALLL”) as a percentage of gross loans increased from 1.23% at March 31, 2021 to 1.35% at March 31, 2022. Credit quality remains strong with nonaccrual loans representing 0.01% of total gross loans at March 31, 2022, down from 0.08% at March 31, 2021. The Company recorded a \$648 thousand provision for loan losses in the first quarter of 2022 due primarily to loan growth.
- The Community Bank Leverage Ratio for the Bank as of March 31, 2022, was 9.32% compared to 8.11% at March 31, 2021.
- On April 28, 2022, the board of directors of Mission Bancorp declared a 5.00% stock dividend payable to common shareholders on June 6, 2022, and announced a stock repurchase plan for the purchase of up to \$1.0 million of the Company’s common stock.

“We had an extremely productive start to 2022 and are proud to report earnings at a level consistent with last year” said A.J. Antongiovanni, Mission’s President and Chief Executive Officer. Mr. Antongiovanni continued, “Our continued success has allowed us to issue a 5% stock dividend and institute a stock repurchase program to reward shareholders. During the quarter we expanded to Visalia, a new market for the bank, with an experienced team of commercial bankers that are closely aligned with our vision and values.” Mr. Antongiovanni stated further, “Additionally, we are finalizing the sale of our Ridgecrest location and have completed the merger of our Mojave location into our Lancaster Business Banking Center, which will allow us to focus resources on high growth markets.”

Net Income Available to Common Shareholders

Net income available to common shareholders for the first quarter of 2022 was \$4.2 million, or \$1.82 per basic common share, compared with \$5.4 million, or \$2.38 per basic common share, for the quarter ended December 31, 2021. Net income available to common shareholders was \$4.3 million, or \$1.90 per basic common share, for the first quarter of 2021.

Notable trends for the linked quarter included increases in both non-interest expense and the provision for loan losses, while net interest income and non-interest income both declined. Compared to the first quarter of 2021, net interest income increased substantially, while non-interest income declined, and non-interest expense increased.

Net Interest Income

Net interest income was \$11.1 million, or 3.08% of average earning assets (“net interest margin”), for the first quarter of 2022 compared with \$10.2 million, or a 3.22% net interest margin, for the same period a year earlier, and \$11.4 million, or a 3.11% net interest margin, for the quarter ended December 31, 2021.

Net interest income increased by \$0.9 million or 8.8%, compared to the same prior year period as the increase in average balances offset the decline in yields on average interest earning assets. Despite a \$0.5 million decline in PPP loan interest income and fee accretion from the first quarter of 2021 to the current quarter, non-PPP loan growth more than offset the loss of PPP related income resulting in an overall \$0.7 million or 7.1% increase in loan interest income. Net interest income decreased for the quarter ended March 31, 2022, as compared to the linked quarter by \$0.3 million, or 2.7%, due primarily to a decrease in loan interest income of \$0.4 million attributable to lower PPP loan interest income and fee accretion, which declined by \$0.6 million.

The net interest margin was 3.08% for the first quarter of 2022 compared to 3.22% for the same prior year period, and 3.11% for the linked quarter ended December 31, 2021. The year-over-year 14 basis point decline in the net interest margin is attributable primarily to a shift in the earning asset mix from higher yielding loans to lower yielding investment securities and interest earning deposits in other banks. This shift in earning asset mix was primarily attributable to strong growth in our average

deposit balances over the last year, which outpaced average loan growth and led to growth in lower yielding average investment securities and interest earning deposits in other banks.

The 3 basis point decline in the net interest margin for the first quarter of 2022, compared to the linked quarter is primarily attributable to a decline in loan yields attributable to the previously discussed \$0.6 million decrease in PPP interest income and fee accretion.

The cost of total funding has been stable over the last year, increasing 1 basis point from 0.16% for the quarter ended March 31, 2021 to 0.17% for the current quarter. The cost of total funding was unchanged at 0.17% for both the current and linked quarter.

Provision for Loan and Lease Losses

A \$0.6 million provision for loan and lease losses was recorded for the quarter ended March 31, 2022, compared to \$0.1 million for the linked-quarter and \$0.6 million for the same period a year ago. The Company's quarterly loan loss provisions over the past year have been recorded primarily to account for growth in the traditional, or non-PPP loan portfolio, rather than in response to changing conditions in the Company's loan portfolio, which have remained stable, demonstrating a low risk profile during the past twelve months.

Non-Interest Income

Non-interest income for the first quarter of 2022 was \$1.4 million, compared to \$1.6 million for the linked quarter, and \$1.9 million for the same period a year earlier. Non-interest income decreased by \$0.5 million, or 26.7% for the current quarter as compared to the same prior year period, primarily due to the realization a \$0.5 million gain on sale of securities in the first quarter of 2021. Compared to the linked quarter, non-interest income decreased by \$0.2 million, or 10.3% due to decreases in SBA servicing fees and gain on sale of SBA loans, Farmer Mac referral and service fee income and service charges, fees, and other income.

Non-Interest Expense

Non-interest expense increased by \$0.5 million, or 8.3%, to \$6.2 million for the quarter ended March 31, 2022, compared to \$5.7 million for the quarter ended March 31, 2021, and increased by \$0.7 million, or 12.9% compared to the linked quarter.

The increase in non-interest expense for the first quarter of 2022 as compared to the first quarter a year ago was due to a \$0.4 million increase in salaries and benefits expense. The largest component of the quarterly increase in salaries and benefits expense was a \$0.2 million decline in deferred loan origination costs due to an increase in loan originations attributable to the second round of PPP loan originations during the first quarter of 2021. Smaller increases in items such as base compensation, incentive compensation accruals, temporary labor and other compensation expense accounted for the remainder of the quarterly increase.

The increase in non-interest expense for the first quarter of 2022 as compared to the linked quarter was primarily attributable to a \$0.8 million increase in salaries and benefits expense. The largest component of the quarterly increase in salaries and benefits expense was a \$0.4 million increase in incentive compensation plan accrual expense, attributable to the 2021 year-end adjustment of accrued incentive compensation due to finalization of financial performance metrics that determine the actual amount of incentive compensation paid for the year. Smaller increases in items such as payroll tax expense, equity compensation expense, and vacation accrual expense accounted for the remainder of the quarterly increase.

Operating Efficiency

The Company's operating efficiency ratio increased to 49.47% for the first quarter of 2022 as compared to 47.11% for the first quarter of 2021, and from 42.23% for the linked quarter. Total non-interest expense as a percentage of average assets, another measure of the Company's efficiency, was 1.64% for the first quarter of 2022 compared to 1.72% for first quarter of 2021, and 1.43% for the quarter ended December 31, 2021.

Income Taxes

Income tax expense was \$1.5 million for both the quarter ended March 31, 2022, and the same period a year earlier. For the linked quarter ended December 31, 2021, income tax expense was \$2.0 million. The Company's effective tax rate for the first quarter of 2022 was 26.3% compared with 26.1% for the same period a year ago, and 26.7% for the quarter ended December 31, 2021.

Asset and Equity Returns

The quarterly return on average equity for the first quarter of 2022 was 14.11%, down from 16.67% for the same prior year period and from 18.29% for the linked quarter. The quarterly return on average assets for the first quarter of 2022 was 1.11%, down from 1.29% for the same prior year period and from 1.41% for the linked quarter.

The decline in the return on average equity and assets for the quarter ended March 31, 2022, as compared to the first quarter of 2021 is primarily attributable to the 15.3% increase in average quarterly equity and 13.7% increase in average quarterly assets over the last year.

The decline in the return on average equity and assets for the quarter ended March 31, 2022, as compared to the linked quarter is primarily attributable to the 22.9% decrease in net income for the first quarter of 2022.

Balance Sheet

Total assets increased by \$136.6 million, or 9.8%, to \$1.5 billion at March 31, 2022 compared to March 31, 2021, and by \$3.1 million, or 0.2%, compared to December 31, 2021. Cash and cash equivalents increased by \$32.2 million, or 10.8%, to \$331.6 million at March 31, 2022 compared to

March 31, 2021, and decreased by \$25.3 million, or 7.1%, compared to December 31, 2021. The increase in the Company's cash position over the last year is primarily the result of deposit growth, which far outpaced loan growth.

Investment securities increased by \$49.7 million or 27.8%, to \$228.3 million at March 31, 2022, compared to \$178.6 million at March 31, 2021, and decreased by \$12.6 million, or 5.2%, compared to \$240.9 million at December 31, 2021. The decline in the balance of investment securities portfolio during the first quarter of 2022 is primarily attributable to the increase in unrealized losses on the portfolio attributable to the sudden and substantial increase in treasuries rates of various terms across the yield curve.

Total gross loans increased by \$49.2 million, or 5.6%, to \$924.2 million at March 31, 2022 compared to March 31, 2021, and by \$38.1 million, or 4.3%, compared to December 31, 2021. Gross loans, adjusted for PPP loan forgiveness and pay-off, grew by \$145.1 million, or 18.7%, to \$921.9 million at March 31, 2022 compared to \$776.8 million at March 31, 2021, and by \$50.5 million or 5.8% compared to \$871.4 million at December 31, 2021. Loan growth during the last year has been concentrated in the owner occupied commercial real estate and construction and land development segments of the portfolio and has offset contraction in the commercial and industrial segment of the portfolio, which contraction was primarily attributable to the forgiveness and pay-off of PPP loans.

Total deposits increased by \$121.6 million, or 9.7%, to \$1.38 billion as of March 31, 2022, from \$1.26 billion as of March 31, 2021, and by \$8.3 million, or 0.6%, from \$1.37 billion at December 31, 2021. Noninterest-bearing deposits increased by \$22.0 million, or 3.1%, during the last year, and increased by \$13.4 million, or 1.9%, since December 31, 2021. The deposit growth achieved over the last year is attributable to relationship building efforts, and activity in our De Novo markets. Noninterest-bearing deposits as a percentage of total deposits equaled 53.4% at March 31, 2022.

Total shareholders' equity was \$115.2 million at March 31, 2022, an increase of \$11.6 million, or 11.2%, compared to March 31, 2021, and a decrease of \$5.0 million, or 4.2%, compared to December 31, 2021, due primarily to quarterly earnings, net of changes in accumulated other comprehensive income or loss. The change in the unrealized loss in the securities portfolio resulted in a decrease of total equity of \$9.8 million, and of \$8.7 million during the past quarter, and year, respectively.

Nonperforming assets were \$0.1 million at March 31, 2022 essentially unchanged since December 31, 2021, and down from \$0.7 million at March 31, 2021. Nonperforming assets remain at the lowest level reached in the last several years, at 0.01% of total assets at March 31, 2022, unchanged since December 31, 2021, and down from 0.05% at March 31, 2021.

Allowance for Loan and Lease Losses

The allowance for loan and lease losses ("ALLL") as a percentage of gross loans increased from 1.23% at March 31, 2021 to 1.34% at December 31, 2021 and to 1.35% at March 31, 2022. The increase in the level of our ALLL as a percentage of gross loans over the last twelve months is due primarily to the forgiveness and pay-off of PPP loans which carry a 0.00% ALLL percentage due to the 100%

government guarantee on these loans. The PPP loan balances declined from \$98.2 million as of March 31, 2021, to \$2.3 million as of March 31, 2022. If these PPP loans are excluded from the ALLL as a percentage of gross loans calculation, the percentage would have declined by 3 basis points from 1.39% at March 31, 2021 to 1.36% at March 31, 2022.

Regulatory Capital

The Bank's reported regulatory capital ratio exceeded the ratio generally required to be considered a "well capitalized" financial institution for regulatory purposes. The Community Bank Leverage Ratio for the Bank was 9.32%, at March 31, 2022 compared with the requirement of 9.00% to generally be considered a "well capitalized" financial institution for regulatory purposes. The Bank's Community Bank Leverage ratio has increased by 121 basis points from 8.11%, and by 29 basis points from 9.03%, as of the periods ended March 31, 2021 and December 31, 2021, respectively, due primarily to strong earnings over the past quarter and year which resulted in capital growth outpacing average asset growth.

Stock Repurchase Program and Stock Dividend

The Company announced today that it has entered into a Rule 10b5-1 plan (the "2022 10b5-1 Plan") on April 28, 2022, to facilitate the repurchase of its common stock. Pursuant to the 2022 10b5-1 Plan, a maximum of \$1.0 million of the Company's common stock may be repurchased by the Company. The 2022 10b5-1 Plan will expire on October 28, 2022, and the Company may suspend or discontinue the Plan at any time. Hilltop Securities, Inc. is acting as the Company's agent to purchase its shares on pre-arranged terms pursuant to the 2022 10b5-1 Plan.

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 6, 2022, to shareholders of record as of May 23, 2022. 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.

About Mission Bancorp and Mission Bank

With \$1.5 billion in assets, Mission Bancorp is headquartered in Bakersfield, California and is the holding company of four wholly owned subsidiaries, Mission Bank, Mission 1031 Exchange, LLC, Mission Community Development, LLC, and Nosbig 88, Inc. Mission Bank has eight Business Banking Centers, serving the greater areas of Bakersfield, Lancaster, Ridgecrest, San Luis Obispo, Stockton and Ventura, California. Visit Mission Bank online at www.missionbank.com. By including the foregoing website address, Mission Bancorp does not intend to, and shall not be deemed to incorporate by reference any material contained therein.

Forward Looking Statements

This press release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the bank is conducting its operations, including the real estate market in California and other factors beyond the bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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MISSION BANCORP
CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in thousands)

| | Variance | | | | |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 | 03/22 - 12/21 | 03/22 - 03/21 |
| Assets | | | | | |
| Cash and due from banks | \$ 44,744 | \$ 37,900 | \$ 38,894 | \$ 6,844 | \$ 5,850 |
| Interest earning deposits in other banks | 286,835 | 319,016 | 260,435 | (32,181) | 26,400 |
| Total cash and cash equivalents | 331,578 | 356,916 | 299,329 | (25,338) | 32,249 |
| Interest earning deposits maturing over ninety days | 4,178 | 5,413 | 9,096 | (1,235) | (4,918) |
| Investment securities available-for-sale, at fair value | 228,278 | 240,887 | 178,566 | (12,609) | 49,712 |
| Loans | 924,159 | 886,050 | 874,965 | 38,109 | 49,194 |
| Allowance for loan losses | (12,501) | (11,851) | (10,787) | (650) | (1,714) |
| Loan, net | 911,658 | 874,199 | 864,178 | 37,459 | 47,480 |
| Premises and equipment, net | 3,709 | 3,853 | 4,360 | (144) | (651) |
| Bank owned life insurance | 19,790 | 19,675 | 11,377 | 115 | 8,413 |
| Deferred tax asset, net | 8,873 | 4,777 | 4,661 | 4,096 | 4,212 |
| Interest receivable and other assets | 15,176 | 14,458 | 15,104 | 718 | 72 |
| Total Assets | \$ 1,523,240 | \$ 1,520,178 | \$ 1,386,671 | \$ 3,062 | \$ 136,569 |
| Liabilities and Shareholders' Equity | | | | | |
| Deposits | | | | | |
| Noninterest-bearing demand | \$ 735,431 | \$ 722,026 | \$ 713,400 | \$ 13,405 | \$ 22,031 |
| Interest bearing | 641,545 | 646,696 | 542,010 | (5,151) | 99,535 |
| Total deposits | 1,376,976 | 1,368,722 | 1,255,410 | 8,254 | 121,566 |
| FHLB borrowings | - | - | 8,000 | - | (8,000) |
| Subordinated debentures, net of issuance costs | 21,739 | 21,721 | 9,889 | 18 | 11,850 |
| Interest payable and other liabilities | 9,276 | 9,455 | 9,736 | (179) | (460) |
| Total Liabilities | 1,407,991 | 1,399,898 | 1,283,035 | 8,093 | 124,956 |
| Shareholders' Equity | | | | | |
| Common stock | 56,184 | 55,628 | 46,947 | 556 | 9,237 |
| Retained earnings | 68,703 | 64,528 | 57,609 | 4,175 | 11,094 |
| Accumulated other comprehensive income (loss) | (9,638) | 124 | (920) | (9,762) | (8,718) |
| Total shareholders' equity | 115,249 | 120,280 | 103,636 | (5,031) | 11,613 |
| Total Liabilities and Shareholders' Equity | \$ 1,523,240 | \$ 1,520,178 | \$ 1,386,671 | \$ 3,062 | \$ 136,569 |
| SBA Paycheck Protection Program Loans | \$ 2,260 | \$ 14,663 | \$ 98,153 | \$ (12,403) | \$ (95,892) |

MISSION BANCORP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in thousands)

| | Three Months Ended | | | Variance | |
|--|--------------------|-------------------|-----------------|-------------------|-----------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 | 03/22 - 12/21 | 03/22 - 03/21 |
| Interest and Dividend Income | | | | | |
| Loans | \$ 10,559 | \$ 10,949 | \$ 9,860 | \$ (390) | \$ 699 |
| Investment securities | 848 | 779 | 638 | 69 | 210 |
| Other | 261 | 257 | 150 | 4 | 111 |
| Total interest and dividend income | <u>11,668</u> | <u>11,985</u> | <u>10,648</u> | <u>(317)</u> | <u>1,020</u> |
| Interest Expense | | | | | |
| Other deposits | 303 | 304 | 257 | (1) | 46 |
| Time deposits | 27 | 30 | 40 | (3) | (13) |
| Total interest expense on deposits | 330 | 334 | 297 | (4) | 33 |
| FHLB borrowings | - | 4 | 30 | (4) | (30) |
| Subordinated debentures | 268 | 268 | 144 | (0) | 124 |
| Total interest expense | <u>598</u> | <u>606</u> | <u>471</u> | <u>(8)</u> | <u>127</u> |
| Net Interest Income | 11,070 | 11,379 | 10,177 | (309) | 893 |
| Provision for Loan Losses | (648) | (100) | (622) | (548) | (26) |
| Net Interest Income After Provision for Loan Losses | <u>10,422</u> | <u>11,279</u> | <u>9,555</u> | <u>(857)</u> | <u>867</u> |
| Non-Interest Income | | | | | |
| Gain on sale of premises and equipment | 26 | 26 | 26 | - | - |
| Service charges, fees and other income | 1,053 | 1,085 | 1,086 | (32) | (33) |
| Farmer Mac referral and servicing fees | 236 | 272 | 277 | (36) | (41) |
| SBA servicing fees and gain on sale of loans | 107 | 203 | 40 | (96) | 67 |
| Gain on sale of securities | - | - | 511 | - | (511) |
| Total non-interest income | <u>1,422</u> | <u>1,586</u> | <u>1,940</u> | <u>(164)</u> | <u>(518)</u> |
| Non-Interest Expense | | | | | |
| Salaries and benefits | 4,015 | 3,254 | 3,593 | 761 | 422 |
| Professional services | 618 | 708 | 590 | (90) | 28 |
| Occupancy and equipment | 513 | 520 | 555 | (7) | (42) |
| Data processing and communication | 350 | 362 | 317 | (12) | 33 |
| Other | 684 | 631 | 654 | 53 | 30 |
| Total non-interest expense | <u>6,180</u> | <u>5,475</u> | <u>5,709</u> | <u>705</u> | <u>471</u> |
| Net Income Before Provision for Income Taxes | 5,664 | 7,390 | 5,786 | (1,726) | (122) |
| Provision for Income Taxes | 1,489 | 1,975 | 1,507 | 486 | 18 |
| Net Income | <u>\$ 4,175</u> | <u>\$ 5,415</u> | <u>\$ 4,279</u> | <u>\$ (1,240)</u> | <u>\$ (104)</u> |

MISSION BANCORP
FINANCIAL HIGHLIGHTS

(Unaudited)

(Dollars in thousands, except per share data)

| | As of or for the Three Months Ended | | |
|---|-------------------------------------|--------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
| Ratio of net loans to total deposits | 66.21% | 63.87% | 68.84% |
| Return on average assets | 1.11% | 1.41% | 1.29% |
| Return on average equity | 14.11% | 18.29% | 16.67% |
| Net interest margin | 3.08% | 3.11% | 3.22% |
| Efficiency ratio | 49.47% | 42.23% | 47.11% |
| Noninterest expense as a percent of average assets | 1.64% | 1.43% | 1.72% |
| Noninterest income as a percent of average assets | 0.38% | 0.41% | 0.58% |
| Weighted average shares outstanding - basic* | 2,289,849 | 2,273,528 | 2,254,193 |
| Shares outstanding at period end - basic* | 2,302,382 | 2,287,308 | 2,263,356 |
| Earnings per share - basic | \$ 1.82 | \$ 2.38 | \$ 1.90 |
| Total assets | \$ 1,523,240 | \$ 1,520,178 | \$ 1,386,671 |
| Loans and leases net of deferred fees | \$ 924,159 | \$ 886,050 | \$ 874,965 |
| Noninterest demand deposits | \$ 735,431 | \$ 722,026 | \$ 713,400 |
| Total deposits | \$ 1,376,976 | \$ 1,368,722 | \$ 1,255,410 |
| Noninterest-bearing deposits as a percentage total deposits | 53.41% | 52.75% | 56.83% |
| Average total assets | \$ 1,530,695 | \$ 1,522,013 | \$ 1,346,848 |
| Average total equity | \$ 120,030 | \$ 117,437 | \$ 104,116 |
| Shareholders' equity / total assets | 7.57% | 7.91% | 7.47% |
| Book value per share | \$ 50.06 | \$ 52.59 | \$ 45.79 |

*Outstanding shares adjusted for 5% dividend declared on April 28, 2022.

MISSION BANCORP
AVERAGE BALANCES AND RATES
(Unaudited)
(Dollars in thousands)

| | For the Quarter Ended March 31, 2022 | | | For the Quarter Ended December 31, 2021 | | | For the Quarter Ended March 31, 2021 | | |
|--|---|---------------------|-----------------|--|---------------------|-----------------|---|---------------------|-----------------|
| | Average Balance | Income / Expense | Yield / Rate | Average Balance | Income / Expense | Yield / Rate | Average Balance | Income / Expense | Yield / Rate |
| Assets | | | | | | | | | |
| Interest earning deposits in other banks | \$ 313,731 | \$ 189 | 0.24% | \$ 331,644 | \$ 162 | 0.19% | \$ 273,210 | \$ 101 | 0.15% |
| Investment securities | 236,625 | 848 | 1.45% | 232,961 | 779 | 1.33% | 166,130 | 638 | 1.56% |
| Loans | 900,322 | 10,559 | 4.76% | 878,283 | 10,949 | 4.95% | 837,524 | 9,861 | 4.77% |
| Other earning assets | 6,382 | 72 | 4.60% | 6,583 | 95 | 5.70% | 5,534 | 48 | 3.54% |
| Total Earning Assets | 1,457,060 | \$ 11,668 | 3.25% | 1,449,471 | \$ 11,985 | 3.28% | 1,282,398 | \$ 10,648 | 3.37% |
| Noninterest earning assets | 73,635 | | | 72,542 | | | 64,450 | | |
| Total Assets | \$ 1,530,695 | | | \$ 1,522,013 | | | \$ 1,346,848 | | |
| Liabilities and Capital | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | |
| Interest-bearing transaction accounts | \$ 531,786 | \$ 303 | 0.23% | \$ 521,650 | \$ 305 | 0.23% | \$ 448,789 | \$ 257 | 0.23% |
| Time deposits | 25,313 | 27 | 0.43% | 25,116 | 29 | 0.46% | 27,614 | 40 | 0.58% |
| 1031 Exchange deposits | 85,041 | - | 0.00% | 66,545 | - | 0.00% | 44,672 | - | 0.00% |
| Total interest-bearing deposits | 642,140 | 330 | 0.21% | 613,311 | 334 | 0.22% | 521,075 | 297 | 0.23% |
| Borrowed funds | | | | | | | | | |
| FHLB advances | - | - | 0.00% | 2,043 | 4 | 0.77% | 10,800 | 30 | 1.12% |
| Subordinated debt | 21,728 | 268 | 5.00% | 21,710 | 268 | 4.89% | 9,886 | 144 | 5.91% |
| Total interest-bearing liabilities | 663,868 | 598 | 0.37% | 637,064 | 606 | 0.38% | 541,761 | 471 | 0.35% |
| Noninterest-bearing deposits | 736,998 | | | 756,692 | | | 690,238 | | |
| Total Funding | 1,400,866 | \$ 598 | 0.17% | 1,393,756 | \$ 606 | 0.17% | 1,231,999 | \$ 471 | 0.16% |
| Other noninterest-bearing liabilities | 9,799 | | | 10,820 | | | 10,733 | | |
| Total Liabilities | 1,410,665 | | | 1,404,576 | | | 1,242,732 | | |
| Total Capital | 120,030 | | | 117,437 | | | 104,116 | | |
| Total liabilities and Capital | \$ 1,530,695 | | | \$ 1,522,013 | | | \$ 1,346,848 | | |
| Net Interest Margin | | 3.08% | | | 3.11% | | | 3.22% | |
| Net Interest Spread | | 3.07% | | | 3.11% | | | 3.21% | |

MISSION BANCORP**LOAN DETAIL****(Unaudited)**

(Dollars in thousands)

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> | Variance | |
|--|-----------------------|--------------------------|-----------------------|----------------------|----------------------|
| | | | | <u>03/22 - 12/21</u> | <u>03/22 - 03/21</u> |
| Loans | | | | | |
| Construction and land development (including farmland) | \$ 153,415 | \$ 148,188 | \$ 106,647 | \$ 5,227 | \$ 46,768 |
| Residential 1 to 4 units | 21,609 | 23,138 | 21,397 | (1,529) | 212 |
| Home equity lines of credit | 301 | 444 | 466 | (143) | (165) |
| Multi-family | 17,322 | 15,011 | 13,972 | 2,311 | 3,350 |
| Owner occupied commercial real estate | 414,504 | 384,424 | 328,531 | 30,080 | 85,973 |
| Non-owner occupied commercial real estate | 116,307 | 117,292 | 129,243 | (985) | (12,936) |
| Commercial and industrial | 115,242 | 123,014 | 207,838 | (7,772) | (92,596) |
| Agricultural production | 72,501 | 70,788 | 51,892 | 1,713 | 20,609 |
| Other loans | 12,958 | 3,751 | 14,979 | 9,207 | (2,021) |
| Total loans | <u>\$ 924,159</u> | <u>\$ 886,050</u> | <u>\$ 874,965</u> | <u>\$ 38,109</u> | <u>\$ 49,194</u> |

MISSION BANCORP

Credit Quality

(Unaudited)

(Dollars in thousands)

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|-----------------------|--------------------------|-----------------------|
| Asset Quality | | | |
| Loans past due 90 days or more and accruing interest | \$ - | \$ 97 | \$ - |
| Nonaccrual loans | \$ 72 | \$ 75 | \$ 708 |
| Restructured loans | | | |
| Nonperforming restructured loans | \$ 72 | \$ 75 | \$ 90 |
| Performing restructured loans | \$ - | \$ - | \$ - |
| Other real estate owned | \$ - | \$ - | \$ - |
| Total nonperforming assets | \$ 72 | \$ 75 | \$ 708 |
| Allowance for loan losses to total loans | 1.35% | 1.34% | 1.23% |
| Allowance for loan losses to nonperforming loans | 17362% | 15802% | 1524% |
| Nonaccrual loans to total loans | 0.01% | 0.01% | 0.08% |
| Nonperforming assets to total assets | 0.00% | 0.00% | 0.05% |