



FOR IMMEDIATE RELEASE – April 22, 2024

Mission Bancorp Reports First Quarter Earnings of \$7.3 Million. Annual Loan Growth of 8.9%.

Bakersfield, Calif., April 22, 2024 - 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 \$7.3 million, or \$2.90 per diluted common share, for the first quarter of 2024, compared to net income available to common shareholders of \$7.0 million, or \$2.79 per diluted common share, for the first quarter of 2023, and net income available to common shareholders of \$7.8 million, or \$3.09 per diluted common share, for the linked quarter.

“We are pleased to report a strong start to the year generating net income of \$7.3 million. Earnings continue to be fueled and supported by our robust loan growth,” said A.J. Antongiovanni, President, and Chief Executive Officer of Mission Bancorp. Mr. Antongiovanni continued, “Despite the challenging environment for the banking industry, Mission has been able to serve our customer’s demands due to our conservative balance sheet management and ample liquidity. The inflationary environment continues to impact the banking industry as a whole, lowering margins and intensifying the competition for deposits. Our commitment to our customer relationship and conservative principles will allow us to continue to drive industry leading results amid uncertain economic conditions.”

First Quarter 2024 Financial Highlights

- Gross loans increased by \$100.2 million, or 8.9%, to \$1.23 billion as of March 31, 2024, compared to \$1.13 billion at March 31, 2023, and increased by \$19.4 million, or 1.6%, compared to \$1.21 billion at December 31, 2023.
- Total deposits increased by \$59.7 million, or 4.4%, to \$1.42 billion as of March 31, 2024, compared with \$1.36 billion a year earlier, and decreased by \$19.8 million, or 1.4%, from \$1.44 billion as of December 31, 2023. Noninterest-bearing deposits were \$612.9 million and represent 43.3% of total deposits at March 31, 2024.
- The allowance for credit losses (“ACL”) as a percentage of gross loans increased from 1.47% at March 31, 2023, to 1.54% at March 31, 2024.
- Credit quality remains strong with nonaccrual loans representing 0.06% of total gross loans at March 31, 2024, up from 0.00% as of March 31, 2023.
- The Community Bank Leverage Ratio for the Bank as of March 31, 2024, was 11.59%, compared to 10.70% at March 31, 2023.

Net Income Available to Common Shareholders

Net income available to common shareholders for the first quarter of 2024 was \$7.3 million, or \$2.90 per diluted common share, compared with \$7.8 million, or \$3.09 per diluted common share, for the linked quarter ended December 31, 2023. Net income available to common shareholders was \$7.0 million, or \$2.79 per diluted common share, for the first quarter of 2023. Net income available to common shareholders decreased \$0.4 million, or 5.6%, compared to the linked quarter, and increased \$0.3 million, or 4.5%, compared to the same prior year period.

Notable variances comparing to the linked quarter include decreases in net interest income, increased non-interest expense, and increased provision for credit losses, which were partially offset by decreased provision for income taxes and increased non-interest income. Compared to the first quarter of 2023, net interest income and non-interest income increased, which were partially offset by an increase in non-interest expense, an increase in the provision for income taxes, and an increase in the provision for credit losses.

Net Interest Income

Net interest income was \$17.7 million, or 4.54%, of average earning assets (“net interest margin”), for the first quarter of 2024, compared with \$16.8 million, or a net interest margin of 4.78%, for the same period a year earlier, and \$17.8 million, or a net interest margin of 4.58%, for the quarter ended December 31, 2023.

Net interest income increased by \$0.9 million, or 5.4%, compared to the same prior year period driven by growth in the Company’s total earning assets along with a significant increase in yields on earning assets. Loan interest income and fee accretion from the first quarter of 2023 to the current quarter increased by \$3.6 million. In addition to the increase in loan interest income, the Company also experienced increased interest income from interest earning deposits in other banks and investment securities of \$0.6 million and \$0.4 million, respectively. Offsetting these increases, interest expense for the current quarter increased \$3.7 million, compared to the same prior year period, primarily due to a \$3.6 million increase in interest expense on deposits.

Net interest income decreased for the quarter ended March 31, 2024, compared to the linked quarter by \$0.1 million, or 0.7%, due primarily to increased interest expense on deposits which outpaced increased interest income. Interest expense on deposits increased \$0.6 million, for the current quarter, compared to the linked quarter, due to increased costs on interest bearing deposits and higher average balances. Interest income increased \$0.5 million, for the current quarter, compared to the linked quarter, primarily due to a shift in the earning asset mix to higher yielding loans, increased yields on loans, and growth in average quarterly loan balances.

The net interest margin was 4.54% for the quarter ended March 31, 2024, compared to 4.78% for the same prior year period, and 4.58% for the linked quarter ended December 31, 2023. Asset yields have increased 67 basis points, but the cost of funds has risen 96 basis points leading to the year-over-year 24 basis point decline in the quarterly net interest margin. Average interest-bearing liabilities have grown \$183.3 million outpacing the growth in average interest-earning assets of \$136.5 million, when

compared to the same prior year period. It is worth noting that the significant rise in the Company's cost of funds was expected given we remain in a "higher for longer" rate environment with increased competition and non-interest bearing deposits shifting into interest bearing accounts; however, comparing to a peer group consisting of all California Commercial Banks from S&P Capital IQ as of December 31, 2023, Mission's cost of funds had risen 36% less than the group average of 132 basis points, while still achieving annual deposit growth of 7.3% for 2023.

The yield on loans, investment securities, and interest earning deposits in other banks have increased by 56 basis points to 6.44%, 86 basis points to 4.36%, and 88 basis points to 5.31%, respectively. Additionally, average balances on loans increased \$122.0 million, or 11.3%, average balances on investment securities declined \$14.9 million, or 5.9%, and average balances on interest bearing deposits in other banks increased \$27.8 million, or 34.2%, when compared to the same prior year period.

The 4 basis point decrease in the net interest margin for the first quarter of 2024, compared to the linked quarter is primarily attributable to both higher average balances and costs of interest-bearing liabilities. The Company's yields on earning assets increased 13 basis points since the fourth quarter, average interest-bearing liabilities balances and costs increased by \$25.0 million and 24 basis points, respectively, which led to net interest margin compression during the quarter. The average balances on loans increased \$31.0 million, average investment securities increased \$3.9 million, while average interest earning deposits in other banks decreased by \$15.4 million during the quarter.

The cost of interest-bearing deposits increased 25 basis points to 2.65% for the quarter ended March 31, 2024, compared to the linked quarter ended December 31, 2023, and 155 basis points, compared to the same prior year period.

In the third quarter of 2023 the Company entered into two pay-fixed, receive floating, interest rate swap contracts with notional balances totaling \$108.0 million, to hedge future interest rate increases. These swap contracts consist of a \$50.0 million hedge on the commercial real estate loan portfolio with a three-year maturity and a \$58.0 million hedge on the municipal investment security portfolio with a five-year maturity. For the quarter ending on March 31, 2024, the interest rate swap contract associated with the loan portfolio generated an additional \$0.1 million in loan interest income and added 5 basis points to the yield on loans, compared to \$0.2 million and 5 basis points for the linked quarter, respectively. The interest rate swap contract on the investment securities portfolio added \$0.2 million in investment securities interest income and added 38 basis points to the yield on investment securities, compared to \$0.2 million and 42 basis points for the prior quarter ended December 31, 2023, respectively. Combined, the interest rate swap contracts generated \$0.4 million of additional interest income and 10 basis points of additional earning asset yield during the quarter ended March 31, 2024.

Provision for Credit Losses

A \$0.7 million provision for credit losses was recorded for the quarter ended March 31, 2024, compared to \$0.3 million for the linked-quarter and \$0.6 million for the same period a year ago. The Company's quarterly credit loss provisions over the past year have been recorded primarily to account for growth in the loan portfolio and changes in macro-economic conditions which impact the calculated ACL under the current expected credit loss ("CECL") model, rather than in response to changing conditions in the Company's loan portfolio, which have remained stable, demonstrating a low credit risk profile during the past twelve months.

Non-Interest Income

Non-interest income for the first quarter of 2024 was \$1.6 million, compared to \$1.3 million for the linked quarter, and \$1.2 million for the same period a year earlier. The increase in non-interest income when compared to the linked quarter is primarily attributable to a decrease in loss on sale of securities associated with a \$0.4 million loss recorded in the linked quarter and increase in SBA servicing fees and gain on sale of loans, which were partially offset by decreased service charges, fees, and other income. The increase in non-interest income when compared to the same period a year earlier was primarily due to a decrease in loss on sale of securities associated with a \$0.3 million loss recorded in the same prior year period, and increase in SBA servicing fees and gain on sale of loans, which was partially offset by a decrease in gain on sale of premises and equipment associated with a gain recorded in the same prior year period.

Non-Interest Expense

Non-interest expense increased by \$0.5 million, or 6.4%, to \$8.5 million for the quarter ended March 31, 2024, compared to \$8.0 million for the linked quarter, and increased by \$0.7 million, or 9.0%, compared to \$7.8 million for the quarter ended March 31, 2023.

The increase in non-interest expense for the first quarter of 2024 compared to the linked quarter was primarily due to a \$0.9 million increase in salaries and benefits expense, partially offset by a \$0.3 million decrease in professional services expense. The increase in salaries and benefits expense was primarily the result of estimated employee incentive compensation accruals and payroll taxes. The decrease in professional services expense was primarily due to decreased legal expenses and other professional services.

The increase in non-interest expense for the first quarter of 2024 compared to the first quarter of 2023 was primarily due to a \$0.6 million increase in salaries and benefits expense associated with increased base compensation expense, payroll taxes, and estimated employee incentive compensation accruals.

Operating Efficiency

The Company's operating efficiency ratio increased to 44.0% for the first quarter of 2024, compared to 43.3% for the first quarter of 2023, and increased from 41.7% compared to the linked quarter. Total non-interest expense as a percentage of average assets, another measure of the Company's efficiency,

was 2.07% for the first quarter of 2024, compared to 2.09% for the first quarter of 2023, and 1.94% for the quarter ended December 31, 2023.

Income Taxes

Income tax expense was \$2.8 million for the first quarter of 2024, compared to \$2.6 million for the quarter ended March 31, 2023, and \$3.1 million for the linked quarter ended December 31, 2023. The Company's effective tax rate for the first quarter of 2024 was 27.5%, compared to 27.2% for the same period a year ago, and 28.8% for the quarter ended December 31, 2023.

Asset and Equity Returns

The return on average equity for the first quarter of 2024 was 18.3%, down from 22.3% for the same prior year period, and down from 20.9% for the linked quarter. The quarterly return on average assets for the first quarter of 2024 was 1.79%, declining from 1.89% for both the same prior year period, and the linked quarter.

The decline in quarterly returns on both average equity and average assets for the quarter ended March 31, 2024, compared to the first quarter of 2023, is primarily attributable to the 25.8% growth in average equity and the 8.9% growth in average assets, which outpaced the 4.5% increase in quarterly net income.

The decrease in quarterly returns on both average equity and average assets for the quarter ended March 31, 2024, compared to the linked quarter, is primarily attributable the 5.6% decrease in net income.

Balance Sheet

Total assets increased by \$92.6 million, or 6.0%, to \$1.64 billion at March 31, 2024, compared to March 31, 2023, and decreased by \$11.8 million, or 0.7%, compared to December 31, 2023. Cash and cash equivalents increased by \$2.9 million, or 1.6%, to \$119.0 million at March 31, 2024, compared to the same prior year period, and decreased by \$30.8 million, or 20.5%, compared to December 31, 2023. The nominal increase in the Company's cash position over the last year is primarily the result of deposit growth, earnings, and bond portfolio repayment and amortization, which narrowly outpaced loan portfolio growth. The decrease in the Company's cash position over the past quarter is primarily due to loan growth, which outpaced deposit growth for the quarter.

Investment securities decreased by \$18.7 million or 7.2%, to \$240.4 million at March 31, 2024, compared to \$259.1 million at March 31, 2023, and decreased by \$2.3 million, or 0.9%, compared to \$242.7 million at December 31, 2023. The decrease in the investment securities portfolio over the past year is attributable to repayments and amortization of the bond portfolio to supplement significant lending demand. The decrease in the investment securities portfolio during the first quarter of 2024, compared to the linked quarter is primarily attributable to bond portfolio repayments and amortization.

Loans increased by \$100.2 million, or 8.9%, to \$1.23 billion at March 31, 2024, compared to March 31, 2023, and increased by \$19.4 million, or 1.6%, compared to December 31, 2023. Loan growth during the last year has been diversified across the portfolio, with notable growth primarily concentrated in owner and non-owner occupied commercial real estate, commercial and industrial, and agricultural production segments of the loan portfolio, which were partially offset by the contraction in construction and land development loans. Loan growth during the last quarter has been primarily concentrated in owner and non-owner occupied commercial real estate and commercial and industrial segments of the loan portfolio, which were partially offset by a decrease in agricultural production loans.

Total deposits increased by \$59.7 million, or 4.4%, to \$1.42 billion as of March 31, 2024, from \$1.36 billion as of March 31, 2023, and decreased by \$19.8 million, or 1.4%, from \$1.44 billion at December 31, 2023. Noninterest-bearing deposits decreased by \$78.8 million, or 11.4%, during the last year, and by \$32.4 million, or 5.0%, since December 31, 2023. The decrease in noninterest bearing deposits experienced over the last year is attributable to both cash utilization by business customers as well as the migration of funds in search of higher yields. Noninterest-bearing deposits represented 43.25% of total deposits on March 31, 2024.

Total shareholders' equity was \$165.1 million at March 31, 2024, an increase of \$33.3 million, or 25.2%, compared to March 31, 2023, and an increase of \$8.3 million, or 5.3%, compared to December 31, 2023, due primarily to quarterly earnings, net of changes in accumulated other comprehensive income or loss. The accumulated other comprehensive loss component of equity decreased \$0.2 million during the past quarter due to a \$0.8 million increase in the accumulated other comprehensive gain associated with the interest rate swap contract which is a hedge on interest rates of the investment securities portfolio, partially offset by a \$0.6 million decrease in the accumulated other comprehensive loss on the investment securities portfolio. The accumulated other comprehensive loss decreased by \$0.8 million during the past year resulting from an increase in the fair market value of the interest rate swap contract on the investment securities portfolio, and to a lesser extent, an increase in the fair market value of our securities portfolio, attributable to interest rates and not related to credit quality.

Nonperforming assets were \$0.7 million at March 31, 2024, up from \$0.4 million at December 31, 2023, and up from \$0.1 million at March 31, 2023. Nonperforming assets as a percentage of total assets were 0.04% at March 31, 2024, up from 0.02% at December 31, 2023, and up from 0.00% at March 31, 2023. Non-accrual loans currently recorded have been fully reserved for, in line with Management's prudent credit management standards.

Allowance for Credit Losses

The allowance for credit losses ("ACL") as a percentage of gross loans increased to 1.54% at March 31, 2024, from 1.50% at December 31, 2023, and from 1.47% at March 31, 2023. The rise in our ACL as a percentage of gross loans over the last twelve months is a result of prudent management amid ongoing economic uncertainties stemming from sustained inflationary pressures and elevated interest rates. The increase illustrates Management's proactive approach to risk management and ensures resilience in dynamic market conditions.

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 11.59%, at March 31, 2024, 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 89 basis points from 10.70%, and increased by 26 basis points from 11.33%, as of the periods ended March 31, 2023, and December 31, 2023, respectively. Strong earnings over the past year and quarter outpaced the growth in average assets, resulting in an increase in regulatory capital ratios.

About Mission Bancorp and Mission Bank

With \$1.6 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, San Luis Obispo, Stockton, Ventura, and Visalia, California. Visit Mission Bank online at www.missionbank.bank. 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, rapid and/or unanticipated deposit withdrawals, the unavailability of sources of liquidity, additional regulatory requirements that may be imposed on community banks or banks in general, general and industry-specific changes in market conditions, investor reaction to industry developments, 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)

	March 31, 2024	December 31, 2023	September 30, 2023	March 31, 2023	Variance	
					03/24 - 12/23	03/24 - 03/23
Assets						
Cash and due from banks	\$ 38,142	\$ 39,679	\$ 55,737	\$ 48,207	\$ (1,537)	\$ (10,065)
Interest earning deposits in other banks	80,846	110,104	111,459	67,862	(29,258)	12,984
Total cash and cash equivalents	118,988	149,783	167,196	116,069	(30,795)	2,919
Interest earning deposits maturing over ninety days	490	490	490	1,470	-	(980)
Investment securities available-for-sale, at fair value	240,382	242,681	238,090	259,114	(2,299)	(18,732)
Loans	1,229,803	1,210,416	1,160,351	1,129,607	19,387	100,196
Allowance for credit losses	(18,931)	(18,206)	(17,804)	(16,602)	(725)	(2,329)
Loan, net	1,210,872	1,192,210	1,142,547	1,113,005	18,662	97,867
Premises and equipment, net	3,133	3,175	3,246	3,033	(42)	100
Bank owned life insurance	21,435	21,285	21,139	20,730	150	705
Deferred tax asset, net	15,501	15,594	16,543	14,995	(93)	506
Interest receivable and other assets	29,320	26,751	25,862	19,076	2,569	10,244
Total Assets	\$ 1,640,121	\$ 1,651,969	\$ 1,615,113	\$ 1,547,492	\$ (11,848)	\$ 92,629
Liabilities and Shareholders' Equity						
Deposits						
Noninterest-bearing demand	\$ 612,876	\$ 645,256	\$ 655,459	\$ 691,722	\$ (32,380)	\$ (78,846)
Interest bearing	804,088	791,511	750,260	665,546	12,577	138,542
Total deposits	1,416,964	1,436,767	1,405,719	1,357,268	(19,803)	59,696
Other borrowings	20,000	20,000	20,000	25,000	-	(5,000)
Subordinated debentures, net of issuance costs	21,881	21,863	21,845	21,810	18	71
Interest payable and other liabilities	16,215	16,625	22,883	11,615	(410)	4,600
Total Liabilities	1,475,060	1,495,255	1,470,447	1,415,693	(20,195)	59,367
Shareholders' Equity						
Common stock	77,743	76,965	76,738	65,646	778	12,097
Retained earnings	105,953	98,605	90,823	85,609	7,348	20,344
Accumulated other comprehensive loss	(18,635)	(18,856)	(22,895)	(19,456)	221	821
Total shareholders' equity	165,061	156,714	144,666	131,799	8,347	33,262
Total Liabilities and Shareholders' Equity	\$ 1,640,121	\$ 1,651,969	\$ 1,615,113	\$ 1,547,492	\$ (11,848)	\$ 92,629
SBA Paycheck Protection Program Loans	597	645	693	789	(48)	(192)

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

	Three Months Ended			Variance	
	March 31, 2024	December 31, 2023	March 31, 2023	03/24 - 12/23	03/24 - 03/23
Interest and Dividend Income					
Loans	\$ 19,319	\$ 18,521	\$ 15,728	\$ 798	\$ 3,591
Investment securities	2,584	2,583	2,187	1	397
Other	1,597	1,925	988	(328)	609
Total interest and dividend income	23,500	23,029	18,903	471	4,597
Interest Expense					
Other deposits	4,622	4,241	1,662	381	2,960
Time deposits	675	466	35	209	640
Total interest expense on deposits	5,297	4,707	1,697	590	3,600
Other borrowings	234	237	151	(3)	83
Subordinated debentures	268	268	268	-	-
Total interest expense	5,799	5,212	2,116	587	3,683
Net Interest Income	17,701	17,817	16,787	(116)	914
Provision for Credit Losses	(675)	(250)	(550)	(425)	(125)
Net Interest Income After Provision for Credit Losses	17,026	17,567	16,237	(541)	789
Non-Interest Income					
Gain on sale of premises and equipment	-	26	228	(26)	(228)
Service charges, fees and other income	942	1,200	971	(258)	(29)
Farmer Mac referral and servicing fees	293	389	258	(96)	35
SBA servicing fees and gain on sale of loans	375	146	77	229	298
Loss on sale of securities	(11)	(417)	(320)	406	309
Total non-interest income	1,599	1,344	1,214	255	385
Non-Interest Expense					
Salaries and benefits	5,402	4,498	4,831	904	571
Professional services	975	1,319	1,059	(344)	(84)
Occupancy and equipment	572	587	613	(15)	(41)
Data processing and communication	397	431	358	(34)	39
Other	1,148	1,151	934	(3)	214
Total non-interest expense	8,494	7,986	7,795	508	699
Net Income Before Provision for Income Taxes	10,131	10,925	9,656	(794)	475
Provision for Income Taxes	2,783	3,143	2,627	(360)	156
Net Income	\$ 7,348	\$ 7,782	\$ 7,029	\$ (434)	\$ 319

MISSION BANCORP

FINANCIAL HIGHLIGHTS

(Unaudited)

(Dollars in thousands, except per share data)

As of or for the Three Months Ended

	March 31, 2024	December 31, 2023	September 30, 2023	March 31, 2023
Ratio of total loans to total deposits	86.79%	84.25%	82.54%	83.23%
Return on average assets	1.79%	1.89%	1.97%	1.89%
Return on average equity	18.31%	20.87%	22.12%	22.28%
Net interest margin	4.54%	4.58%	4.67%	4.78%
Efficiency ratio	44.01%	41.68%	40.93%	43.30%
Non-interest expense as a percent of average assets	2.07%	1.94%	1.95%	2.09%
Non-interest income as a percent of average assets	0.39%	0.33%	0.35%	0.33%
Community Bank Leverage Ratio	11.59%	11.33%	11.05%	10.70%
Weighted average shares outstanding - basic*	2,487,459	2,475,946	2,476,278	2,436,932
Weighted average shares outstanding - diluted*	2,530,261	2,522,119	2,520,175	2,517,472
Shares outstanding at period end - basic*	2,475,744	2,475,744	2,476,308	2,441,965
Earnings per share - basic	\$ 2.95	\$ 3.14	\$ 3.22	\$ 2.88
Earnings per share - diluted	\$ 2.90	\$ 3.09	\$ 3.16	\$ 2.79
Total assets	\$ 1,640,121	\$ 1,651,969	\$ 1,615,113	\$ 1,547,492
Loans and leases net of deferred fees	\$ 1,229,803	\$ 1,210,416	\$ 1,160,351	\$ 1,129,607
Noninterest-bearing demand deposits	\$ 612,876	\$ 645,256	\$ 655,459	\$ 691,722
Total deposits	\$ 1,416,964	\$ 1,436,767	\$ 1,405,719	\$ 1,357,268
Noninterest-bearing deposits as a percentage total deposits	43.25%	44.91%	46.63%	50.96%
Average total assets	\$ 1,645,777	\$ 1,633,606	\$ 1,608,872	\$ 1,510,912
Average total equity	\$ 160,998	\$ 147,914	\$ 143,026	\$ 127,971
Shareholders' equity / total assets	10.06%	9.49%	8.96%	8.52%
Book value per share	\$ 66.67	\$ 63.30	\$ 58.42	\$ 53.97

*Outstanding shares adjusted for 5% dividend declared on April 27, 2023.

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

	For the Quarter Ended March 31, 2024			For the Quarter Ended December 31, 2023			For the Quarter Ended March 31, 2023		
	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	\$ 109,193	\$ 1,442	5.31%	\$ 124,623	\$ 1,736	5.53%	\$ 81,362	\$ 888	4.43%
Investment securities	238,677	2,584	4.36%	234,766	2,583	4.37%	253,506	2,187	3.50%
Loans	1,206,486	19,319	6.44%	1,175,505	18,521	6.25%	1,084,510	15,728	5.88%
Other earning assets	8,971	155	6.92%	8,926	189	8.42%	7,445	100	5.43%
Total Earning Assets	1,563,327	23,500	6.05%	1,543,820	23,029	5.92%	1,426,823	18,903	5.38%
Non-interest earning assets	82,450			89,786			84,089		
Total Assets	\$ 1,645,777			\$ 1,633,606			\$ 1,510,912		
Liabilities and Capital									
Interest-bearing deposits									
Interest-bearing transaction accounts	\$ 684,759	\$ 4,498	2.64%	\$ 682,671	\$ 4,145	2.41%	\$ 571,281	\$ 1,657	1.18%
Time deposits	73,280	675	3.71%	57,985	466	3.19%	24,088	35	0.59%
1031 Exchange deposits	44,932	124	1.11%	37,324	96	1.02%	32,907	5	0.06%
Total interest-bearing deposits	802,971	5,297	2.65%	777,980	4,707	2.40%	628,276	1,697	1.10%
Borrowed funds									
Other borrowings	20,000	234	4.71%	20,000	237	4.70%	11,467	151	5.33%
Subordinated debt	21,870	268	4.92%	21,852	268	4.86%	21,799	268	4.99%
Total interest-bearing liabilities	844,841	5,799	2.76%	819,832	5,212	2.52%	661,542	2,116	1.30%
Noninterest-bearing deposits	622,225			648,784			707,121		
Total Funding	1,467,066	5,799	1.59%	1,468,616	5,212	1.41%	1,368,663	2,116	0.63%
Other noninterest-bearing liabilities	17,713			17,076			14,278		
Total Liabilities	1,484,779			1,485,692			1,382,941		
Total Capital	160,998			147,914			127,971		
Total Liabilities and Capital	\$ 1,645,777			\$ 1,633,606			\$ 1,510,912		
Net Interest Margin	4.54%			4.58%			4.78%		
Net Interest Spread	4.46%			4.51%			4.75%		

MISSION BANCORP
LOAN DETAIL
(Unaudited)
(Dollars in thousands)

	March 31, 2024	December 31, 2023	September 30, 2023	March 31, 2023	Variance	
					03/24 - 12/23	03/24 - 03/23
Loans						
Construction and land development	\$ 50,727	\$ 49,682	\$ 41,970	\$ 55,065	\$ 1,045	\$ (4,338)
Secured by farmland	141,391	142,778	140,194	134,616	(1,387)	6,775
Residential 1 to 4 units	49,902	49,299	48,059	41,116	603	8,786
Multi-family	35,857	35,808	36,084	35,239	49	618
Owner occupied commercial real estate	503,491	493,706	484,497	468,039	9,785	35,452
Non-owner occupied commercial real estate	188,085	183,047	175,520	177,371	5,038	10,714
Commercial and industrial	173,185	165,455	160,397	141,510	7,730	31,675
Agricultural production	89,406	92,679	75,620	79,071	(3,273)	10,335
Other loans	165	233	270	140	(68)	25
Net Deferred Fees-Costs	(2,406)	(2,271)	(2,260)	(2,560)	(135)	154
Total Loans	<u>\$ 1,229,803</u>	<u>\$ 1,210,416</u>	<u>\$ 1,160,351</u>	<u>\$ 1,129,607</u>	<u>\$ 19,387</u>	<u>\$ 100,196</u>

MISSION BANCORP

Credit Quality

(Unaudited)

(Dollars in thousands)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>March 31, 2023</u>
Asset quality				
Loans past due 90 days or more and accruing interest	\$ -	\$ -	\$ -	\$ 104
Nonaccrual loans	\$ 714	\$ 350	\$ -	\$ 53
Restructured loans				
Nonperforming restructured loans	\$ -	\$ -	\$ -	\$ 53
Performing restructured loans	\$ -	\$ -	\$ -	\$ -
Other real estate owned	\$ -	\$ -	\$ -	\$ -
Total nonperforming assets	\$ 714	\$ 350	\$ -	\$ 53
Allowance for credit losses to total loans	1.54%	1.50%	1.53%	1.47%
Allowance for credit losses to nonperforming loans	2651.40%	5201.71%	N/A	31325%
Nonaccrual loans to total loans	0.06%	0.03%	0.00%	0.00%
Nonperforming assets to total assets	0.04%	0.02%	0.00%	0.00%