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## **Mars Bancorp, Inc. Announces Earnings**

MARS, PENNSYLVANIA – Mars Bancorp, Inc. (OTCQX: MNBP) (the “Company”) announced today that for the nine months ended September 30, 2019, the Company earned \$1,348,000 as compared to \$1,287,000 for the same period in the prior year, an increase of \$61,000 or 4.7%

The increase in earnings was primarily due to an increase in net interest income of \$147,000 and non-interest income of \$99,000. This was partially offset by an increase in non-interest expense of \$155,000, income tax expense of \$18,000 and provision for loan loss expense of \$12,000.

Net interest income grew by \$147,000 or 1.8% for the nine months ended September 30, 2019, as compared to the same period in 2018. This was primarily due to increases in interest income on loans of \$523,000, investment securities of \$128,000 and interest-bearing deposits with banks of \$99,000 which was partially offset by higher deposit interest expense of \$557,000 and borrowing costs of \$46,000. The increase in interest income on loans was primarily related to higher average loan receivables of \$7.1 million and higher yields earned. The higher interest income on investment securities and interest-bearing deposits with banks was primarily due to market rate increases. The increase in deposit and borrowing costs of \$557,000 and \$46,000, respectively, were primarily related to deposit and borrowing rate increases resulting from market rate increases.

The net interest spread and net interest margin were 2.74% and 2.99% for the nine months ended September 30, 2019, respectively, as compared to 2.79% and 2.94% for the same period in the prior year, respectively.

Loans outstanding increased by \$17.0 million, or 6.9% to \$264.3 million at September 30, 2019, as compared to \$247.3 million at December 31, 2018. Deposits increased by \$4.3 million, or 1.3% to \$344.8 million at September 30, 2019, as compared to \$340.5 million at December 31, 2018.

The provision for loan losses was \$15,000 for the nine months ended September 30, 2019, as compared to \$3,000 for the same period in the prior year. The Company’s credit quality position at September 30, 2019, remained very strong as evidenced by delinquencies at less than 0.04% of total loans, nonaccrual loans at 0.02% of total loans, and the allowance for loan losses at 0.98% of total loans.

Non-interest income increased by \$99,000 or 6.1% for the nine months ended September 30, 2019, as compared to the same period in 2018. The primary reasons for this increase were higher residential mortgage sale and processing income of \$61,000, bank-owned life insurance income of \$23,000, restricted investments in bank stock dividends of \$16,000.

Non-interest expense increased by \$155,000 or 1.9% for the nine months ended September 30, 2019, as compared to the same period in 2018, primarily related to increases in equipment expense of

\$49,000, salary and benefit costs of \$48,000, computer services of \$32,000, professional fees of \$26,000. These increases were partially offset by lower FDIC insurance costs of \$65,000. This FDIC insurance positive variance was primarily due to a small bank assessment credit received by the FDIC to be applied to the Bank's FDIC assessments starting in June 2019.

The Company recognized income tax expense of \$204,000 for the nine months ended September 30, 2019, as compared to \$186,000 for the same period in the prior year.

Following are additional highlights related to the financial performance of the Company.

## FINANCIAL HIGHLIGHTS

	2019	2018	Change
<b>For the Nine Months Ended September 30,</b>			
(dollars in thousands, except per share data; unaudited)			
<b>EARNINGS</b>			
Net interest income	\$8,211	\$8,064	1.8%
Provision for loan losses	15	3	n/m
Non-interest income	1,713	1,614	6.1%
Non-interest expense	8,357	8,202	1.9%
Income tax expense	204	186	9.7%
Net income	1,348	1,287	4.7%
<b>SHARE DATA</b>			
Earnings per share	\$ 16.85	\$ 16.09	4.7%
<b>PERFORMANCE RATIOS</b>			
Return on average assets	0.46%	0.44%	2bps
Return on average equity	4.99%	5.08%	-9bps
Net interest margin	2.99%	2.94%	5bps
Efficiency ratio	84.21%	84.74%	-53bps
<b>At September 30, and December 31,</b>			
(dollars in millions, except per share data; unaudited)			
<b>BALANCE SHEET</b>			
Assets	\$403.4	\$396.9	1.6%
Loans	264.3	247.3	6.9%
Deposits	344.8	340.5	1.3%
Stockholders' equity	37.5	35.0	7.0%
<b>CAPITAL</b>			
Book value per share	\$468.27	\$437.83	7.0%
Total risk-based capital ratio	15.93%	16.61%	-68bps
<b>CREDIT QUALITY</b>			
Delinquent loans	\$ 0.1	\$ 0.1	n/m
Nonaccrual loans	0.1	0.1	n/m
Delinquent loans/loans	0.04%	0.05%	-1bp
Nonaccrual loans/loans	0.02%	0.03%	-1bp
Allowance for loan losses/loans	0.98%	1.04%	-6bps

n/m – not meaningful