

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Mission Bancorp and Subsidiary		2 Issuer's employer identification number (EIN) 73-1631401	
3 Name of contact for additional information John Bianchi	4 Telephone No. of contact 1-661-859-2511	5 Email address of contact bianchij@missionbank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 317		7 City, town, or post office, state, and Zip code of contact Bakersfield, CA 93302	
8 Date of action March 03, 2015		9 Classification and description 5% Stock Dividend	
10 CUSIP number 605015106	11 Serial number(s) N/A	12 Ticker symbol MSBC	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On February 13, 2015, Mission Bancorp announced a 5% stock dividend. The dividend was payable on March 03, 2015 to shareholders of record on February 13, 2015. Cash in lieu was paid on fractional shares based on the stock's market value at the close of business on February 13, 2015.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Each shareholder received a 5% increase in the number of shares that they held on February 13, 2015. Mission Bancorp had 1,418,002 shares of record on February 13, 2015. Therefore, as a result of this 5% stock dividend an additional 70,716 shares were issued on March 03, 2015 with the remaining 184.10 fractional shares paid in cash.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **On March 03, 2015 the market value of the company's common stock was \$28.01 per share prior to the stock dividend. The change in basis to the individual shareholder as a result of this stock dividend would be calculated by taking the adjusted basis of the old stock and allocating it between the old and new stock on the date of distribution. This organizational action would result in a decreased per share basis and an increase in the number of shares held by each taxpayer.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
The stock dividend is a non-taxable event to shareholders pursuant to Internal Revenue Code Section 305(a) which states that gross income does not include the amount of any distribution of the stock of a corporation made by such corporation to its shareholders with respect to its stock. Pursuant to Internal Revenue Code Section 307(a), the shareholder must compute basis for the dividend shares received by allocating the basis for the old stock between the old and new stock. Cash in lieu of fractional shares issued is a taxable event.

18 Can any resulting loss be recognized? ▶
No resulting loss is recognized on the date of distribution to each shareholder.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The 5% stock dividend was issued to shareholders of record on February 13, 2015 and payable on on March 3, 2015.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Amy L. Jessup	<i>Amy L. Jessup</i>	3/25/15		P00177566
	Firm's name ▶ Moss Adams LLP			Firm's EIN ▶	91-0189318
	Firm's address ▶ 805 SW Broadway, STE 1200 Portland, OR 97205			Phone no.	503-242-1447