FOR IMMEDIATE RELEASE – July 30, 2020

Mission Bancorp announces second quarter 2020 net income of $3.2 million, annual deposit growth of 47.2%, annual loan growth of 37.6% and eclipsing $1.1 billion of total assets. San Luis Obispo, California Loan Production Office already funding loans.

BAKERSFIELD, Calif. (July 30, 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 $3.2 million, or $1.59 per basic common share, for the second quarter of 2020, compared to net income available to common shareholders of $3.3 million, or $1.65 per basic common share, for the second quarter of 2019.

"We originated over $124 million of the SBA's Payroll Protection Program ("PPP") loans during the second quarter to local businesses in the communities we serve" said A.J. Antongiovanni, Mission's President and Chief Executive Officer. Mr. Antongiovanni continued, "By doing so, Mission fulfilled 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." Mr. Antongiovanni added, "We were extremely productive during the second quarter; in addition to the PPP loan production, we issued $10.0 million of subordinated debt to support our growth and recruited a business banking team in San Luis Obispo, California in order to continue our tremendous growth trend. Despite the challenging economic environment, Mission funded over $18 million of loans in that market in our first month of operations." Mr. Antongiovanni concluded, "The culmination of all of our hard work resulted in an over $1.0 billion balance sheet for the Company for the first time. We beat our goal of reaching $1.0 billion in total assets a full year and a half ahead of schedule!"

This is the 85th consecutive quarter of profitability for the Bank. Net income for the second quarter of 2020 was $85 thousand, or 2.6% lower than net income for the second quarter of 2019. The Company achieved a $1.3 million increase in net interest income that was offset by increases in non-interest expense of $987 thousand and $181 thousand for the provision for loan losses. These expense increases were compounded by a $230 thousand decrease in non-interest income, which led to a modest decline in quarterly net income for the quarter ended June 30, 2020, as compared to the same prior year period.

Net interest income growth was achieved despite an 87 basis point decline in our net interest margin, which was 3.90% for the second quarter of 2020, compared to 4.77% for the same prior year period. Our margin was impacted by the decline in interest rates and the surge in liquidity due to the PPP loan funding and subsequent deposits into customer accounts. Our highly successful deposit-raising efforts over the last year, compounded by the PPP deposits in the current quarter contributed to an over 47% annual deposit growth rate, which outpaced the annual loan growth rate of approximately 38%. The outpaced deposit growth rate resulted in elevated levels of interest earning cash in other banks, which shifted our earning asset mix and contributed to the decline in our net interest margin.

Non-interest expense increased primarily due to an $864 thousand increase in salaries and employee benefits expense for the quarter ended June 30, 2020 as compared to the same prior year period. Approximately half of the current quarter increase was due to increased hourly and bonus compensation to our employees for the additional burden they took on due to the PPP loan processing and COVID-19 pandemic. In addition, approximately 34% of the increase in quarterly salaries and employee benefits costs is attributable to an increase in incentive compensation and vacation accrual expense, and to a lesser extent, the hiring of our new business banking team in San Luis Obispo, California. The remainder of the quarterly increase was due to additional sales and administrative staff hired over the past year to support the Company's growth. "One of the greatest investments we make is in our people" said Mr. Antongiovanni. Mr. Antongiovanni continued, "Mission remains committed to developing and rewarding our people to support our growth."

Our occupancy expense increased by $132 thousand from the prior year, due primarily to increased depreciation and amortization of new FF&E and leasehold improvements for branch relocation and consolidation activities. There were also some smaller increases in operating expenses such as repairs and maintenance, property taxes and utilities.

Non-interest income was lower for the second quarter of 2020 due to a decline in Small Business Administration ("SBA") loan sales and servicing income and deposit service charges and fee income, which was partially offset by increases in Farmer Mac loan referral and servicing fee income.

We increased the provision for loan losses by $181 thousand for the current quarter of 2020, as compared to the same quarter in 2019 as part of our ongoing update of qualitative factors for our allowance for loan losses, attributable to macroeconomic risks created by the COVID-19 pandemic. Our allowance for loan losses as a percentage of total gross loans ("ALLL ratio") was 1.11% as of June 30, 2020, down 9 basis points from 1.20% at June 30, 2019. The reason for the decline in our ALLL ratio is due to the on-boarding of $124 million of PPP loans which carry a 0.0% ALLL ratio due to the 100% guarantee from the SBA. If we removed these loans from our ALLL ratio calculation we would have reported an 11 basis point increase in the ALLL ratio to 1.31%.

The Company's return on average assets was 1.22% for the quarter ended June 30, 2020, compared to 1.76% for the same prior year period. The Company's return on average equity was 14.32%, for the quarter ended June 30, 2020, compared to 17.91% for the second quarter of 2019.

Total assets grew by 47.3% over the last year to $1.1 billion at June 30, 2020, compared to $752.2 million at June 30, 2019.

Mission continues to generate industry leading balance sheet growth rates despite the challenging environment due to our strong value proposition and speed of execution we offer to our business clientele. We grew our loan portfolio over the past year by 37.6%, inclusive of the PPP loans originated during the second quarter of 2020. Our loan growth exclusive of the PPP loans was approximately 16.4% for the twelve months ending June 30, 2020. Our annual deposit growth rate was 47.2% and our annual non-interest-bearing deposit growth rate was 64.5% for the twelve months ended June 30, 2020. PPP loans contributed significantly to our deposit and loan growth during the second quarter, however, if we assumed that 100% of these loans were funded into our customer's non-interest-bearing deposit accounts, and eliminated that amount from our non-interest-bearing deposit growth, we still would have achieved total deposit growth of 28.7% as well as non-interest-bearing deposit growth of 29.1% over the last twelve months.

As previously reported, the Company issued $10.0 million of subordinated debentures on May 19, 2020 for a term of 10 years with the first five years at a fixed rate of 5.5% and the last five years at a rate of three-month LIBOR plus 514 basis points. The balance of subordinated debentures reflected on the financial statements included with this report are net of $130 thousand of debt issuance costs.

Shareholders' equity increased $16.9 million, or 22.5% to $92.0 million at June 30, 2020 compared to $75.1 million at June 30, 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 second quarter of 2019 book value per share increased by $8.03, or 21.2%, to $45.87 at June 30, 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 eight Business Banking Centers, serving the greater areas of Bakersfield, Lancaster, Mojave, Ridgecrest, Stockton and Ventura, California and one loan production office in San Luis Obispo, California.

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MISSION BANCORP "Let our Experience work for you"	MISSION BANCORP					
	(Unaudited)					
	Three Months			Six Months		
	June 30			June 30		
FOR THE PERIOD	2020	2019	% Change	2020	2019	% Change
Net Interest Income	$ 9,763,000	$ 8,440,000	15.68%	$ 18,867,000	$ 16,487,000	14.44%
Provision for Loan Loss	$ 496,000	$ 315,000	57.46%	$ 1,055,000	$ 629,000	67.86%
Non Interest Income	$ 1,212,000	$ 1,442,000	-15.95%	$ 2,477,000	$ 2,670,000	-7.24%
Non Interest Expense	$ 6,123,000	$ 5,136,000	19.22%	$ 11,292,000	$ 9,908,000	13.97%
Pre-tax Income	$ 4,357,000	$ 4,431,000	-1.67%	$ 8,997,000	$ 8,620,000	4.37%
Provision for Income Taxes	$ 1,170,000	$ 1,161,000	0.78%	$ 2,290,000	$ 2,211,000	3.57%
Net Income	$ 3,186,000	$ 3,271,000	-2.60%	$ 6,706,000	$ 6,409,000	4.64%
Weighted Average Shares Outstanding	2,006,072	1,984,588	1.08%	2,006,072	1,984,588	1.08%
Income Per Share - Basic	$ 1.59	$ 1.65	-3.64%	$ 3.34	$ 3.23	3.41%
Note: Weighted Average Shares Outstanding adjusted for 5% dividend declared on April 23, 2020						
SELECTED FINANCIAL RATIOS						
(Annualized)						
Return on average assets	1.22%	1.76%		1.40%	1.79%	
Return on average equity	14.32%	17.91%		15.42%	18.12%	
AT PERIOD END						
Total Cash and Cash Equivalents				$ 190,304,000	$ 89,199,000	113.35%
Securities				$ 87,960,000	$ 54,590,000	61.13%
Loans & Leases				$ 807,017,000	$ 586,595,000	37.58%
Allowance for Loan Loss				$ (8,927,000)	$ (7,055,000)	26.53%
Other Assets				$ 31,743,000	$ 28,908,000	9.81%
Total Assets				$ 1,108,097,000	$ 752,237,000	47.31%
Non-Interest Bearing Deposits				$ 576,146,000	$ 350,204,000	64.52%
Interest Bearing Deposits				$ 410,572,000	$ 320,060,000	28.28%
Total Deposits				$ 986,718,000	$ 670,264,000	47.21%
Subordinated Debt				$ 9,870,000	$ -	100.00%
Other Borrowings				$ 12,000,000	$ -	100.00%
Other Liabilities				$ 7,494,000	$ 6,873,000	9.04%
Common Stock				$ 45,681,000	$ 38,540,000	18.53%
Retained Earnings				$ 44,348,000	$ 36,522,000	21.43%
Accumulated Other Comprehensive Income				$ 1,986,000	$ 38,000	5126.32%
Shareholder equity				$ 92,015,000	$ 75,100,000	22.52%
Total Liabilities and Shareholder Equity				$ 1,108,097,000	$ 752,237,000	47.31%
Allowance for Loan Loss						
to Total Loans				1.11%	1.20%	-7.50%
Book Value per share				$ 45.87	$ 37.84	21.22%
Selected Average Balance Data						
Average Assets	$1,051,628,000	$746,273,000	40.92%	$ 963,292,000	$ 720,642,000	33.67%
Average Equity	$89,506,000	$73,241,000	22.21%	$ 87,478,000	$ 71,336,000	22.63%