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FOR IMMEDIATE RELEASE – July 26, 2021

Mission Bancorp announces second quarter 2021 net income of $4.5 million, annual deposit growth of 30.7%, annual loan growth of 11.2% and eclipsing $1.4 billion of total assets.

BAKERSFIELD, Calif. (July 26, 2021) - 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 $4.5 million, or $2.09 per basic common share, for the second quarter of 2021, compared to net income available to common shareholders of $3.2 million, or $1.51 per basic common share, for the second quarter of 2020.

"During the second quarter we achieved nearly 100% forgiveness of the first round of SBA Paycheck Protection Program 'PPP' loans originated during 2020 and also began to receive forgiveness payments on the second round of PPP loans originated in 2021" said A.J. Antongiovanni, Mission's President and Chief Executive Officer. Mr. Antongiovanni continued, "As we move forward into a more normal operating environment, we have quickly shifted our focus from PPP loan funding to a 100% focus on traditional banking, growing our non-PPP loan portfolio by nearly $40 million during the second quarter of 2021 at an annualized 21% growth rate." Mr. Antongiovanni concluded, "Our strong quarterly loan growth rate compares very favorably to the growth rates we are seeing reported by other banks."

This is the 89th consecutive quarter of profitability for the Bank. Net income for the second quarter of 2021 was $1.3 million, or 41.1% higher than net income for the second quarter of 2020. The Company achieved a $1.2 million increase in net interest income and a $0.5 million increase in non-interest income that was complemented by a $0.2 million decline in non-interest expense. These positive variances were offset by a $140 thousand increase in the provision for loan losses.

Net interest income growth of $1.2 million, or 12%, was achieved for the second quarter of 2021, as compared to the same prior year period, despite a 61 basis point decline in our net interest margin. The net interest margin was 3.29% for the second quarter of 2021, compared to 3.90% for the same quarter a year ago. Our margin was impacted by the continued low interest rate environment and the surge in liquidity due to the first round of PPP loan forgiveness as well as continued deposit gathering success. During the last year, our deposits grew by nearly 31%, outpacing loan growth of just 11.2%. Our non-PPP loans grew by 19.6% during the last year, however, the impact of PPP loan forgiveness muted total loan growth significantly. Deposit growth resulted in elevated levels of interest earning cash in other banks, which shifted our earning asset mix into lower yielding assets and contributed to the decline in our net interest margin.

Non-interest expense declined in the second quarter of 2021 by $233 thousand, or 3.8%, as compared to the same quarter a year ago, primarily due to a decline in salaries and benefits expenses, which was partially offset by increases in data processing, legal and professional expense and FDIC insurance assessments. The decline in salaries and benefits expense was due to an increase in deferred loan origination contra expense as well as to non-recurring bonuses paid in the second quarter of 2020 to our employees for the additional burden they took on due to the PPP loan processing and COVID-19 pandemic. The increase in data processing, legal and professional expense were attributable to increases in core processing costs due to growth in our customer accounts and transaction volumes, as well as an increase in outsourced information technology support and the implementation of our new loan processing system. FDIC insurance assessments increased in the second quarter of 2021, as compared to the same quarter last year, due to the increase in the size of our balance sheet which determines our assessment base.

Non-interest income increased by $474 thousand, or 39.1%, for the second quarter of 2021 as compared to the second quarter of 2020. The majority of the increase was driven by increases in the gain on sale of both investment securities and SBA loans. Other increases included 1031 Exchange fee income and deposit service fee income.

The provision for loan losses increased by $140 thousand for the second quarter of 2021, as compared to the same quarter a year ago due primarily to a greater amount of non-PPP loan origination. Our allowance for loan losses as a percentage of total gross loans ("ALLL ratio") was 1.27% as of June 30, 2021, up 16 basis points from 1.11% as of June 30, 2020. The ALLL ratio at both June 30, 2020 and 2021 was impacted by SBA PPP loans which carry a 0.0% ALLL ratio due to the 100% guarantee from the SBA. If we removed the PPP loans from our ALLL ratio calculation we would have reported a 9 basis point increase in the ALLL ratio from 1.31% at June 30, 2020 to 1.40% as of June 30, 2021. The primary reason for the increase in the ALLL ratio over the last year is qualitative factor adjustments and was not related to any actual known deterioration in the credit quality of our loan portfolio.

The Company's return on average assets was 1.28% for the quarter ended June 30, 2021, compared to 1.22% for the same prior year period. The Company's return on average equity was 16.84%, for the quarter ended June 30, 2021, compared to 14.32% for the second quarter of 2020.

Total assets grew by 29.8% over the last year to $1.4 billion at June 30, 2021, compared to $1.1 billion at June 30, 2020.

Mission's loan growth rate remained strong despite the challenging lending environment created by the COVID-19 pandemic. We attribute this success in large part due to continued execution of our De Novo expansion strategy. Total loans grew by $90.5 million, or 11.2%, to $897.5 million over the last year. Exclusive of the net impact of PPP loan originations and forgiveness, our loan portfolio grew by $133.8 million, or 19.6%, through the year ending June 30, 2021. Over 45% of our non-PPP loan growth is attributable to our new San Luis Obispo, California business banking center.

The Company's deposit growth continues to outperform our peers. Over the last year total deposits have increased by $303.0 million, or 30.7%, to $1.3 billion and non-interest-bearing deposits continue to represent a majority of total deposits at 56.9% of total deposits. Non-interest-bearing deposits grew by $158.1 million, or 27.5% during the last twelve months.

As previously reported, the Company issued an additional $12.0 million of subordinated debentures on April 7, 2021, for a term of 10 years with the first five years at a fixed rate of 3.75% and the last five years at a rate of 3-month SOFR plus 298 basis points.

Shareholders' equity increased $18.4 million, or 20.1% to $110.5 million at June 30, 2021 compared to $92.0 million at June 30, 2020. The increase in equity is due to strong earnings over the past year. Compared to the second quarter of 2020, book value per share increased by $7.75, or 17.8%, to $51.39 at June 30, 2021.

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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 nine Business Banking Centers, serving the greater areas of Bakersfield, Lancaster, Mojave, Ridgecrest, San Luis Obispo, Stockton and Ventura, California.

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	MISSION BANCORP						
MISSION BANCORP "Let our Experience work for you"	(Unaudited)						
	Three Months				Six Months		
	June 30				June 30		
FOR THE PERIOD	2021	2020	% Change		2021	2020	% Change
Net Interest Income	$ 10,920,000	$ 9,763,000	11.85%		$ 21,097,000	$ 18,867,000	11.82%
Provision for Loan Loss	$ 636,000	$ 496,000	28.23%		$ 1,259,000	$ 1,055,000	19.30%
Non Interest Income	$ 1,686,000	$ 1,212,000	39.11%		$ 3,627,000	$ 2,477,000	46.43%
Non Interest Expense	$ 5,889,000	$ 6,122,000	-3.81%		$ 11,598,000	$ 11,292,000	2.71%
Pre-tax Income	$ 6,081,000	$ 4,357,000	39.57%		$ 11,868,000	$ 8,997,000	31.91%
Provision for Income Taxes	$ 1,584,000	$ 1,170,000	35.38%		$ 3,091,000	$ 2,290,000	34.97%
Net Income	$ 4,498,000	$ 3,187,000	41.14%		$ 8,777,000	$ 6,706,000	30.87%
Weighted Average Shares Outstanding	2,149,440	2,108,497	1.94%		2,149,440	2,108,497	1.94%
Income Per Share - Basic	$ 2.09	$ 1.51	38.41%		$ 4.08	$ 3.18	28.30%
Note: Weighted Average Shares Outstanding adjusted for 5% dividend declared on April 22, 2021							
SELECTED FINANCIAL RATIOS							
(Annualized)							
Return on average assets	1.28%	1.22%			1.28%	1.40%	
Return on average equity	16.84%	14.32%			16.75%	15.42%	
AT PERIOD END							
Total Cash and Cash Equivalents					$ 313,259,000	$ 190,304,000	64.61%
Securities					$ 196,153,000	$ 87,960,000	123.00%
Loans & Leases					$ 897,473,000	$ 807,017,000	11.21%
Allowance for Loan Loss					$ (11,424,000)	$ (8,927,000)	27.97%
Other Assets					$ 42,648,000	$ 31,743,000	34.35%
Total Assets					$ 1,438,109,000	$ 1,108,097,000	29.78%
Non-Interest Bearing Deposits					$ 734,294,000	$ 576,146,000	27.45%
Interest Bearing Deposits					$ 555,465,000	$ 410,572,000	35.29%
Total Deposits					$ 1,289,759,000	$ 986,718,000	30.71%
Subordinated Debt					$ 21,686,000	$ 9,870,000	100.00%
Other Borrowings					$ 8,000,000	$ 12,000,000	100.00%
Other Liabilities					$ 8,202,000	$ 7,495,000	9.43%
Common Stock					$ 54,815,000	$ 45,681,000	20.00%
Retained Earnings					$ 54,582,000	$ 44,347,000	23.08%
Accumulated Other Comprehensive Income					$ 1,065,000	$ 1,986,000	-46.37%
Shareholder equity					$ 110,462,000	$ 92,014,000	20.05%
Total Liabilities and Shareholder Equity					$ 1,438,109,000	$ 1,108,097,000	29.78%
Allowance for Loan Loss							
to Total Loans					1.27%	1.11%	14.41%
Book Value per share					$ 51.39	$ 43.64	17.76%
Selected Average Balance Data							
Average Assets	$ 1,414,817,000	$ 1,051,628,000	34.54%		$ 1,381,020,000	$ 1,027,916,000	34.35%
Average Equity	$ 107,132,000	$ 89,506,000	19.69%		$ 105,632,000	$ 90,041,000	17.32%