

## Performance Highlights

1<sup>st</sup> Quarter 2010

- Net Operating Income (before taxes & provision for potential loan losses) of \$732,000 – representing a 12% increase over the same period last year
- Positive Net Earnings as of March 31, 2010 of \$36,000 after taxes & provision for potential loan losses
- 12% Decrease in Classified Loans
- 6% Decrease in Delinquent Loans
- 2.41% Increase in Loans over March 31, 2009
- 1.43% Increase in Deposits over March 31, 2009
- Total Assets remain steady at \$260 million



### Corporate Offices & Sun Valley Office

9116 Sunland Boulevard  
Sun Valley, CA 91352  
(818) 394-2300

### Centre Pointe Branch & Business Banking Office

26415 Carl Boyer Drive  
Santa Clarita, CA 91350  
(661) 253-9500

### Valencia Office

25060 West Avenue Stanford  
Valencia, CA 91355  
(661) 775-4100

[www.MissionValleyBank.com](http://www.MissionValleyBank.com)



## MISSION VALLEY BANCORP

### Financial Report

Period Ended March 31, 2010



## Statement of Condition

In Thousands – Unaudited

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In Thousands – Unaudited

### To our Shareholders, Customers & Friends,

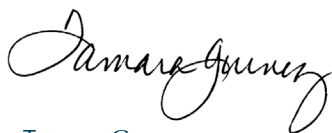
The first quarter of 2010 held very few surprises for most of us. Together as a Nation, we all continue to struggle through the problems associated with this prolonged economic downturn.

However, I am pleased to share with you that the difficult steps Mission Valley took during the last half of 2009 (including having set aside more than \$5.4 million to loan loss reserves for the year) are yielding positive results. Our performance during the first quarter of 2010 has enabled us to place an additional \$752,000 in Provision for Loan Losses and as of March 31, 2010 Mission Valley is reporting a modest Net Income of \$36,000. It is important to note that Net Operating Income before taxes and provision for potential loan losses reached \$732,000, representing a 12% increase over the same period last year.

Additionally, our commitment to standing by our clients and doing all we can to work with them through these tough times has enabled us to reduce our classified loans by nearly 12% and our total delinquent loans by more than 6% during just the first 3 months of the year. Mission Valley continues to exceed all requirements as a well-capitalized institution with strong reserves and revenue generation. The Company raised an additional \$4.58 million through the issuance of preferred stock in a private placement that closed at year end and the entire offering was subscribed to by directors and existing shareholders of common stock, further demonstrating their confidence in MVB's ability to navigate the challenges ahead. Loan & deposit growth remain steady, and we continue to attract new clients and grow our core banking services.

In short, we are confident in the bank's continued success and remain grateful for your continued support.

Sincerely,



Tamara Gurney  
President & CEO

March 31,	2010	2009
<b>ASSETS</b>		
Cash and Due From Banks	\$ 13,635	\$ 18,164
Federal Funds Sold	12,405	11,795
Securities	28,279	27,879
Net Loans	194,204	189,634
Bank Premises and Equipment	1,642	2,336
Other Assets	10,230	7,338
	<u>\$ 260,395</u>	<u>\$ 257,146</u>
<b>LIABILITIES</b>		
Deposits		
Interest Bearing	140,740	138,368
Non Interest Bearing	59,853	59,401
Total Deposits	<u>\$ 200,593</u>	<u>\$ 197,769</u>
Other Liabilities		
	<u>\$ 36,505</u>	<u>\$ 39,639</u>
	<u>\$ 237,098</u>	<u>\$ 237,408</u>
<b>CAPITAL</b>		
Common Stock	9,572	9,542
Preferred Stock	10,080	5,500
Retained Earnings	3,343	4,349
Additional Paid in Capital	-	-
Current Earnings	36	187
Net Unrealized Gain (loss)		
On Securities for Sale	266	160
	<u>\$ 23,297</u>	<u>\$ 19,738</u>
<b>Total Capital</b>	<u>\$ 23,297</u>	<u>\$ 19,738</u>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<u>\$ 260,395</u>	<u>\$ 257,146</u>

March 31,	2010	2009
<b>INTEREST INCOME</b>		
Interest and Fees on Loans	\$ 3,238	\$ 3,326
Income on Federal Funds Sold	8	5
Interest on Securities	194	234
Other Interest Income	38	56
<b>Total Interest Income</b>	<u>\$ 3,478</u>	<u>\$ 3,621</u>
<b>INTEREST EXPENSE</b>		
Time and Savings Deposits	549	701
Other Interest Expense	214	293
<b>Total Interest Expense</b>	<u>\$ 763</u>	<u>\$ 994</u>
Net Interest Income	2,715	2,627
Provision for Loan Losses	752	293
<b>Net Interest Income After Provision</b>	<u>\$ 1,963</u>	<u>\$ 2,334</u>
Service Charges on Deposits	643	564
Other Operating Income	86	71
<b>Total Other Income</b>	<u>\$ 729</u>	<u>\$ 635</u>
<b>OPERATING EXPENSE</b>		
Personnel Expense	1,449	1,327
Occupancy and Equipment	464	434
Data Processing	196	178
Other Operating Expenses	603	670
<b>Total Operating Expense</b>	<u>\$ 2,712</u>	<u>\$ 2,609</u>
<b>Income Before Provision For Income Taxes</b>	<u>\$ (20)</u>	<u>\$ 360</u>
<b>Provision For Taxes</b>	<u>\$ (56)</u>	<u>\$ 173</u>
<b>NET INCOME</b>	<u>\$ 36</u>	<u>\$ 187</u>