



Mission Valley Bancorp Reports First Quarter 2023 Results and \$5.0 Million Grant Award Under CDFI Equitable Recovery Program

SUN VALLEY, CA (May 1, 2023) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income for the first quarter of 2023 was \$1.7 million, or \$0.51 per diluted share, compared to net income of \$1.3 million, or \$0.39 per diluted share, for the first quarter of 2022.

First Quarter 2023 Highlights

- Net Income was \$1.7 million for the first quarter of 2023, an increase of \$0.4 million, or 33.10%, compared to the first quarter of 2022. Diluted earnings per share was \$0.51 for the first quarter of 2023, an increase of \$0.12 per share, or 32.28%, compared to the first quarter of 2022.
- Net Interest Income was \$5.9 million for the first quarter of 2023, an increase of \$2.0 million, or 50.97%, compared to the first quarter of 2022.
- Net Interest Margin was 4.76% for the first quarter of 2023 compared to 2.99% for the first quarter of 2022.
- \$10.6 million in Small Business Administration ("SBA") loans were sold resulting in gain on sale of \$0.7 million in the first quarter of 2023, compared to \$23.9 million in SBA loans sold and gain on sale of \$1.8 million in the first quarter of 2022.
- Non-Interest Income was \$2.2 million for the first quarter of 2023, a decrease of \$0.6 million, or 21.89%, compared to the first quarter of 2022.
- Efficiency Ratio was 69.60% for the first quarter of 2023 compared to 73.70% for the first quarter of 2022.
- Total Assets were \$545.3 million as of March 31, 2023, compared to \$553.3 million as of December 31, 2022.
- Cash and Due from Banks totaled \$40.6 million, or 7.44% of Total Assets, as of March 31, 2023, compared to \$35.8 million, or 6.46% of Total Assets, as of December 31, 2022.
- Total Deposits were \$447.2 million as of March 31, 2023, a decrease of \$20.0 million, or 4.29%, compared to December 31, 2022.
- \$134.4 million in available borrowing capacity at March 31, 2023.
- There were no Past Due Loans and \$0.1 million in Non-Accrual Loans as of March 31, 2023.
- Implemented Current Expected Credit Losses ("CECL") in the first quarter of 2023 with Allowance for Credit Losses of \$6.0 million, or 1.41% of Gross Loans, as of March 31, 2023.
- Strong capital position, which is reflected by Leverage Ratio of 10.56%, Common Equity Tier 1 Capital Ratio of 10.95%, Tier 1 Capital ratio of 12.23%, and Total Risk Based Capital Ratio of 13.48% as of March 31, 2023.

On April 10, 2023, Mission Valley Bank (the "Bank"), a wholly-owned subsidiary of Mission Valley Bancorp, was awarded a \$5.0 million grant from the U.S. Treasury as part of the Community Development Financial Institutions ("CDFI") Equitable Recovery Program ("ERP") which aims to help CDFI's further their mission of helping low and low-to-moderate income communities recover from the impact of Covid-19. The ERP grant award proceeds are anticipated to be received in late second quarter to early third quarter of 2023 after execution of the grant agreement. The utilization of the grant proceeds and recognition into income would be subject to eligible activities, performance conditions, and reporting in accordance with the ERP program.

President and Chief Executive Officer Tamara Gurney commented, "We are pleased to report strong operating results for the first quarter of 2023 despite the challenging headwinds faced by the banking industry from the recent bank failures. We were able to achieve these results due to the strong foundation established over the past years, and because our business model is primarily focused on serving small businesses in our local communities, fundamentally different than the banks that failed recently. We continue to believe that we are well positioned to withstand the current and potential changes that the remainder of 2023 may bring based on our strong balance sheet, capital and liquidity positions, and the proactive measures that we have taken to bolster our liquidity and deposit funding sources."

Ms. Gurney continued, "We are proud and honored that our Bank was awarded the CDFI ERP grant in the amount of \$5.0 million, which was in the fourth highest award tier with awards ranging from \$0.5 million to \$6.2 million. We will be able to determine the performance conditions and accounting treatment for the grant once the grant agreement is made available in June 2023 with grant proceeds expected after the grant agreement is executed. These funds will further support the Bank's efforts to assist small businesses and our local communities."

About Mission Valley Bancorp

Mission Valley Bancorp is a bank holding company headquartered in Sun Valley, California with two wholly owned subsidiaries Mission Valley Bank (the "Bank") and Mission SBA Loan Servicing LLC ("Mission SBA"). The Bank was founded in 2001 and is a full-service, independent, commercial bank specializing in the banking needs of small to medium businesses with full service branches in the San Fernando & Santa Clarita Valleys. Mission SBA is a de novo SBA lender service provider ("LSP") established in March 2021 that provides SBA lending services to other financial institutions.

Forward-looking statements:

Certain matters discussed in this news release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon current management expectations and, therefore, are subject to certain risks and uncertainties that could cause actual results, performance, or achievements to differ materially from those expressed, suggested, or implied by the forward-looking statements. Forward-looking statements are effective only as of the date that they are made and the Company assumes no obligation to update this information. www.MissionValleyBank.com.