



**MISSION VALLEY BANCORP ANNOUNCES  
RECORD EARNINGS FOR YEAR END 2015**

SUN VALLEY, Ca – President & CEO Tamara Gurney of Mission Valley Bancorp – (parent company of Mission Valley Bank) announced un-audited financial results for the year ended December 31, 2015.

“As the founding President of Mission Valley, I am pleased to share that 2015 was a very strong year for our organization, achieving positive and balanced growth across the board. For the year ended 2015, Mission Valley Bancorp reported the most profitable year in our history with Net Earnings of \$3,144,000, an 81% increase from the \$1,733,000 reported at year end 2014.”

Total Assets rose by more than 9.3% to an all-time high of \$289 million, up from \$265 million reported at year end 2014. This was driven by 7.0% growth in Net Loans, funded by 9.2% growth in Total Deposits. Net Loans grew by more than \$13 million to \$200 million as of December 31, 2015 as compared to \$187 million at year end 2014. Total Deposits grew to \$245.3 million as of December 31, 2015 (primarily due to an increase of \$21.8 million in Non-Interest Bearing Deposits) as compared to \$225 million reported at year end 2014. Despite the extended flat rate environment experienced during 2015, Mission Valley experienced a slight increase in Total Interest Income, which rose to \$11.6 million for the year ended 2015 compared to \$11.2 million for 2014, while Interest Expense declined 12.9% to \$561,000 for the year ended December 31, 2015 compared to \$644,000 for 2014. Net Interest Income increased to \$11,038,000, a 4.6% increase over 2014.

Gurney continued, “Throughout 2015, Mission Valley continued to experience declines in problem loans coupled with improvements in overall loan quality. As a result, Mission Valley was able to reverse \$1.0 million in loan loss reserves while maintaining a reasonable level of unallocated reserves. Also notable, Non-Interest Income grew to \$3,495,000 as of December 31, 2015, a 9.4% increase from the \$3,196,000 reported at year end 2014. To a great extent this continuing improvement to other income is directly attributable to the successful realignment of two key business units, SBA Lending and Merchant Bankcard Processing. Over the course of the year, Mission Valley’s sale of SBA loans in the secondary market resulted in a 73% increase in Gain on Sale of Loans, closing 2015 at \$1,147,000 as compared to \$663,000 reported at year end 2014. Comparatively, our Merchant Services Department has increased income by more than 12% year over year.”

Both Mission Valley Bancorp and Mission Valley Bank capital ratios continue to far exceed regulatory requirements with Mission Valley Bancorp reporting a Total Leverage Ratio of 13.9%, Common Equity Tier 1 Capital Ratio of 10.6%, Tier 1 Capital Ratio of 17.8% and a Total Capital Ratio of 19.0%. Likewise, Mission Valley Bank reported a Total Leverage Ratio of 13.5%, Common Equity Tier 1 Capital Ratio of 17.3%, Tier 1 Capital Ratio of 17.3% and a Total Capital Ratio of 18.5%. Regulatory requirements for a “well-capitalized bank” are 5%, 6.5%, 8% and 10%, respectively.

Gurney concluded, “2015 was a very good year for Mission Valley and as we enter into 2016, our 15<sup>th</sup> year of operation, we are starting strong. We have a sound, diversified balance sheet, a solid capital base to carry us forward and a tremendous team dedicated to our success and to the success of our clients and shareholders. Mission Valley Bancorp is well positioned to maintain our course of steady and controlled growth throughout 2016 and beyond.”

Mission Valley Bancorp is traded on the OTCQX under the symbol MVLY.

*About Mission Valley Bank*

*Mission Valley Bank is a full-service, independent, commercial bank specializing in the banking needs of small to medium businesses in the San Fernando & Santa Clarita Valleys. The Bank was chartered in July 2001, with a vision of local ownership and a commitment to providing financial solutions to meet the needs of its clients.*

*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 Mission Valley Bank assumes no obligation to update this information.*