



Mission Valley Bancorp Reports Third Quarter 2019 Results

SUN VALLEY, CA (October 22, 2019) -- Mission Valley Bancorp ("Company") (OTCQX: MVLY) announced today net income of \$2.971 million, or \$0.92 per diluted share, through the third quarter of 2019 compared to net income of \$2.189 million, or \$0.68 per diluted share, through the third quarter of 2018. The primary drivers of the year over year variance resulted from higher net interest income combined with the sale of the Bank's sole Other Real Estate Owned during the third quarter.

September 30, 2019 Third Quarter Highlights

- Net interest income after provision for loan and lease losses rose \$762 thousand to \$11.0 million, an increase of 7.42%, compared to the first three quarters of 2018.
- Other Operating Income increased \$206 thousand to \$516 thousand, representing a 66.5% increase over the same period last year. The improvement was driven by the Bank's continued focus on fee income products and services such as its merchant acquiring program.
- Dividends from the Bank to the Holding Company totaled \$10 million year to date. The proceeds were primarily utilized to reduce debt to further strengthen the Company's balance sheet position by deploying excess capital.
- Assets totaled \$341.1 million at September 30, 2019, an increase of \$33.0 million, or 10.71%, over September 30, 2018, and a decrease of \$9.9 million, or 2.81% from December 31, 2018, due primarily to deposit and debt reductions.
- Total gross loan outstandings, excluding loans held for sale, totaled \$246.8 million, an increase of \$9.2 million, or 3.87%, over September 30, 2018 and an increase of \$3.3 million, or 1.35%, from December 31, 2018.
- Total deposits were \$286.1 million, an increase of \$31.7 million, or 12.5% over September 30, 2018 and a decrease of \$10.6 million, or 3.59%, from December 31, 2018, primarily due to seasonal tax payments made by clients.
- Capital ratios at the Bank remain strong at September 30, 2019 as reflected by Total Leverage Ratio of 11.7%, Common Equity Tier 1 Capital Ratio of 14.5%, Tier 1 Capital ratio of 14.5%, and Total Risk Based Capital of 15.8%.

Tamara Gurney, President and CEO, stated, "Mission Valley's performance during the first nine months of 2019 reflected management's ongoing focus on enhancing the Bank's true franchise value by growing core sustainable top line revenue sources. With continued pressure on the net interest margin in the current rate environment, the Bank has focused on its fee income generating products to help drive top line revenue as evidenced by the significant increase in Other Operating Income for the period. Additionally, our strong liquidity and capital positions have enabled us to dividend \$10 million from the Bank to the Holding Company in order to pay down outstanding debt at the holding company level, substantially reducing interest costs going forward."

Gurney concluded, "Mission Valley is a relationship driven, community based business bank. We have a sound, diversified balance sheet, a solid capital base to carry us forward, and a tremendous team focused on building Mission Valley Bank into a premier business bank. We are well positioned to maintain our course of steady and controlled growth throughout 2019 and beyond."

About Mission Valley Bank

Mission Valley Bank is a full-service, independent, commercial bank specializing in the banking needs of small to medium businesses. Mission Valley Bank has full service branches in the San Fernando & Santa Clarita Valleys as well as a Loan Production Office located in the South Bay. 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. www.MissionValleyBank.com.