



Mission Valley Bancorp Reports Third Quarter 2020 Results

SUN VALLEY, CA (October 30, 2020) -- Mission Valley Bancorp (“Company”) (OTCQX: MVLY) announced today net income of \$1.2 million, or \$0.38 per diluted share, through the third quarter of 2020 compared to net income of \$3.0 million, or \$0.92 per diluted share, through the third quarter of 2019. The year over year variance was primarily attributable to the \$1.9 million provision for loan and lease losses due to net loan charge-offs of \$1.3 million and the economic impact from the COVID-19 pandemic, compared to the same period in 2019.

September 30, 2020 Third Quarter Highlights

- Gross loans outstanding at September 30, 2020 totaled \$339.4 million, an increase of \$72.9 million, or 27.4% from December 31, 2019.
- SBA Paycheck Protection Program (“PPP”) loans outstanding totaled \$70.3 million at September 30, 2020 with unearned deferred loan origination fees (net of costs) of \$1.8 million, which has contributed \$445 thousand in fee income year to date.
- Total deposits at September 30, 2020 were \$371.4 million, an increase of \$70.2 million, or 23.3% over December 31, 2019.
- Assets totaled \$469.5 million at September 30, 2020, an increase of \$111.7 million, or 31.20% over December 31, 2019.
- Capital ratios remain strong at September 30, 2020 as reflected by Total Leverage Ratio of 8.6%, Common Equity Tier 1 Capital Ratio of 12.9%, Tier 1 Capital ratio of 12.9%, and Total Risk Based Capital of 16.1%, which continue to place the Company in the “Well Capitalized” category for regulatory purposes.
- During the quarter, the Company utilized excess liquidity to pay down \$18.6 million of FRB PPP Lending Facility borrowings.

Tamara Gurney, President and CEO, stated, “In these unprecedented times, Mission Valley Bank has taken proactive measures to strengthen our balance sheet by increasing liquidity, loan loss reserves, and capital, while investing in technology and equipment to keep our employees and clients safe.”

Gurney concluded, “The impact of the pandemic has created numerous operational and financial challenges for all financial institutions, and its long term impact remains uncertain. That, coupled with historically low interest rates will likely continue to adversely impact the Company’s business going forward. Our strong balance sheet, capital and liquidity position will allow Mission Valley to be a source of strength and support for our clients and communities for a long time.”

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.