

FOR IMMEDIATE RELEASE  
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## MISSION VALLEY BANCORP REPORTS RECORD MID YEAR EARNINGS

**July 27, 2015 -- Sun Valley, California...**Mission Valley Bancorp (OTCQX: MVLY) President & CEO Tamara Gurney announced the company's year to date net income of \$1,246,000 for the period ended June 30, 2015 – the strongest 2<sup>nd</sup> quarter in the history of the company.

President and CEO Tamara Gurney stated, "Net income of \$1,246,000 represents strong and consistent earnings throughout the first half of the year." Net interest income reached \$5.76 million at quarter end as compared to \$5.25 million reported June, 30, 2014, despite continued re-pricing of higher yielding assets to lower rates coupled with early loan payoffs. Interest expense continued a steady decline of more than 15% from \$341,000 through June of 2014 to \$289,000 for the same period in 2015. Non-interest income grew by more than 20% to \$1.54 million at June 30, 2015 as compared to \$1.27 million for the same period in 2014. Rounding out the 2<sup>nd</sup> quarter, total operating expense was down by more than 7%, at \$5.27 million through the first six months of 2015 compared to \$5.67 million for the same period last year. Gurney continued, "The Bank has begun to realize the benefits of focusing on fee income from its specialized lending and merchant acquisition programs as demonstrated in the significant improvement in non interest income. At the same time, close monitoring of operating expenses has also produced solid results as reflected in the 20% decline in non interest expenses. In addition, Gurney also noted that continued improvement in asset quality has allowed for growth in loans outstanding without need for a provision expense to the reserve to loan and lease losses.

Net loans grew to \$178 million through June 2015 as compared to \$175 million for the same period last year. This modest improvement in net loans was due to a number of factors, including intense competition for loans within the financial services industry as well as from non traditional lending sources, and the continued positive resolution of problem loans. We closed the 2<sup>nd</sup> quarter of 2015 with total deposits of \$229 million, up 7.5% from the \$213 million reported at June 30, 2014. As a result, total assets also grew nearly 6.3% to \$270 million from \$254 million reported at June 30, 2014."

Mission Valley Bancorp capital ratios continue to far exceed regulatory requirements with a Total Leverage Ratio of 13.7%, Common Equity Tier 1 Capital Ratio of 10.6%, Tier 1 Capital Ratio of 18.4% and a Total Capital Ratio of 19.7%. Regulatory requirements for a "well-capitalized bank" are 5%, 6.5%, 8% and 10%, respectively.

Gurney continued, "While the *Great Recession* may be behind us, the lessons learned are not. At Mission Valley, we continue to focus on improving efficiencies to reduce operating costs while enhancing revenue sources through our diversified product offerings including accounts receivable financing, merchant acquisition and processing and SBA lending programs. Mission Valley is well positioned to take advantage of the improving economic conditions by continuing to serve our local communities as Trusted Advisors with value added products and services."

### *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.*