



Mission Valley Bancorp Reports Second Quarter 2023 Results

SUN VALLEY, CA (July 31, 2023) -- Mission Valley Bancorp (OTCQX: MVLY, “Mission Valley”, or the “Company”) announced today net income of \$1.3 million for the second quarter of 2023, or \$0.38 per diluted share, compared to net income of \$0.7 million, or \$0.20 per diluted share, for the second quarter of 2022. Net income for the six months ended June 30, 2023 was \$3.0 million, or \$0.89 per diluted share, compared to \$1.9 million, or \$0.59 per diluted share for the six months ended June 30, 2022.

Second Quarter 2023 Highlights

- Net Income was \$1.3 million for the second quarter of 2023, an increase of \$0.6 million, or 87.05%, compared to the second quarter of 2022. Diluted earnings per share was \$0.38 for the second quarter of 2023, an increase of \$0.18 per share, or 85.06%, compared to the second quarter of 2022.
- Net Interest Income was \$6.0 million for the second quarter of 2023, an increase of \$1.4 million, or 29.74%, compared to the second quarter of 2022.
- Net Interest Margin was 4.60% for the second quarter of 2023 compared to 3.90% for the second quarter of 2022.
- Non-Interest Income was \$2.0 million for the second quarter of 2023, a decrease of \$7 thousand, or 0.36%, compared to the second quarter of 2022.
- \$9.5 million in Small Business Administration (“SBA”) loans were sold resulting in gain on sale of \$0.5 million in the second quarter of 2023, compared to \$14.2 million in SBA loans sold and gain on sale of \$0.8 million in the second quarter of 2022.
- Total Assets were \$572.9 million as of June 30, 2023, an increase of \$19.6 million, or 3.54%, compared to December 31, 2022.
- Cash and Due from Banks totaled \$28.5 million, or 4.98% of Total Assets, as of June 30, 2023, compared to \$35.8 million, or 6.46% of Total Assets, as of December 31, 2022.
- Gross Loans were \$469.7 million as of June 30, 2023, an increase of \$32.3 million, or 7.38%, compared to December 31, 2022.
- Loan Production of \$52.7 million in the second quarter of 2023 with a majority of the loan production funding late in the quarter.
- Total Deposits were \$463.7 million as of June 30, 2023, a decrease of \$3.5 million, or 0.74%, compared to December 31, 2022.
- Available borrowing capacity of \$120.5 million at June 30, 2023.
- \$11 thousand in net recoveries from previously charged-off loans in the second quarter of 2023.
- Past Due Loans of \$0.1 million and Non-Accrual Loans of \$0.3 million as of June 30, 2023.
- Classified Loans were \$1.6 million as of June 30, 2023, a decrease of \$56 thousand or 3.32% compared to compared to December 31, 2022.
- Strong capital position, which is reflected by Leverage Ratio of 10.49%, Common Equity Tier 1 Capital Ratio of 10.26%, Tier 1 Capital ratio of 11.43%, and Total Risk Based Capital Ratio of 12.63% as of June 30, 2023.

President and Chief Executive Officer Tamara Gurney commented, “For the second quarter, we achieved net income of \$1.3 million driven by core earnings and \$52.7 million in loan production based on our prudent underwriting standards, while maintaining strong asset quality and capital position. In addition, both on balance sheet liquidity and off-balance sheet liquidity sources remain ample and healthy to serve our current and anticipated needs including contingencies.”

Ms. Gurney continued, “Looking forward to the second half of the year, we will be able to determine the performance conditions and accounting treatment for the \$5.0 million CDFI ERP grant, awarded in the first quarter, upon receipt of the grant agreement which has been delayed and now expected in August 2023 with grant proceeds coming after the grant agreement is executed. These funds will provide a boost to 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.