



Mission Valley Bancorp Reports Third Quarter 2022 Results

SUN VALLEY, CA (October 31, 2022) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income of \$1.8 million, or \$0.53 per diluted share, for the third quarter of 2022, compared to net income of \$ 1.7 million, or \$0.52 per diluted share, for the third quarter of 2021. Net income for the nine months ended September 30, 2022 was \$3.7 million, or \$1.13 per diluted share, compared to \$4.1 million, or \$1.25 per diluted share for the nine months ended September 30, 2021.

Third Quarter 2022 Highlights

- Net Income of \$1.8 million or \$0.53 per diluted share.
- Net Interest Income was \$5.6 million for the third quarter of 2022, an increase of \$1.6 million or 40.27% compared to the third quarter of 2021.
- Net Interest Margin was 4.66% for the third quarter of 2022 compared to 3.84% for the third quarter of 2021.
- Non-Interest Income, excluding grant income, was \$2.4 million for the third quarter of 2022, an increase of \$0.9 million or 54.06% compared to the third quarter of 2021. There was no grant income in the third quarter of 2022 compared to \$1.8 million in the third quarter of 2021.
- \$31.9 million in Small Business Administration ("SBA") loans were sold, resulting in gain on sale of \$1.2 million, in the third quarter of 2022, compared to \$7.1 million in SBA loans sold and gain on sale of \$0.7 million in the third quarter of 2021.
- Efficiency Ratio (excludes grant income) was 67.33% for the third quarter of 2022 compared to 87.20% for the third quarter of 2021.
- Provision for Loan Losses of \$0.2 million in the third quarter of 2022 due to loan growth compared to no provision in the third quarter of 2021.
- Loan Production of \$71.0 million in the third quarter of 2022.
- Gross Loans were \$398.1 million as of September 30, 2022, an increase of \$111.8 million or 39.06% compared to September 30, 2021, and an increase of \$84.0 million or 26.75% compared to December 31, 2021.
- Total Deposits were \$426.6 million as of September 30, 2022, an increase of \$74.4 million or 31.11%, compared to September 30, 2021, and a decrease of \$86.5 million or 16.85% compared to December 31, 2021.
- \$29 thousand in net recoveries from previously charged-off loans in the third quarter of 2022.
- Non-Accrual Loans were \$0.2 million as of September 30, 2022, which was comprised of one loan.
- Classified Loans were \$1.7 million as of September 30, 2022, an increase of \$0.2 million or 9.88% compared to September 30, 2021, and an increase of \$1.1 million or 157.9% compared to December 31, 2021.
- Capital remains strong, which is reflected by Total Leverage Ratio of 10.88%, Common Equity Tier 1 Capital Ratio of 11.22%, Tier 1 Capital Ratio of 12.59%, and Total Risk Based Capital of 13.82% as of September 30, 2022.

President and Chief Executive Officer Tamara Gurney commented, "Mission Valley's third quarter results reflect the strength of our core business and the efficiency of our operations as we continue to drive meaningful long-term shareholder value. Despite the persistent uncertain economic environment, the Company's fundamentals remain strong with excellent credit quality, NIM at 4.66% and an Efficiency Ratio of 67.33% for the quarter."

Gurney continued, "Our strategic focus entering into the fourth quarter is centered around protecting the balance sheet, building liquidity, retention of valuable clients, and the continued investment in and expansion of Mission SBA, the Company's full service SBA lending services provider subsidiary that operates under the brand names Total SBA and Total Loan Solutions with fifteen lender clients under contract at the end of the third quarter."

###

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.