



Mission Valley Bancorp Reports Third Quarter 2023 Results

SUN VALLEY, CA (October 30, 2023) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income of \$4.6 million for the third quarter of 2023, or \$1.40 per diluted share, compared to net income of \$1.8 million, or \$0.53 per diluted share, for the third quarter of 2022. Net income for the nine months ended September 30, 2023 was \$7.6 million, or \$2.29 per diluted share, compared to \$3.7 million, or \$1.13 per diluted share for the nine months ended September 30, 2022.

Third Quarter 2023 Highlights

- Net Income was \$4.6 million for the third quarter of 2023, an increase of \$2.9 million, or 164.71%, compared to the third quarter of 2022. Diluted earnings per share was \$1.40 for the third quarter of 2023, an increase of \$0.87 per share, or 163.09%, compared to the third quarter of 2022.
- Net Interest Income was \$6.3 million for the third quarter of 2023, an increase of \$0.7 million, or 13.42%, compared to the third quarter of 2022.
- Net Interest Margin was 4.54% for the third quarter of 2023 compared to 4.66% for the third quarter of 2022.
- Non-Interest Income was \$6.9 million for the third quarter of 2023, an increase of \$4.4 million, or 181.80%, compared to the third quarter of 2022.
- The proceeds from the \$5.0 million grant awarded to Mission Valley Bank in the second quarter of 2023, from the U.S. Treasury as part of the Community Development Financial Institutions ("CDFI") Equitable Recovery Program ("ERP"), was received and fully recognized into Non-Interest Income in the third quarter of 2023 after meeting the eligible activities and performance conditions of the grant award agreement.
- \$17.3 million in Small Business Administration ("SBA") loans were sold resulting in gain on sale of \$0.9 million in the third quarter of 2023 compared to \$31.9 million in SBA loans sold and gain on sale of \$1.2 million in the third quarter of 2022.
- Total Assets were \$587.8 million as of September 30, 2023, an increase of \$34.5 million, or 6.23%, compared to December 31, 2022.
- Gross Loans were \$479.7 million as of September 30, 2023, an increase of \$42.3 million, or 9.67%, compared to December 31, 2022.
- Loan Production of \$23.1 million in the third quarter of 2023, compared to \$71.0 million in the third quarter of 2022.
- Total Deposits were \$485.8 million as of September 30, 2023, an increase of \$18.6 million, or 3.98%, compared to December 31, 2022.
- Available borrowing capacity of \$148.7 million at September 30, 2023.
- Classified Loans were \$1.9 million as of September 30, 2023, an increase of \$202 thousand or 11.98% compared to compared to December 31, 2022.
- Past Due Loans were \$4.9 million as of September 30, 2023, which was comprised of one loan that was subsequently brought current.
- Net charge-offs of \$93 thousand in the third quarter of 2023.
- Non-Accrual Loans were \$1.9 million as of September 30, 2023.
- Provision for Credit Losses of \$0.6 million in the third quarter of 2023.
- Allowance for Credit Losses of \$6.7 million, or 1.39% of Gross Loans, as of September 30, 2023
- Strong capital position, which is reflected by Leverage Ratio of 10.77%, Common Equity Tier 1 Capital Ratio of 10.88%, Tier 1 Capital ratio of 12.01%, and Total Risk Based Capital Ratio of 13.26% as of September 30, 2023.

President and Chief Executive Officer Tamara Gurney commented, "Our third quarter operating results were bolstered by the receipt and recognition of the \$5.0 million CDFI ERP grant, which we were able to deploy to low and low-to-moderate income communities through financial products offered by Mission Valley Bank. We were also able to generate prudent loan production and deposit growth while maintaining our asset quality, capital position, and liquidity despite the continued challenges facing the banking industry."

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.