



Mission Valley Bancorp Reports Second Quarter 2019 Results

SUN VALLEY, CA (July 30, 2019) -- Mission Valley Bancorp (OTCQX: MVLY) announced today net income of \$1.500 million, or \$0.47 per diluted share, through the second quarter of 2019 compared to net income of \$2.171 million, or \$0.68 per diluted share, through the second quarter of 2018. The primary driver of the year over year variance, was the fact that gain on sale of loans totaled \$93 thousand in the first two quarters of 2019, compared to \$664 thousand in the first two quarters of 2018. This is the result of management's strategic decision to focus on increasing core, sustainable revenue sources, as opposed to reliance on one-time gains.

June 30, 2019 Second Quarter Highlights

- Net interest income before provision for loan and lease losses rose \$388 thousand to \$7.4 million, an increase of 5.56% compared to the first two quarters of 2018.
- Total loans outstanding, excluding loans held for sale, totaled \$239.9 million, an increase of \$24.6 million, or 11.44%, over June 30, 2018 and a slight decrease of \$3.7 million, or 1.47%, from December 31, 2018.
- Assets totaled \$337.6 million at June 30, 2019, an increase of \$17.2 million, or 5.37%, over June 30, 2018, and a decrease of \$13.3 million, or 3.80% from December 31, 2018.
- Total deposits were \$284.8 million, an increase of \$17.8 million, or 6.67% over June 30, 2018 and a decrease of \$11.9 million, or 4.02%, from December 31, 2018, primarily due to tax payments made by clients.
- Capital ratios remain strong at June 30, 2019 as reflected by Total Leverage Ratio of 12.1%, Common Equity Tier 1 Capital Ratio of 12.5%, Tier 1 Capital ratio of 14.6%, and Total Risk Based Capital of 15.9%.
- Paid down outstanding debt \$3.2 million during the second quarter, resulting in annualized interest savings in excess of \$167,000.

Tamara Gurney, President and CEO, stated, "Mission Valley's performance during the first half of 2019 reflected management's focus on enhancing the Banks true franchise value by growing core sustainable top line revenue sources, while decreasing reliance on one-time income sources such as gain on SBA loan sales. Additionally, our strong liquidity and capital positions allowed us to pay down over three million in principal on outstanding debt at the holding company, substantially reducing our interest costs going forward."

Gurney concluded, "Mission Valley is a relationship driven, community based business bank. We have a sound, diversified balance sheet, a solid capital base to carry us forward, and a tremendous team focused on building Mission Valley Bank into a premier business bank. We are well positioned to maintain our course of steady and controlled growth throughout 2019 and beyond."

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.