

FOR IMMEDIATE RELEASE
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MISSION VALLEY BANCORP REPORTS THIRD QUARTER 2014 EARNINGS

Sun Valley, California – November 14, 2014 – Mission Valley Bancorp (OTCQX: MVLY) President & CEO Tamara Gurney announced today that the company achieved third quarter net earnings of \$415,455 for the period ended September 30, 2014, a 67% increase over the same period last year. Year to date net income totaled \$1,025,000 as compared to \$1,195,000 through September 30, 2013.

President and CEO Tamara Gurney stated, “The bank’s focus on non-interest income has begun to show some solid results, climbing over 12% to \$2 million through September 30, 2014 as compared to \$1.8 million the previous period. The extended low rate environment has continued to impact interest income which declined 8% to \$8.4 million for the first nine months, while interest expense dropped over 36% to \$498,000 as compared to \$785,000 for the same period last year. The improvement was helped by some high cost deposits that matured, which also lowered deposit totals for the period. Interest income has also been impacted by the low rate environment as maturing loans are repricing lower or paying off. Total Operating expenses remained flat at \$8.3 million through the third quarter, with improvement noted in occupancy and equipment costs as well as data processing expenses.”

Loan demand has steadily improved throughout the year resulting in over \$55 million in new loan production year to date. Net loans ended the quarter at \$176 million, an increase of \$11 million from year-end and in alignment with the same period last year, though continuing accelerated loan payoffs did result in a 3.5% decline in total assets to \$260 million from \$269 million at September 30, 2013.

Gurney continued, “Much of the industry remains hindered by the current rate environment. Fortunately, our organization continues to experience measured growth within our less traditional service lines such as merchant bankcard processing and specialized lending such as SBA and accounts receivable financing. These business lines helped drive the 12.3% increase in non-interest income to \$2.04 million at September 30th. Additionally, our staff and management team continue to implement innovative ways to streamline operations while maintaining MVB’s relationship driven culture.”

Mission Valley Bancorp’s capital ratios continue to far exceed regulatory requirements with Tier 1 Leverage, Tier 1 Risk-based Capital and Total Risk-based Capital Ratios of 14.9%, 18.5%, and 19.8%, respectively, as of September 30, 2014. Regulatory requirements for a “well-capitalized bank” are 5%, 6%, and 10%, respectively.

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.

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