



**MISSION VALLEY BANCORP  
REPORTS RECORD 2016 MID YEAR EARNINGS**

**July 26, 2016 -- Sun Valley, California...**Mission Valley Bancorp (OTCQX: MVLY) announces the company's year to date net income of \$1,603,000 for the period ended June 30, 2016 – the strongest 2<sup>nd</sup> quarter close in the history of the company.

President and CEO Tamara Gurney stated, “As Mission Valley marks our 15<sup>th</sup> year of operation, I am very pleased to report the strongest 2<sup>nd</sup> Quarter close in the history of the organization. Net Income as of June 30, 2016 topped \$1,603,000, a 28.6% year over year increase and testament to continued strong and consistent earnings. Earnings per share through the second quarter of 2016 totaled \$0.48.”

Total Assets increased \$28.8 million or 10.7% to \$299 million for the period ended June 30, 2016 as compared to \$270 million for the same period last year. Asset growth was driven by a \$40.5 million or 22.7% year over year increase in Net Loans funded by a 10.7% year over year increase in Total Deposits. Net Loans grew to \$218.9 million as of June 30, 2016 as compared to \$178.4 million for the same period last year. Total Deposits grew to \$253.6 million as of June 30, 2016 (primarily due to an increase of \$30.1 million in Non-Interest Bearing Deposits) as compared to \$229.2 million reported for the same period last year. Net Interest Income for the period ended June 30, 2016 was \$5.27 million (after provision for loan losses), a decline of \$482,000 or 8.4% as compared to \$5.76 million for the same period last year. Total Other Income for the quarter ended June 30, 2016 was \$2.54 million, an increase of more than \$1 million or 65.3% as compared to \$1.54 million for the same period last year. Total Operating Expense for the period ended June 30, 2016 was \$5.2 million, a slight decline of \$71,000 as compared to \$5.3 million for the same period last year.

Both Mission Valley Bancorp and Mission Valley Bank capital ratios continue to exceed regulatory requirements with Mission Valley Bancorp reporting a Total Leverage Ratio of 14.1%, Common Equity Tier 1 Capital Ratio of 10.5%, Tier 1 Capital Ratio of 17.3%, and a Total Capital Ratio of 18.5%. Likewise, Mission Valley Bank reported a Total Leverage Ratio of 13.8%, Common Equity Tier 1 Capital Ratio of 16.8%, Tier 1 Capital Ratio of 16.8%, and a Total Capital Ratio of 18.1%. Regulatory requirements for a “well-capitalized bank” are 5%, 6.5%, 8% and 10%, respectively.

Gurney continued “2016 has provided our company a number of reasons to celebrate. In addition to marking our 15<sup>th</sup> year serving our communities, we have received a number of notable accolades including the following: the prestigious Findley Reports named Mission Valley a ‘Super Premier Performing Bank’, VERIBANC ranks Mission Valley as a 3 Star Green / Blue Ribbon institution (the VERIBANC Blue Ribbon Bank Commendation of Excellence is the country’s oldest formal recognition of banks which have met exceptionally high standards), Bauer Financial lists our Bank as one of the safest in the Nation with a ‘Superior 5 Star Rating’ and most recently, DepositAccounts.com named Mission Valley among the Nations ‘Top 200 Healthiest Banks for 2016’.”

Gurney concluded, “As we celebrate our 15<sup>th</sup> year, I want to take this opportunity to thank our clients, shareholders, the communities we serve as well as our tremendous team for making our success possible. Together we have built a strong organization where we are committed to defining new and better ways to serve our local communities as true Trusted Advisors.”

*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. [www.MissionValleyBank.com](http://www.MissionValleyBank.com)*