

FOR IMMEDIATE RELEASE
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**MISSION VALLEY BANCORP
RELEASES RECORD SECOND QUARTER EARNINGS**

July 22, 2013 -- Sun Valley, California...Mission Valley Bancorp (OTCBB: MVLY.OB) President & CEO Tamara Gurney announced today that the company achieved record second quarter earnings of \$947,000 (after provision for income taxes), up more than twentyfold from June 30, 2012.

President and CEO Tamara Gurney stated, "I am pleased to report that 2013 continues to be a strong year for Mission Valley Bancorp. Net income of \$947,000 after provision for income taxes represents the best June 30th close in the history of our company. While there are a number of contributing factors to this improved performance, two key contributors are expense reductions and improved credit quality. We are beginning to see the benefits of a number of cost cutting decisions that have been implemented over the past several months. In addition, as a result of focused and proactive credit management, our loan portfolio is such that there was no need to place additional funds in reserve for the quarter. The Bank's reserve for loan losses as of June 30, 2013 was \$5.2 million or 3.00% of total loans compared to \$5.4 million or 2.94% of total loans as of June 30, 2012."

Gurney continued, "Total deposits reached \$216 million, up 8.5% from \$199 million reported for the same period the previous year. While loan production remained steady throughout the quarter, gross loans were down by 7.4% to \$172 million from \$185 million the year prior. This was driven by several factors, including the ongoing economic conditions that have caused an increase in loan payoffs and pay-downs as well as our continuing efforts to work through resolving problem credits. Net interest income grew slightly to \$5.7 million at quarter end from the \$5.6 million reported June, 30, 2012, and total assets reached more than \$255 million up from \$247 million reported in June 2012. Couple this with a 25% decrease in interest expense as well as continued improvement in operating expenses; it was a robust and promising 2nd Quarter."

Mission Valley capital ratios continue to far exceed regulatory requirements with Tier 1 Leverage, Tier 1 Risk-based Capital and Total Risk-based Capital Ratios of 14.2%, 19.0%, and 20.3%, respectively, as of June 30, 2013. Regulatory requirements for a "well-capitalized bank" are 5%, 6%, and 10%, respectively.

Gurney continued, "Mission Valley is 'fiscally fit', our loan portfolio is steadily improving, expenses are down and revenue is up. Having streamlined our operations while successfully building upon our less traditional revenue streams, including a growing Merchant Bankcard Processing division, Accounts Receivable Financing and a robust SBA Lending unit, we are well positioned to continue along our path of renewed profitability and long-term growth."

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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