

Performance Points:

- **Net Operating Income is \$2.2 million** through September 2009 as compared to \$946,000 for the same period last year (before extraordinary income and expenses, taxes and the provision for potential loan losses) **representing a 133% increase over the previous year.**
- **Loans are up more than 20% to \$207 million**, an increase of \$35 million over the \$172 million reported at September 30, 2008.
- **Deposits have increased to more than \$47 million** to surpass \$210 million, a 28.8% improvement from the prior year.
- **Total assets grew to more than \$265 million** – a 20% increase over the \$221 million reported at the same time last year.



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Financial Report

Period Ended September 30, 2009

www.MissionValleyBank.com

Statement of Condition

In Thousands

(Unaudited)

Statement of Operations

In Thousands

(Unaudited)

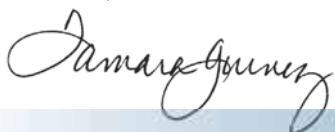
2009 has proved to be a challenging year for the financial services industry as banks and their clients continue to struggle through this prolonged economic downturn. We are confident that despite these challenges and the troubled economy, our Bank remains well positioned to weather the storm and to continue to deliver the highest quality service while providing creative financial solutions to our customers and our community.

Like most banks, we continue to see clients impacted by the tough economy. As 2009 has progressed, it has become clear that our Bank needs to continue to increase our reserves to cover possible loan losses, and have set aside almost \$4 million (to Provision for Loan Losses) in the event that some of our customers cannot meet their loan obligations. As a result of increasing our reserves to these levels, Mission Valley Bancorp has reported a net loss of \$564,000 through September 2009.

In this uncertain economic climate, taking a conservative approach and increasing reserves for potential loan losses is the right thing to do. We have confidence that the majority of these loans are well collateralized, have seemingly short term issues and are resolvable; it remains prudent that we take these measures to protect our Bank and our Shareholders. Despite these challenges, the Bank's performance remains strong and we continue to grow and to attract new customers.

While 2009 has proven to be a challenging year, Mission Valley Bank remains on its path of continued, controlled growth. The Bank is well capitalized, strong and continues to attract new clients. With our capital ratios exceeding the 'well capitalized' requirements, the significant reserves we have accumulated for possible loan losses coupled with our strong growth (as demonstrated by an increase in NOI (Net Operating Income) of 133% over last year) we are confident in the Bank's continued success and I thank you for your continued support.

Sincerely,



Tamara Gurney
President & CEO

	Sept 30, 2009	Sept 30, 2008
ASSETS		
Cash and Due From Banks	\$16,389	\$16,503
Federal Funds Sold	14,325	8,765
Securities	24,975	16,373
Net Loans	200,563	169,732
Bank Premises and Equipment	1,941	2,530
Other Assets	7,173	7,100
Total Assets	\$265,366	\$221,003
LIABILITIES		
Deposits		
Interest Bearing	145,867	107,604
Non Interest Bearing	65,064	56,109
Total Deposits	\$210,931	\$163,713
Other Liabilities		
	\$35,460	\$44,171
Total Liabilities	\$246,391	\$207,884
CAPITAL		
Common Stock	9,572	9,477
Preferred Stock	5,500	-
Retained Earnings	4,211	3,369
Additional Paid in Capital	-	-
Current Earnings	(564)	327
Net Unrealized Gain (loss) on Securities Available for Sale	256	(54)
Total Capital	\$18,975	\$13,119
Total Liabilities and Capital	\$265,366	\$221,003

	Sept 30, 2009	Sept 30, 2008
INTEREST INCOME		
Interest and Fees on Loans	\$10,302	\$9,227
Income on Federal Funds Sold	15	89
Interest on Securities	702	240
Other Interest Income	230	302
Total Interest Income	\$11,249	\$9,858
INTEREST EXPENSE		
Time and Savings Deposits	2,131	2,263
Other Interest Expense	834	1,129
Total Interest Expense	\$2,965	\$3,392
NET INTEREST INCOME		
Provision for Loan Losses	8,284	6,466
NET INTEREST INCOME AFTER PROVISION	\$4,626	\$6,000
Service Charges on Deposits		
	1,746	1,437
Other Operating Income	396	295
Total Other Income	\$2,142	\$1,732
OPERATING EXPENSE		
Personnel Expense	4,195	3,706
Occupancy and Equipment	1,347	1,372
Data Processing	587	446
Other Operating Expenses	2,001	1,728
Total Operating Expense	\$8,130	\$7,252
Extraordinary Income	700	-
INCOME BEFORE PROVISION FOR INCOME TAXES		
	(\$662)	\$480
PROVISION FOR TAXES		
	(\$98)	\$153
NET INCOME		
	(\$564)	\$327