



Mission Valley Bancorp Announces 2020 Results (Unaudited)

Fourth Quarter 2020 Highlights

- Net Income increased \$454 thousand, or 71.72% to \$1.09 million compared to the fourth quarter of 2019.
- Net Interest Income increased \$324 thousand, or 8.92% to \$3.96 million compared to the fourth quarter of 2019.
- Reversal of Provision for Loan Losses of \$50 thousand compared to Provision for Loan Losses of \$500 thousand in the fourth quarter of 2019 and \$1.00 million in the third quarter of 2020.

Full Year 2020 Highlights

- Gross Loans increased \$52.03 million, or 19.52% to \$318.53 million.
- Total Assets increased \$111.65 million, or 31.20% to \$476.82 million.
- Total Deposits increased \$70.21 million, or 23.31% to \$385.59 million.
- Net Income of \$2.30 million or \$0.71 diluted earnings per share.
- Provision for Loan Losses increased \$1.29 million to \$1.85 million.
- The Allowance for Loan and Lease Losses increased \$783 thousand, or 20.97% to \$4.51 million with Allowance for Loan and Lease Losses Ratio of 1.41% or 1.75% excluding SBA PPP loans.
- Non-Accrual Loans decreased \$352 thousand, or 66.42%, to \$178 thousand, or 0.06% of gross loans as of December 31, 2020.
- Capital ratios remain robust as reflected by Total Leverage Ratio of 8.9%, Common Equity Tier 1 Capital Ratio of 13.3%, Tier 1 Capital ratio of 15.3%, and total Risk Based Capital Ratio of 16.6%.

SUN VALLEY, CA (January 28, 2021) -- Mission Valley Bancorp (OTCQX: MVLY) today announced net income of \$1.09 million, or \$0.33 per diluted share, for the fourth quarter of 2020 compared to net income of \$633 thousand, or \$0.20 per diluted share, for the fourth quarter of 2019. Net income for the year ended December 31, 2020 was \$2.30 million, or \$0.71 per diluted share, compared to \$3.60 million, or \$1.12 per diluted share for the year ended December 31, 2019.

Tamara Gurney, President and CEO, commented, “The impact of the pandemic has created operational and financial challenges throughout our industry during 2020. At Mission Valley, we took proactive measures to further strengthen our balance sheet by bolstering our liquidity and loan loss reserves, which had an impact on earnings. However, we finished the year strong with fourth quarter net earnings of \$1.09 million largely driven by improved credit costs, higher loan fee income from PPP loan forgiveness, and sale of SBA loans.”

Ms. Gurney continued, “Despite the challenges faced in 2020, Mission Valley experienced solid growth in deposits, loans, assets and capital, ending the year well positioned to face what comes in 2021 and beyond. Looking forward, Mission Valley Bank remains focused on assisting our clients through the ever-changing economic challenges posed by the pandemic, as well as the safety and well-being of our team, supporting them and their tireless efforts to deliver superior services to our growing client base. Our Team did, and continues to do, great work for our clients and the communities we serve. In conclusion, it was a tough year, however, one for which our Team can be proud.

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.

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