



Mission Valley Bancorp Reports Second Quarter 2022 Results

SUN VALLEY, CA (July 29, 2022) -- Mission Valley Bancorp (OTCQX: MVLY, “Mission Valley”, or the “Company”) announced today net income of \$0.7 million, or \$0.20 per diluted share, for the second quarter of 2022, compared to net income of \$ 1.6 million, or \$0.48 per diluted share, for the second quarter of 2021. Net income for the six months ended June 30, 2022 was \$1.9 million, or \$0.59 per diluted share, compared to \$2.4 million, or \$0.73 per diluted share for the six months ended June 30, 2021.

Second Quarter 2022 Highlights

- Net Income of \$0.7 million or \$0.20 per diluted share.
- Net Interest Income was \$4.6 million for the second quarter of 2022, an increase of \$0.6 million or 13.63%, compared to the second of 2021.
- Non-Interest Income was \$2.0 million for the second quarter of 2022, a decrease of \$0.3 million or 14.34%, compared to the second quarter of 2021
- \$14.2 million in Small Business Administration (“SBA”) loans were sold in the second quarter of 2022 resulting in gain on sale of \$0.8 million.
- Provision for Loan Losses of \$0.4 million in the second quarter of 2022 due to loan growth compared to no provision in the second quarter of 2021.
- Loan Production of \$75.5 million in the second quarter of 2022 with a majority of the loan production funding late in the quarter.
- Gross Loans, excluding SBA Paycheck Protection Program (“PPP”) loans, were \$372.7 million as of June 30, 2022, an increase of \$104.4 million or 38.93% compared to June 30, 2021, and an increase of \$58.8 million or 18.72%, compared to December 31, 2021. PPP loans outstanding were \$0.1 million, \$0.2 million, and \$18.7 million as of June 30, 2022, December 31, 2021, and June 30, 2021, respectively.
- Total Deposits were \$415.6 million as of June 30, 2022, an increase of \$49.6 million or 13.55%, compared to June 30, 2021.
- \$18 thousand in net recoveries from previously charged-off loans in the second quarter of 2022.
- No Non-Accrual Loans as of June 30, 2022 compared to \$0.2 million as of June 30, 2021.
- Classified Loans were \$0.1 million as of June 30, 2022, a decrease of \$4.5 million or -98.29%, compared to June 30, 2021, and a decrease of \$0.6 million or -88.37%, compared to December 31, 2021.
- Strong capital position, which is reflected by Total Leverage Ratio of 10.13%, Common Equity Tier 1 Capital Ratio of 11.90%, Tier 1 Capital Ratio of 13.41%, and Total Risk Based Capital of 14.66% as of June 30, 2022.

President and Chief Executive Officer Tamara Gurney commented, “Our continued focus on developing a solid franchise through the building of diversified organic production sources is reflected in the record loan fundings during the second quarter, which necessitated a provision for loan losses, and our investment in loan origination and back-office infrastructure to support current loan growth and build additional capacity.”

Gurney continued, “The balance sheet remains strong with capital in excess of regulatory defined well capitalized levels, no non-accrual loans, and a solid deposit base. We also continue to build the SBA loan portfolio from our strong production and decision to scale back loan sales due to the changing market conditions during the second quarter, which affords Mission Valley the opportunity to strategically identify SBA guaranteed loans for potential sale in the future, as market conditions warrant.”

About Mission Valley Bancorp

Mission Valley Bancorp is a bank holding company headquartered in Sun Valley, California with two wholly owned subsidiaries Mission Valley Bank (the “Bank”) and Mission SBA Loan Servicing LLC (“Mission SBA”). The Bank was founded in 2001 and is a full-service, independent, commercial bank specializing in the banking needs of small to medium businesses with full-service branches in the San Fernando & Santa Clarita Valleys. Mission SBA is a de novo SBA lender service provider (“LSP”) established in March 2021 that provides SBA lending services to other financial institutions.

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 the Company assumes no obligation to update this information. www.MissionValleyBank.com.