

FOR IMMEDIATE RELEASE
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Mission Valley Bancorp Reports Third Quarter 2021 Results

SUN VALLEY, CA (October 29, 2021) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income of \$1.7 million, or \$0.52 per diluted share, for the third quarter of 2021, compared to net income of \$2 thousand, or \$0.00 per diluted share, for the third quarter of 2020. Net income for the nine months ended September 30, 2021 was \$4.1 million, or \$1.25 per diluted share, compared to \$1.2 million, or \$0.38 per diluted share for the nine months ended September 30, 2020.

Third Quarter 2021 Highlights

- Net income for the third quarter of 2021 increased by \$1.7 million compared the third quarter of 2020. Diluted earnings per share increased by \$0.52 per share for the third quarter of 2021 compared to the third quarter of 2020.
- Total assets at September 30, 2021 were \$445.0 million compared to \$469.5 million at September 30, 2020 and \$476.8 million at December 31, 2020.
- The proceeds from the \$1.8 million grant awarded to Mission Valley Bank in the second quarter of 2021, under the U.S. Department of Treasury's CDFI Rapid Response Program ("CDFI RRP"), was received and recognized into income in the third quarter of 2021 after meeting the performance goals and measures of the grant award agreement.
- \$7.1 million in SBA loans were sold in the third quarter of 2021 resulting in gain on sale of \$718 thousand.
- Gross loans, excluding PPP loans, were \$285.4 million as of September 30, 2021, an increase of \$17.7 million, or 6.60%, and \$27.9 million, or 10.83%, compared to June 30, 2021 and December 31, 2020, respectively.
- Net interest income increased \$281 thousand, or 7.64%, to \$4.0 million, compared to the third quarter of 2020.
- PPP loan principal forgiveness totaled \$18.3 million in the third quarter of 2021 resulting in \$134 thousand in additional net deferred fees recognized into interest income during the quarter. As of September 30, 2021, \$446 thousand in PPP loans remain outstanding.
- No provision for loan losses in the third quarter of 2021 compared to \$1 million in the third quarter of 2020.
- \$17 thousand in net recoveries from previously charged-off loans during the third quarter of 2021, compared to net charge-offs of \$917 thousand in the third quarter of 2020.
- No non-accrual and no delinquent loans at September 30, 2021.
- Strong capital position, which is reflected by Total Leverage Ratio of 11.35%, Common Equity Tier 1 Capital Ratio of 13.85%, Tier 1 Capital Ratio of 15.72%, and Total Risk Based Capital of 16.97% as of September 30, 2021.

Tamara Gurney, President and CEO, stated, "Our strong third quarter results were highlighted by core loan growth, excluding PPP loan activity, of \$17.7 million, or 26.42% annualized, and continued improvement in credit quality as evidenced by net recoveries for the quarter and year-to-date along with decreases in non-accrual and delinquent loans. Additionally, the third quarter results were bolstered by the impact of the \$1.8 million CDFI RRP grant, which we were able to utilize the grant proceeds to fund a loan that helps provide affordable housing to underserved communities."

About Mission Valley Bank

Mission Valley Bank is a full-service, independent, commercial bank specializing in the banking needs of small to medium businesses. Mission Valley Bank has full service branches 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.