

FOR IMMEDIATE RELEASE  
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## **Mission Valley Bancorp Reports Full Year and Fourth Quarter 2021 Results and Announces Cash Dividend**

**SUN VALLEY, CA (January 31, 2022)** -- Mission Valley Bancorp (OTCQX: MVLY, “Mission Valley”, or the “Company”) announced today net income of \$5.0 million, or \$1.50 per diluted share, for the year ended December 31, 2021, compared to net income of \$2.3 million, or \$0.71 per diluted share, for the year ended December 31, 2020. Net income for the fourth quarter of 2021 was \$0.9 million, or \$0.26 per diluted share, compared to net income of \$1.1 million, or \$0.33 per diluted share, for the fourth quarter of 2020.

Mission Valley’s board of directors declared a cash dividend of \$0.15 per share on January 25, 2022. The dividend will be payable on or about February 28, 2022 to shareholders of record as of the close of business on February 15, 2022.

President and Chief Executive Officer Tamara Gurney commented, “Mission Valley finished 2021 with strong financial results for the year. We achieved record net income, strong core loan growth and deposit growth continued to exceed expectations. In addition, we expanded our SBA lending platform and launched an SBA lender service provider subsidiary, which is operating under the brand name Total SBA and continues to gain traction as we begin 2022. I am so proud and appreciative of the efforts of our employees, the support of our customers and our shareholders over the past year. We had a very successful year financially, but also achieved many other milestones as we continue to build the Company for future success.”

“I am also pleased to announce the fifth cash dividend in the history of our Company in the amount of \$0.15 per common share, which comes on the heels of our strong performance and financial results for 2021 and reflects our positive outlook for 2022 and beyond.”

### ***Full Year 2021 Highlights***

- Record Net Income of \$5.0 million, or \$1.50 per diluted share, an increase of \$2.7 million compared to 2020.
- Net Interest Income increased by \$1.0 million, or 6.86%, to \$16.1 million in 2021.
- Sold \$38.9 million of Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans, that comprised all of the 2021 PPP loan originations, resulting in gain on sale of \$747 thousand.
- Sold \$24.2 million in non-PPP SBA loans resulting in gain on sale of \$2.3 million.
- Awarded \$1.8 million grant under the U.S. Department of Treasury’s CDFI Rapid Response Program (“CDFI RRP”), which was received and recognized into income in 2021 after meeting the performance goals and measures of the grant award agreement.
- Total Assets increased \$99.7 million, or 20.91% to \$576.5 million.
- Gross Loans, excluding PPP loans, increased \$57.3 million, or 22.25% to \$314.8 million.
- PPP loan principal forgiveness totaled \$62.0 million in 2021 resulting in \$813 thousand in additional net deferred fees recognized into interest income. As of December 31, 2021, \$163 thousand in PPP loans remain outstanding.
- Total Deposits increased \$127.5 million, or 33.07% to \$513.1 million, which was primarily driven by one large customer relationship.

- No Provision for Loan Losses in 2021 compared to \$1.9 million in 2020.
- \$271 thousand in net recoveries from previously charged-off loans in 2021, compared to net charge-offs of \$1.1 million in 2020.
- No Non-Accrual Loans and Past Due Loans at December 31, 2021 compared to \$178 thousand and \$1.4 million at December 31, 2020, respectively.
- Classified Loans decreased by \$5.2 million, or 88.56%, to \$670 thousand at December 31, 2021.
- The Allowance for Loan and Lease Losses increased \$270 thousand, or 5.98% to \$4.8 million with Allowance for Loan and Lease Losses Ratio of 1.52%.
- Strong capital position, which is reflected by Leverage Ratio of 10.60%, Common Equity Tier 1 Capital Ratio of 13.42%, Tier 1 Capital ratio of 15.18%, and total Risk Based Capital Ratio of 16.44%.
- Established a de novo SBA lender service provider (“LSP”) subsidiary, Mission SBA Loan Servicing LLC (dba Total SBA), in March 2021 that provides SBA lending services to other financial institutions.

#### ***Fourth Quarter 2021 Highlights***

- Net Income of \$862 thousand or \$0.26 per diluted share.
- \$10.1 million in non-PPP SBA loans were sold in the fourth quarter of 2021 resulting in gain on sale of \$902 thousand.
- Total Assets increased by \$131.5 million, or 28.01%, compared to September 30, 2021.
- Gross Loans, excluding PPP loans, increased \$29.4 million, or 10.31%, compared to September 30, 2021.
- Total Deposits increased by \$160.8 million, or 43.31%, compared to September 30, 2021, which was primarily driven by one large customer relationship.
- Classified Loans decreased by \$903 thousand, or 57.41%, compared to September 30, 2021.

#### ***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](http://www.MissionValleyBank.com).*