



Mission Valley Bancorp Reports Full Year and Fourth Quarter 2022 Results and Announces Cash Dividend

SUN VALLEY, CA (January 30, 2023) -- Mission Valley Bancorp (OTCQX: MVLY, “Mission Valley”, or the “Company”) announced today net income of \$4.8 million, or \$1.45 per diluted share, for the year ended December 31, 2022, compared to net income of \$5.0 million, or \$1.50 per diluted share, for the year ended December 31, 2021. Net income for the fourth quarter of 2022 was \$1.1 million, or \$0.32 per diluted share, compared to net income of \$0.9 million, or \$0.26 per diluted share, for the fourth quarter of 2021.

Mission Valley’s board of directors declared a cash dividend of \$0.15 per share on January 24, 2023. The dividend will be payable on or about February 28, 2023 to shareholders of record as of the close of business on February 15, 2023.

President and Chief Executive Officer Tamara Gurney commented, “2022 was another banner year for Mission Valley. We achieved record loan growth of \$122.4 million and generated net income of \$4.8 million driven by core earnings, which was only \$0.2 million lower than our record net income in 2021 that was boosted by \$2.5 million, or \$1.8 million net of tax, from the one-time CDFI Rapid Response Program grant and gain from the sale of our Round 2 PPP loans. The exceptional loan growth and strong financial results are a reflection of the quality of our current team of employees, our platform, and financial position. We believe that we are well positioned to withstand the potentially challenging and recessionary environment that 2023 may bring, based on the strength of our team, balance sheet, capital position, and prudent measures that we have taken including the restructuring of our lending and credit teams with a focus on portfolio management, retention, and risk mitigation.”

“I am also pleased to announce cash dividends for the second consecutive year, and sixth in the history of our Company, in the amount of \$0.15 per common share based on our stellar results for 2022.”

Full Year 2022 Highlights

- Net Income of \$4.8 million, or \$1.45 per diluted share.
- Gross Loans increased \$122.4 million, or 38.86%, to \$437.4 million as of December 31, 2022.
- Loan production totaled \$230.5 million in 2022, which was primarily driven by originations of Commercial, Commercial Real Estate, and Small Business Administration (“SBA”) loans.
- Net Interest Income increased by \$4.3 million, or 26.56%, to \$20.3 million in 2022.
- Net Interest Margin was 4.09% for 2022 compared to 3.81% for 2021.
- Non-Interest Income increased by \$0.2 million, or 2.10%, to \$8.4 million in 2022. Non-Interest Income, excluding grant income, was \$8.2 million in 2022, an increase of \$1.8 million or 28.55% compared to 2021. Grant income was \$0.2 million in 2022 compared to \$1.8 million in 2021.
- Sold \$74.3 million in SBA loans resulting in gain on sale of \$4.0 million.
- Efficiency Ratio (excluding grant income) was 73.44% for 2022 compared to 76.21% for 2021.
- Provision for Loan Losses of \$1.1 million in 2022, primarily due to loan growth, compared to no provision in 2021.
- \$25 thousand in net recoveries from previously charged-off loans.
- There were no Past Due Loans and \$0.2 million in Non-Accrual Loans as of December 31, 2022.
- The Allowance for Loan and Lease Losses increased \$1.1 million, or 23.52% to \$5.9 million with Allowance for Loan and Lease Losses Ratio of 1.35%.
- Capital position remains healthy with Leverage Ratio of 10.63%, Common Equity Tier 1 Capital Ratio of 10.53%, Tier 1 Capital ratio of 11.78%, and total Risk Based Capital Ratio of 13.02%.

Fourth Quarter 2022 Highlights

- Net Income of \$1.1 million or \$0.32 per diluted share.
- Net Interest Income was \$6.2 million for the fourth quarter of 2022, an increase of \$2.3 million or 58.76% compared to the fourth quarter of 2021.
- Net Interest Margin was 5.00% for the fourth quarter of 2022 compared to 3.46% for the fourth quarter of 2021.
- Efficiency Ratio was 73.58% for the fourth quarter of 2022 compared to 77.08% for the fourth quarter of 2021.
- Total Assets increased by \$41.5 million, or 8.11%, compared to September 30, 2022.
- Gross Loans increased \$39.3 million, or 9.87%, compared to September 30, 2022.
- Loan Production of \$51.1 million in the fourth quarter of 2022.
- Total Deposits increased by \$40.5 million, or 9.50%, compared to September 30, 2022.

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.