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Mission Valley Bancorp Reports Second Quarter Results

SUN VALLEY, CA (July 31, 2026) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income of $1.8 million, or $0.54 per diluted share, for the second quarter of 2026, compared to net income of $1.2 million, or $0.37 per diluted share, for the second quarter of 2025. Net income for the six months ended June 30, 2026 was $2.5 million, or $0.76 per diluted share, compared to net income of $2.8 million, or $0.84 per diluted share, for the six months ended June 30, 2025.

Tamara Gurney, President and Chief Executive Officer, commented, "We are pleased to announce our second quarter results, which is highlighted by net income of $1.8 million, or $0.54 per diluted share, net core deposit growth of $19.6 million, and net loan growth of $4.7 million, after selling $18.4 million in SBA loan principal, for the quarter."

Ms. Gurney continued, "We believe that we are well situated to carry the momentum from our strong second quarter through the remainder of the year and look forward to continuing to gain traction with our new Arcadia branch and other new markets."

Second Quarter 2026 Highlights

- Net Income of $1.8 million, or $0.54 per diluted share, for the second quarter of 2026.
- Net Interest Income was $8.0 million for the second quarter of 2026, an increase of $0.6 million, or 7.50%, compared to the second quarter of 2025.
- Net Interest Margin was 4.34% for the second quarter of 2026 compared to 4.38% for the second quarter of 2025.
- Non-Interest Income was $2.7 million for the second quarter of 2026, an increase of $0.5 million, or 20.74%, compared to the second quarter of 2025. Non-Interest Income includes gain on sale of loans and the change in the fair value of Small Business Administration ("SBA") servicing assets.
- $18.4 million in loan principal sold resulting in gain on sale of $1.1 million in the second quarter of 2026, compared to $17.7 million in loan principal sold and gain on sale of $0.8 million in the second quarter of 2025.
- Change in the fair value of SBA servicing assets resulted in a net loss of $0.3 million in the second quarter of 2026, compared to a net loss of $0.5 million in the second quarter of 2025.
- Cash dividend of $0.15 per share paid on June 1, 2026 to shareholders of record as of the close of business on May 18, 2026 with total dividends paid of $0.5 million.
- Gross Loans increased by $21.2 million, or 3.48%, compared to March 31, 2026.

Balance Sheet Highlights

- Total Assets were $783.2 million as of June 30, 2026, an increase of $22.8 million, or 2.99%, compared to December 31, 2025.
- Gross Loans were $630.8 million as of June 30, 2026, an increase of $21.2 million, or 3.48%, compared to December 31, 2025.

- Total Deposits were $615.0 million as of June 30, 2026, a decrease of $20.5 million, or 3.22%, compared to December 31, 2025. The decrease in deposits was driven by the decrease of $24.0 million in brokered deposits.

Asset Quality

- $1.1 million in net charge-offs on loans in the second quarter of 2026, compared to $35 thousand in net charge-offs on loans in the second quarter of 2025. The increase in net charge-offs in the second quarter of 2026 was primarily due to the partial charge-off of one loan that was downgraded and required a specific reserve on the unguaranteed portion of the loan at the end of the first quarter.
- $12.2 million in Non-Accrual Loans as of June 30, 2026, compared to $9.2 million in Non-Accrual Loans as of December 31, 2025.
- $32.8 million in Classified Loans as of June 30, 2026, compared to $16.7 million in Classified Loans as of December 31, 2025.
- $20.4 million in Past Due Loans as of June 30, 2026, compared to $15.6 million in Past Due Loans as of December 31, 2025.
- The Allowance for Credit Losses was $8.2 million, or 1.30% of Gross Loans, as of June 30, 2026, compared to $8.1 million, or 1.33% of Gross Loans, as of December 31, 2025.

Capital and Liquidity

- Capital position remains strong, which is reflected by Common Equity Tier 1 Capital Ratio of 10.24%, Tier 1 Capital ratio of 11.09%, Total Risk Based Capital Ratio of 12.28%, and Leverage Ratio of 9.94%.
- Available borrowing capacity of $188.6 million as of June 30, 2026, a decrease of $34.7 million, or 15.54%, compared to December 31, 2025.
- Unpledged available-for-sale investment securities of $41.5 million as of June 30, 2026.

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, and San Gabriel 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.