FOR IMMEDIATE RELEASE
October 30, 2026

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Mission Valley Bancorp Reports Third Quarter Results

SUN VALLEY, CA (October 30, 2026) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income of $1.2 million, or $0.36 per diluted share, for the third quarter of 2026, compared to net income of $2.1 million, or $0.62 per diluted share, for the third quarter of 2025. Net income for the nine months ended September 30, 2026 was $3.8 million, or $1.11 per diluted share, compared to net income of $4.9 million, or $1.45 per diluted share, for the nine months ended September 30, 2025.

Tamara Gurney, Chief Executive Officer of Mission Valley Bancorp, commented, "We are pleased with the year-to-date growth of $15.2 million, or 10.1% annualized, in our non-interest bearing core deposits, particularly during a very challenging time to attract and retain core deposits for the industry as a whole. This supported gross loan growth of $6.4 million, after selling $13.4 million in SBA loan principal, for the current quarter. However, the most significant highlight of the quarter was the leadership transition at Mission Valley Bank with Brian Carlson being appointed President and Chief Executive Officer of Mission Valley Bank as I stepped in to the role of Executive Chair and CEO of Mission Valley Bancorp. Brian will be instrumental in shaping the path forward for the Company and the Bank."

Brian Carlson, President and Chief Executive Officer of Mission Valley Bank and President of Mission Valley Bancorp, commented, "We were able to produce solid net income of $1.2 million, or $0.36 per diluted share, for the quarter despite the impact from the industry-wide headwinds on SBA lending volume and the increase in our provision for credit losses primarily due to one charged-off commercial loan. The quality of our SBA loan portfolio remains strong with low levels of past due, non-accrual, classified loans, and overall default rates that continue to outperform industry averages. In addition, secondary market premiums on SBA loans remain at favorable levels as we continue to grow the SBA loan portfolio, while maintaining our asset quality."

Mr. Carlson continued, "As we look ahead to the fourth quarter and closing out 2026, we look forward to the full launch of one of our digital transformation initiatives and we will be focused on executing certain strategic and proactive measures with respect to our loan and investment portfolios to reposition and strengthen our balance sheet for 2027 and beyond."

Third Quarter 2026 Highlights

- Net Income of $1.2 million, or $0.36 per diluted share, for the third quarter of 2026.
- Net Interest Income was $8.4 million for the third quarter of 2026, an increase of $0.5 million, or 7.01%, compared to the third quarter of 2025.
- Net Interest Margin was 4.47% for the third quarter of 2026 compared to 4.54% for the third quarter of 2025.

- Non-Interest Income was $2.3 million for the third quarter of 2026, a decrease of $0.5 million, or 17.98%, compared to the third 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.
- $13.4 million in loan principal sold resulting in gain on sale of $0.8 million in the third quarter of 2026, compared to $17.9 million in loan principal sold and gain on sale of $0.9 million in the third quarter of 2025.
- Change in the fair value of SBA servicing assets resulted in a net loss of $0.2 million in the third quarter of 2026, compared to a net gain of $0.1 million in the third quarter of 2025.

Balance Sheet Highlights

- Total Assets were $790.2 million as of September 30, 2026, an increase of $29.8 million, or 3.92%, compared to December 31, 2025.
- Gross Loans were $637.1 million as of September 30, 2026, an increase of $27.5 million, or 4.51%, compared to December 31, 2025.
- Total Deposits were $648.4 million as of September 30, 2026, an increase of $12.9 million, or 2.03%, compared to December 31, 2025. The $12.9 million growth in Total Deposits was driven by the $15.2 million increase in non-interest bearing deposits, partially offset by the $2.3 million decrease in interest bearing deposits.

Asset Quality

- $397 thousand in net charge-offs on loans in the third quarter of 2026 primarily from one commercial loan, compared to $60 thousand in net recoveries from previously charged-off loans in the third quarter of 2025.
- $13.0 million in Non-Accrual Loans as of September 30, 2026, compared to $9.2 million in Non-Accrual Loans as of December 31, 2025. As of September 30, 2026, Non-Accrual Loans were comprised of $6.3 million from commercial loans, $4.8 million from accounts receivable loans, and $1.9 million from SBA loans.
- $33.1 million in Classified Loans as of September 30, 2026, compared to $16.7 million in Classified Loans as of December 31, 2025. As of September 30, 2026, Classified Loans were comprised of $15.4 million from accounts receivable loans, $8.4 million from commercial loans loans, $7.5 million from real estate loans, and $1.8 million from SBA loans.
- $10.5 million in Past Due Loans as of September 30, 2026, compared to $15.6 million in Past Due Loans as of December 31, 2025. As of September 30, 2026, Past Due Loans were comprised of $5.2 million from commercial loans, $4.8 million from accounts receivable loans, and $0.5 million from SBA loans.
- Provision for Credit Losses was $0.5 million in the third quarter of 2026, compared to $0.1 million in the third quarter of 2025. The provision in the third quarter of 2026 was primarily driven by the charge-off of one commercial loan.
- The Allowance for Credit Losses was $8.4 million, or 1.32% of Gross Loans, as of September 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 10.31%, Tier 1 Capital ratio of 11.14%, Total Risk Based Capital Ratio of 12.33%, and Leverage Ratio of 10.07%.
- Available borrowing capacity of $214.3 million as of September 30, 2026, a decrease of $9.0 million, or 4.03%, compared to December 31, 2025.
- Unpledged available-for-sale investment securities of $40.3 million as of September 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.