



Mission Valley Bancorp Reports Second Quarter 2024 Results

SUN VALLEY, CA (July 31, 2024) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income for the second quarter of 2024 was \$2.0 million, or \$0.60 per diluted share, compared to net income of \$1.3 million, or \$0.38 per diluted share, for the second quarter of 2023. Net income for the six months ended June 30, 2024 was \$3.7 million, or \$1.10 per diluted share, compared to net income of \$3.0 million, or \$0.89 per diluted share for the six months ended June 30, 2023.

Second Quarter 2024 Highlights

- Net Income was \$2.0 million for the second quarter of 2024, an increase of \$0.7 million, or 58.00% compared to the second quarter of 2023. Diluted earnings per share was \$0.60 per share for the second quarter of 2024, an increase of \$0.22 per share, or 57.17%, compared to the second quarter of 2023.
- Net Interest Income was \$6.7 million for the second quarter of 2024, an increase of \$0.7 million, or 11.49%, compared to the second quarter of 2023.
- Net Interest Margin was 4.32% for second quarter of 2024 compared to 4.60% for the second quarter of 2023.
- Non-Interest Income was \$2.9 million for the second quarter of 2024, an increase of \$0.9 million, or 47.11%, compared to the second quarter of 2023.
- \$21.7 million in Small Business Administration ("SBA") guaranteed loan principal were sold resulting in gain on sale of \$1.1 million in the second quarter of 2024, compared to \$9.5 million in SBA guaranteed loan principal sold and gain on sale of \$0.5 million in the second quarter of 2023.
- Completed a securitization of \$33.6 million in SBA unguaranteed loan principal in the second quarter of 2024, which resulted in \$25.4 million in net proceeds at closing, \$6.8 million in a new cost method investment, and \$0.3 million in net gain.
- Total Assets were \$645.3 million as of June 30, 2024, a decrease of \$8.4 million, or 1.28%, compared to December 31, 2023.
- Gross Loans were \$521.9 million as of June 30, 2024, an increase of \$2.9 million, or 0.55%, compared to December 31, 2023.
- Total Deposits were \$507.3 million as of June 30, 2024, a decrease of \$16.9 million, or 3.23%, compared to December 31, 2023. Brokered Deposits were \$15.5 million as of June 30, 2024, a decrease of \$48.1 million, or 75.67%, compared to December 31, 2023.
- \$12 thousand in net recoveries from previously charged-off loans in second quarter of 2024, compared to \$11 thousand in net recoveries from previously charged-off loans in second quarter of 2023.
- \$1.0 million in Past Due Loans as of June 30, 2024, compared to \$1.7 million in Past Due Loans as of December 31, 2023.
- \$1.2 million in Classified Loans as of June 30, 2024, compared to \$2.0 million in Classified Loans as of December 31, 2023.
- \$0.9 million in Non-Accrual Loans as of June 30, 2024, compared to \$1.8 million in Non-Accrual Loans as of December 31, 2023.
- The Allowance for Credit Losses on Loans was \$7.4 million, or 1.43% of Gross Loans, as of June 30, 2024, compared to \$7.2 million, or 1.39% of Gross Loans, as of December 31, 2023.
- Capital position remains strong, which is reflected by Leverage Ratio of 9.83%, Common Equity Tier 1 Capital Ratio of 10.23%, Tier 1 Capital ratio of 11.23%, and Total Risk Based Capital Ratio of 12.48%.

President and Chief Executive Officer Tamara Gurney commented, "We are incredibly pleased to announce our second quarter results, which is highlighted by net income of \$2.0 million for the quarter and \$3.7 million year to date that is largely driven by our core earnings. Another highlight of the quarter was the closing of the first multi-lender securitization of an SBA unguaranteed loan principal pool in June with Falcon Bridge Capital servicing as the organizer and deal manager and Mission Valley Bank serving as one of the primary lenders in the transaction. The securitization provided another source of liquidity and risk management tool for the Bank."

Ms. Gurney continued, "As we look ahead to the second half of the year, we believe that we are well situated based on our capital, asset quality, balance sheet positioning, new Burbank branch soft opening in July, and earnings outlook which is currently on pace with our 2023 record earnings that included \$2.8 million, net of tax, from one-time sources. We continue to remain focused and diligent on our core deposit initiatives to bolster liquidity that includes further branch expansion, digital transformation projects to improve productivity, add functionality/capabilities, and expand our marketing outreach."

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.