

FOR IMMEDIATE RELEASE
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Mission Valley Bancorp Reports Fourth Quarter and Full Year 2024 Results

SUN VALLEY, CA (February 3, 2025) -- Mission Valley Bancorp (OTCQX: MVLY, "Mission Valley", or the "Company") announced today net income of \$1.1 million, or \$0.34 per share, for the fourth quarter of 2024, compared to a net loss of \$0.2 million, or \$0.07 per diluted share, for the fourth quarter of 2023. Net income for the year ended December 31, 2024 was \$6.2 million, or \$1.87 per diluted share, compared to net income of \$7.4 million, or \$2.22 per diluted share, for the year ended December 31, 2023. Net income for the year ended December 31, 2023 was bolstered by \$3.5 million, net of tax, in grant income from the U.S. Treasury as part of the Community Development Financial Institutions ("CDFI") Equitable Recovery Program ("ERP").

Tamara Gurney, President and Chief Executive Officer, stated, "At Mission Valley, our commitment to community is resolute, especially during difficult times like the recent wildfires in Southern California. We stand with all of those affected and commend the first responders and volunteers who have worked tirelessly to protect and assist our communities. We are not aware of any material impact on our loan portfolio due to the recent wildfires at this time. Our focus remains on providing ongoing support to our clients, neighbors, and those that may have been affected."

Ms. Gurney continued, "2024 marked another strong year for Mission Valley largely driven by our core earnings and strategic initiatives. We closed 2024 with a solid fourth quarter, generating net income of \$1.1 million for the quarter, which drove our net income to \$6.2 million for the year. From a core earnings perspective, our 2024 results exceeded even our record breaking 2023 results that was bolstered by the one-time CDFI ERP grant income of \$3.5 million, net of tax. The year was also highlighted by our participation in the first multi-lender securitization of an SBA unguaranteed loan principal pool that closed in June and the grand opening of our Burbank branch in October."

"As we enter 2025, we continue to gain momentum on our core deposit, digital transformation, and branch expansion initiatives. We believe we are well positioned, based on these initiatives, the strength of our team, and our solid foundation, to continue to build our core earnings and generate prudent growth."

Fourth Quarter 2024 Highlights

- Net Income of \$1.1 million or \$0.34 per share.
- Net Interest Income was \$7.2 million for the fourth quarter of 2024, an increase of \$1.2 million, or 19.48%, compared to the fourth quarter of 2023.
- Net Interest Margin of 4.47% for the fourth quarter of 2024 compared to 4.15% for the fourth quarter of 2023.
- Non-Interest Income was \$2.3 million for the fourth quarter of 2024, an increase of \$1.0 million, or 75.34%, compared to the fourth quarter of 2023.
- \$34.1 million in SBA loans were sold resulting in gain on sale of \$1.4 million in the fourth quarter of 2024, compared to \$4.1 million in SBA loans sold and gain on sale of \$0.3 million in the fourth quarter of 2023.
- Sold available-for-sale investment securities totaling \$4.4 million in book value, resulting in \$0.4 million loss on sale recognized in Non-Interest Income, to reposition the investment portfolio with the purchase of available-for-sale investment securities totaling \$4.1 million in book value.
- Gross Loans increased by \$10.9 million, or 2.04%, compared to September 30, 2024.
- Grand opening of new branch in Burbank, California.

Full Year 2024 Highlights

- Net Income of \$6.2 million, or \$1.87 per diluted share.
- Net Interest Income increased by \$3.3 million, or 13.58%, to \$27.5 million in 2024.
- Net Interest Margin of 4.42% for 2024 compared to 4.50% for 2023.
- Non-Interest Income decreased by \$2.7 million, or 22.12%, to \$9.6 million in 2024. Non-Interest Income includes gain on sale of SBA loans and grant income.
- Sold \$77.0 million in SBA loans resulting in gain on sale of \$3.7 million in 2024, compared to \$39.1 million in SBA loans sold and gain on sale of \$2.6 million in 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.
- Sold available-for-sale investment securities totaling \$9.8 million in book value, resulting in \$0.5 million loss on sale recognized in Non-Interest Income, to reposition the investment portfolio with the purchase of available-for-sale investment securities totaling \$9.3 million in book value.

- Gross Loans increased by \$28.0 million, or 5.4%.
- Total Deposits increased by \$27.1 million, or 5.17%.

Balance Sheet Highlights

- Total Assets were \$677.3 million as of December 31, 2024, an increase of \$23.6 million, or 3.6%, compared to December 31, 2023.
- Gross Loans were \$547.0 million as of December 31, 2024, an increase of \$28.0 million, or 5.4%, compared to December 31, 2023.
- Total Deposits were \$551.3 million as of December 31, 2024, an increase of \$27.1 million, or 5.17%, compared to December 31, 2023. Brokered Deposits were \$59.9 million as of December 31, 2024, a decrease of \$3.6 million, or 5.7%, compared to December 31, 2023.

Asset Quality

- \$77 thousand in net charge-offs on loans in 2024, compared to \$0.4 million in 2023.
- \$5.3 million in Past Due Loans as of December 31, 2024, compared to \$1.7 million Past Due Loans as of December 31, 2023.
- \$26.4 million in Classified Loans as of December 31, 2024, compared to \$2.0 million in Classified Loans as of December 31, 2023.
- \$5.3 million in Non-Accrual Loans as of December 31, 2024, compared to \$1.8 million in Non-Accrual Loans as of December 31, 2023.
- Provision for Credit Losses of \$0.9 million for the fourth quarter of 2024 and \$1.1 million for the year ended December 31, 2024. The fourth quarter provision was primarily driven by an increase in specific reserves with adjustments to qualitative factors and an increase in unfunded commitments also contributing to the fourth quarter provision to a lesser extent. The increase in specific reserves was primarily due to one borrower relationship that was downgraded in the fourth quarter and required a specific reserve, which was determined based on information available to date and is being closely monitored.
- The Allowance for Credit Losses was \$8.1 million, or 1.48% of Gross Loans, as of December 31, 2024, compared to \$7.2 million, or 1.39% of Gross Loans, as of December 31, 2023.

Capital and Liquidity

- Capital position remains strong, which is reflected by Leverage Ratio of 10.09%, Common Equity Tier 1 Capital Ratio of 10.00%, Tier 1 Capital ratio of 10.95%, and Total Risk Based Capital Ratio of 12.20%.
- Available borrowing capacity of \$208.7 million as of December 31, 2024, an increase of \$91.2 million, or 77.6%, compared to December 31, 2023.
- Unpledged available-for-sale investment securities of \$45.1 million as of December 31, 2024.

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.