

PAC Newsletter
1/31/2023



Plains Acquisition Corp. and Plains State Bank

COMPANY OVERVIEW

Plains State Bank (PSB) was established in 1957 in Plains, Texas. In 2008, Chairman and CEO Milan Saunders founded Plains Acquisition Corporation (PAC) and organized a group of investors to acquire PSB. Following the acquisition, the bank charter and headquarters were moved to Humble, Texas.

PSB is primarily focused on serving the banking needs of small businesses in the community. We have 5 branches in the Houston area, one branch in West Texas, and one Loan Production Office in San Antonio. We are proud to offer the best in full-service banking backed by an unwavering commitment to always do the right thing by our shareholders, customers and employees.

BUSINESS INSIGHTS

Plains State Bank reported another record year in after-tax earnings! Earnings growth was fueled by steady organic growth and interest rate increases. The increase in loan yields more than offset increases in funding costs, resulting in strong net interest margins for the year.

While the US economy has not yet felt the full effects of the rate tightening cycle, our strategy will be to stay the course in 2023. We will seek out opportunities that will add value, while maintaining our conservative credit culture.

Heading into 2023, we are prepared with the bank employees and technology to fulfill our mission of taking care of the banking needs of the businesses in our community. The IT investments made last year have already provided additional operational efficiencies and a competitive advantage that will help attract business customers.

INVESTOR INFORMATION

Plains Acquisition Corporation is traded under the PLQC ticker symbol on the OTC Pink Market.

If you are interested in buying or selling PAC stock, please contact Mike Acampora at D.A. Davidson. Mike's contact information is as follows:

Michael Acampora
SVP | Community Bank Professional
904.456.6153 | 888.877.6807 | cell: 904.210.9960
D.A. Davidson & Co.
macampora@dadco.com

PAC paid a 0.25 cent dividend on March 31, 2022 and September 30, 2022 to shareholders.

Headquarters

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Humble, TX 77338

Contact Us

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Investor Relations Contact

Milan B. Saunders
Chairman and CEO
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PSB Results December 31, 2022

Assets	\$818.0MM
Loans	\$617.9MM
Deposits	\$708.2MM
Capital	\$106.8MM
Net Income	\$16.5MM

PAC Common Stock

Earnings per share as of Dec 31, 2022	\$5.94
Book value per share as of Dec 31, 2022	\$37.86
Diluted BV per share excluding AOCI as of Dec 31, 2022	\$39.04
3rd party valuation as of Dec 31, 2021 (Non-Control Transactions)	\$43.43

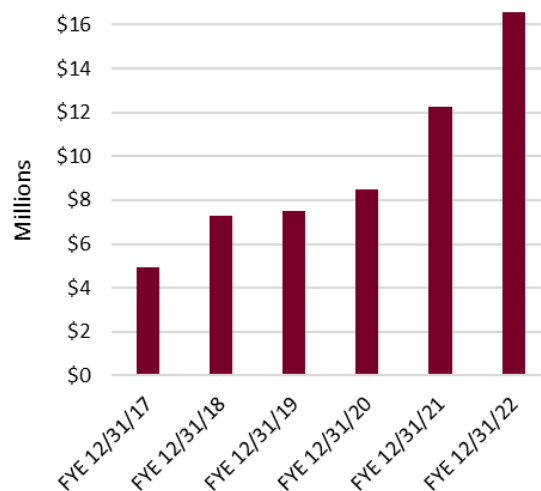
Banking the Texas Way — Since 1957



**PLAINS STATE BANK
12/31/22 FINANCIAL HIGHLIGHTS**

12 Month Average ROA	2.02%
12 Month Average ROE	15.75%
Net Interest Margin	5.56%
Earning Assets/Assets	97.62%
Loans to Total Deposits	87.25%
Liquidity Ratio	24.38%
Tier 1 Leverage Ratio	13.73%
Burden	1.99%
Efficiency Ratio	38.76%

**PLAINS STATE BANK
EARNINGS TREND**



**CONSOLIDATED PAC & PSB
FOURTH QUARTER TREND**

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	Average Annual Growth
Assets	\$476,612M	\$605,857M	\$689,219M	\$783,271M	\$818,034M	14.5%
Loans	\$385,637M	\$439,544M	\$495,569M	\$602,677M	\$617,894M	12.5%
Deposits	\$421,882M	\$540,515M	\$612,363M	\$678,514M	\$703,651M	13.6%
# of Dep Accts	4,079	4,595	4,645	4,717	4,490	2.4%
Net Income	\$7,264M	\$7,508M	\$8,440M	\$11,609M	\$15,728M	21.3%
YTD Earnings/Share	\$2.75	\$2.84	\$3.20	\$4.48	\$5.94	21.2%
Book Value/Share	\$23.39	\$26.89	\$30.78	\$34.55	\$37.86	12.8%
Diluted BV/Share excluding AOCI	\$22.76	\$25.81	\$29.27	\$33.61	\$39.04	14.5%

DISCLOSURE: The information presented herein reflects historical financial performance and is not a prediction of future performance. This information should not be construed as investment advice. Investors are directed to confer with their investment advisor. Investments involve risk, including loss of principal. Funds held in corporate stock are not insured by the FDIC or any other government agency and are not bank guaranteed. This is neither an offer to sell nor a solicitation of an offer to buy any securities.