

PAC Newsletter
07/29/2024



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 of the local community. We have five branches in the Houston area, one branch in West Texas, and one Loan Production Office in San Antonio. With the addition of the Plains Wealth Management division, PSB also provides investment products and services through Raymond James, a registered broker-dealer and investment advisor, member FINRA and SIPC.

Additionally, PAC's wholly owned subsidiary, Plains Financial Services, Inc. (PFSI) operating as Plains Tax Strategies, offers tax preparation, tax planning, bookkeeping and payroll services.

BUSINESS INSIGHTS

Plains State Bank reported a strong second quarter of earnings as loan yields continue to offset increases in funding costs, resulting in solid net interest margins. We remain optimistic about the outlook for 2024 second half earnings. Markets have stabilized as they have adapted to the higher interest rate environment. However, we continue to monitor the risks related to credit quality, loan default risk and heightened regulatory activity. The latest economic reports indicate that the Fed will cut rates later this year which will alleviate competitive pressure on deposits and should have a positive effect on future economic activity as well as loan growth.

The July 8th landfall of Hurricane Beryl along the Texas coastline demonstrated the resilience of Texas and Houston communities in the face of adversity. Once the threat of danger had passed, bank employees went to work as quickly as possible to service the banking needs of our customers. Plains State Bank remains committed to our customers, employees, and shareholders no matter the obstacle.

Did you know - Plains State Bank was recently named the 22nd most profitable bank in the US for community banks in the \$300 million-\$1 billion in assets category by Independent Banker.

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

The PAC board of directors approved a 0.75 cent dividend paid on March 31, 2024, and another 0.75 cent dividend to be paid to shareholders on September 30, 2024.

Headquarters

19404 Kenswick Drive
Humble, TX 77338

Contact Us

713-559-6800
Fax: 713-559-6811
psbplains.com

Investor Relations Contact

Milan B. Saunders
Chairman and CEO
713-559-6801
msaunders@psbplains.com

PSB Results June 30, 2024

Assets	\$852.4MM
Loans	\$629.3MM
Deposits	\$716.8MM
Capital	\$127.2MM
Net Income	\$8.4MM

PAC Common Stock

YTD earnings per share as of Jun 30, 2024	\$3.19
YTD diluted earnings per share as of Jun 30, 2024	\$2.99
Book value per share as of Jun 30, 2024	\$44.28
Diluted BV per share excluding AOCI as of Jun 30, 2024	\$45.07

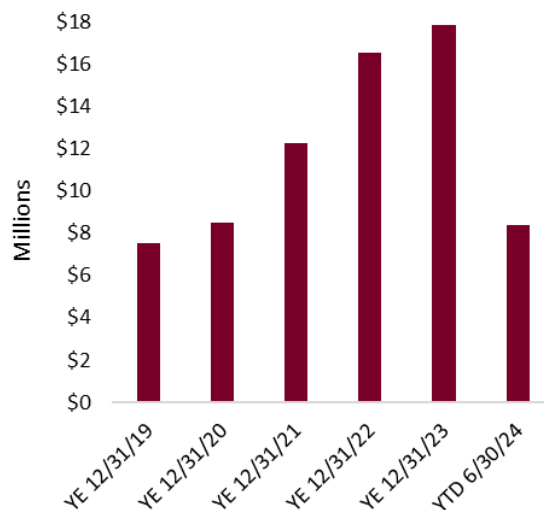
Banking the Texas Way — Since 1957



PLAINS STATE BANK
6/30/24 FINANCIAL HIGHLIGHTS

12 Month Average ROA	2.13%
12 Month Average ROE	13.73%
12 Month Average NIM	5.15%
Earning Assets/Assets	97.84%
Loans to Total Deposits	87.80%
Liquidity Ratio	25.69%
Tier 1 Leverage Ratio	14.97%
Burden	1.98%
Efficiency Ratio	46.07%

PLAINS STATE BANK
EARNINGS TREND



PAC CONSOLIDATED
SECOND QUARTER TREND

	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	Average Annual Growth
Assets	\$656,376M	\$722,682M	\$832,875M	\$779,846M	\$854,672M	6.8%
Loans	\$507,131M	\$506,506M	\$636,740M	\$649,969M	\$629,348M	5.5%
Deposits	\$584,242M	\$623,623M	\$728,605M	\$659,140M	\$714,158M	5.1%
# of Dep Accts	4,653	4,702	4,670	4,443	4,430	-1.2%
Net Income	\$3,464M	\$4,682M	\$6,588M	\$8,431M	\$8,045M	23.5%
YTD Earnings/Share	\$1.46	\$1.95	\$2.73	\$3.46	\$3.19	21.6%
YTD Diluted Earnings/Share	\$1.35	\$1.87	\$2.62	\$3.27	\$2.99	22.0%
Book Value/Share	\$29.27	\$32.01	\$34.42	\$39.21	\$44.28	10.9%
Diluted BV/Share excluding AOCI	\$27.75	\$30.97	\$35.71	\$40.50	\$45.07	12.9%

DISCLOSURE: The financial information presented herein reflects preliminary, unaudited historical financial results, which are not final until the Company's audited financial statements are issued 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.