

PLAINS ACQUISITION CORPORATION
PO BOX 62005
HOUSTON, TEXAS 77205

March 4, 2026

Dear Fellow Shareholder:

We are proud to report that 2025 was a year of strategic refinement and continued financial strength for Plains Acquisition Corporation and our subsidiary, Plains State Bank. Following the strategic divestiture of our wealth management and tax preparation divisions, we have successfully sharpened our focus on our core banking operations. Looking ahead, we enter 2026 with confidence despite an economic environment where inflation remains stabilized above the Federal Reserve's target and the markets weigh the potential for further interest rate cuts. The strong Texas economy continues to provide a resilient foundation for our operations, and most economists are forecasting solid U.S. economic growth for the year. We continue to prioritize prudent risk management and customer-centric lending to ensure we remain a premier financial partner for the communities of Greater Houston, West Texas, and San Antonio.

I am pleased to share the following financial highlights for the year ended 2025:

The company maintained a stable balance sheet, with total assets increasing to \$882MM. Total loans and deposits saw a modest contraction of 2.8% and 1.5% respectively, as we focused on maintaining high asset quality standards and managing our cost of funds, while our loan-to-deposit ratio of 88.4% and liquidity ratio of 29.5% remain healthy. While the Federal Reserve's interest rate cuts applied modest pressure to our net interest margin, it remains exceptionally strong relative to both regional and national peer groups, finishing the year at 4.70%. The company achieved record profits with after-tax net income of \$17.4MM. This milestone was bolstered by the successful sales of our wealth management and tax divisions, which not only streamlined our operations but further fortified our balance sheet. Our efficiency ratio of 49.26% remains best-in-class and reflects our disciplined approach to expense management. We concluded the year in a position of significant capital strength, with shareholder equity at 15.5% of total assets and a Tier 1 Leverage Ratio of 17.8%, while continuing to return capital to shareholders via dividend payments.

As in recent years, we will be holding this year's annual shareholders meeting in person, while continuing to make the meeting available via live stream for those who prefer to attend virtually. Audited financial statements are available online at www.psbplains.com/investor-relations. Please contact me with any questions or comments by phone at 713-559-6801 or by email at msaunders@psbplains.com.

We thank you for your continued support and look forward to seeing you at the shareholder meeting.

Sincerely,



Milan B. Saunders
Chairman and CEO

P.S.: The Board has approved dividend payments of \$1.00 per share to be paid March 31, 2026 and September 30, 2026.