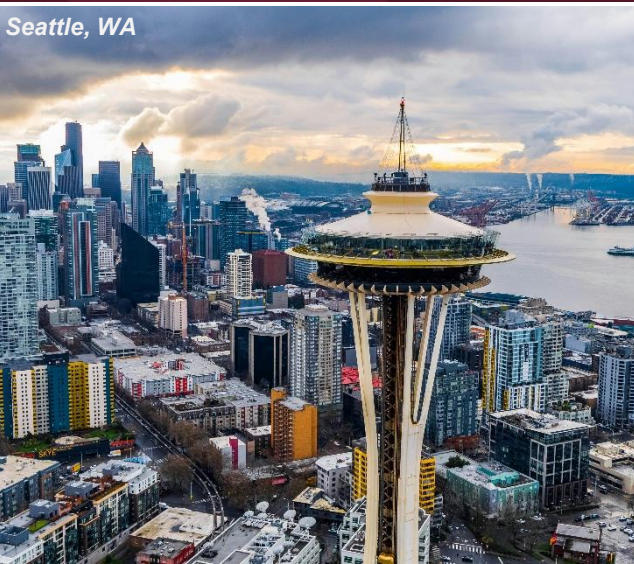


Mechanics Bancorp

Fourth Quarter Earnings Presentation

January 30, 2026

Seattle, WA



San Francisco, CA



Los Angeles, CA



Disclaimer

FORWARD-LOOKING STATEMENTS AND OTHER

This presentation and statements made by representatives of Mechanics Bancorp (“Mechanics” or the “Company”) during the course of this presentation include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such statements. Such forward-looking statements include, but are not limited to, statements concerning such things as the Company’s outlook, business strategy, financial condition, efforts to make strategic acquisitions, integration activities and outlook, liquidity and sources of funding, market trends, operations and business, stock repurchases, dividend payments, and the Company’s other plans, objectives, strategies, expectations and intentions and other statements that are not statements of historical fact, and may be identified by words such as “anticipates,” “believes,” “building,” “continue,” “could,” “drive,” “estimates,” “expects,” “forecasts,” “goal,” “guidance,” “intends,” “may,” “might,” “outlook,” “plan,” “probable,” “projects,” “seeks,” “should,” “track,” “target,” “view” or “would” or the negative of these words and phrases or similar words or phrases.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: substantial non-recurring and integration costs, which may be greater than anticipated due to unexpected events; failure to realize the anticipated benefits of the HomeStreet merger; our ability to effectively manage our expanded operations; negative developments and events impacting the financial services industry; the soundness of other financial institutions; our ability to maintain sufficient liquidity, or an increase in the cost of liquidity; unpredictable economic, market and business conditions; interest rate risk, and fluctuations in interest rates; inflationary pressures and rising prices; adverse changes in real estate market values; the impact of climate change, including indirectly through impacts on our customers; the adequacy of our allowances for credit losses for loans and debt securities; incurring losses in our loan portfolio despite strict adherence to our underwriting practices; fluctuations in our mortgage origination business based upon seasonal and other factors; our geographic concentration, which may magnify the adverse effects and consequences of any regional or local economic downturn; the accuracy of independent appraisals to determine the value of the real estate that secures a substantial portion of our loans; the ability of our small- to medium-sized borrowers to weather adverse business developments; our ability to fully identify and mitigate exposure to the various risks that we face, including interest rate, credit, liquidity and market risk; our ability to mitigate our exposure to interest rate risk; negative publicity regarding us, or financial institutions in general; environmental liability risk associated with our lending activities; our ability to adapt our services to changes in the marketplace related to mortgage servicing or origination, technology or in changes in the requirements of governmental authorities and customers; our ability to develop, implement and maintain an effective system of internal control over financial reporting; the potential that we may identify material weaknesses in our internal control over financial reporting in the future, which may result in material misstatements of our financial statements; the potential that we may write off goodwill and other intangible assets resulting from business combinations; dependence on our management team; exposure to fraudulent and negligent acts by our customers and the parties they do business with, as well as from employees, contractors and vendors; legal claims and litigation, including potential securities law liabilities; employee class action lawsuits or other legal proceedings; our ability to raise additional capital, if needed; competition from other financial institutions and financial service companies; regulatory restrictions that may delay, impede or prohibit our ability to consider certain acquisitions and opportunities; extensive supervision and regulation that could restrict our activities and impose financial requirements or limitations on the conduct of our business and limit our ability to generate income; our ability to comply with stringent capital requirements; the impact of federal and state regulators’ examination of our business; our ability to comply with the Bank Secrecy Act and other anti-money laundering statutes and regulations; our reliance on dividends from Mechanics Bank; our ability to raise debt or capital to pay off our debts upon maturity; our level of indebtedness following the completion of the HomeStreet merger; increasing and continually evolving cybersecurity and other technological risks; our ability to adapt to rapid technological change; our ability to effectively implement new technological solutions or enhancements to existing systems or platforms; our dependence on our computer and communications systems; Ford Financial Funds and their controlled affiliates control approximately 77% of the voting power of Mechanics, and have the ability to elect all of our directors and control most other matters submitted to our shareholders for approval; we are a “controlled company” within the meaning of the rules of NASDAQ and, as a result, we qualify for, and rely on, exemptions from certain corporate governance standards; future sales of shares by existing shareholders could cause our stock price to decline; our reliance on certain entities affiliated with the Ford Financial Funds for services; reduced disclosure requirements as a smaller reporting company; and certain of our shareholders have registration rights, the exercise of which could adversely affect the trading price of our common stock.

Disclaimer (cont'd)

FORWARD-LOOKING STATEMENTS AND OTHER (cont'd)

For further discussion of such factors, see the risk factors described in our Current Report on Form 8-K filed on September 2, 2025, subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other reports that we have filed with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement.

The information contained herein is preliminary and based on Company data available at the time of the earnings presentation. It speaks only as of the particular date or dates included in the accompanying slides. Except as required by law, Mechanics does not undertake an obligation to, and disclaims any duty to, update any of the information herein.

Included in this presentation are certain non-GAAP financial measures, such as Core Net Income, Return on Average Equity, Return on Average Tangible Equity, Efficiency Ratio, Book Value and Tangible Book Value per Share and Common Equity Ratio and Tangible Common Equity Ratio, which are designed to complement the financial information presented in accordance with U.S. GAAP as management believes such measures are useful to investors to assess use of equity and financial performance. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with GAAP. Please refer to the “Non-GAAP Financial Measures and Reconciliations” section of the appendix of this presentation for additional detail including reconciliations of non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Presentation of Results – HomeStreet Bank Merger

On September 2, 2025, the merger of HomeStreet Bank, the wholly owned subsidiary of Mechanics Bancorp (formerly known as HomeStreet, Inc.) with and into Mechanics Bank, was completed. Mechanics Bank is the accounting acquirer (legal acquiree), HomeStreet Bank is the accounting acquiree and Mechanics Bancorp is the legal acquirer. Mechanics’ financial results for all periods ended prior to September 2, 2025 reflect Mechanics Bank’s historical financial results on a standalone basis. In addition, Mechanics’ reported financial results for the year ended December 31, 2025 reflect Mechanics Bank’s financial results on a standalone basis until the closing of the merger on September 2, 2025 and results of the combined company from September 2, 2025 through December 31, 2025. For periods prior to September 2, 2025, the number of shares issued and outstanding, earnings per share, and all references to share quantities or metrics of Mechanics have been retrospectively restated to reflect the equivalent number of shares issued in the merger since the merger was accounted for as a reverse acquisition. As the accounting acquirer, Mechanics Bank remeasured the identifiable assets acquired and liabilities assumed in the merger as of September 2, 2025 at their acquisition date fair values.

Adoption of Purchased Seasoned Loans Accounting Standard

The Company early adopted Accounting Standards Update (“ASU”) 2025-08, “Financial Instruments—Credit Losses (Topic 326): Purchased Loans,” during the fourth quarter of 2025. This new standard, which the Company elected to early adopt as of January 1, 2025, requires acquired loans that meet certain criteria at acquisition (purchased seasoned loans) to be recognized at their purchase price plus the amount of the allowance for expected credit losses (gross-up approach). As a result, for purchased seasoned loans acquired in the HomeStreet merger, the Company established an allowance for credit losses of \$20.3 million at the date of acquisition for these loans and reversed the provision for credit losses recorded in the third quarter. The impact of the adjustments is reflected in the fourth quarter 2025 results presented in this presentation. Required disclosures regarding the impact of the adoption and its impact on reported third quarter 2025 results will be presented when the Company files its annual report on Form 10-K for the year ended December 31, 2025. In addition, third quarter 2025 results will be retrospectively adjusted when the Company files its quarterly report on Form 10-Q for the quarter ended September 30, 2026.

Mechanics Bancorp 4th Quarter 2025 Financial Highlights

4th Quarter 2025 Financial Highlights

- **Mechanics Bancorp reported net income of \$124.3mm in Q4'25**
- Fully diluted EPS of \$0.54, BVPS of \$12.93 and TBVPS of \$7.81¹
- ROAA of 2.20% and ROATCE of 28.5%¹
- \$0.21 per share of dividends paid in Q4'25 (Class A)
- \$55.1mm bargain purchase gain in Q4'25 due to an increase in our DUS intangible from our announced DUS business line sale
 - \$145mm total bargain purchase gain from HomeStreet
- Early adoption of ASU 2025-08 resulted in \$20.2mm one-time negative loan loss provision; overall negative LLP of \$23.5mm
 - ACL equal to 1.08% of total loans; 2.96x ACL / NPAs
 - \$7mm NCO from legacy HMST syndicated credit; expected from due diligence and fully reserved
- \$3.5mm of one-time merger expenses in Q4'25, down significantly from Q3'25
- **\$59.8mm of core net income (Core ROAA of 1.06% and Core ROATCE of 14.3%)¹**
- Total assets of \$22.4bn, total net loans of \$14.0bn, total deposits of \$19.0bn and tangible shareholder's equity of \$1.8bn¹
- Legacy HomeStreet high-cost CDs and Legacy Mechanics auto loans running off as planned, releasing excess capital
- 14.1% CET1 ratio and 8.6% Tier 1 Leverage ratio
- 75% loans-to-deposits ratio
- 1.43% cost of deposits in Q4'25 and 1.30% spot cost at 12/31/25
- 3.47% NIM in Q4'25
- 344% CRE concentration ratio at 12/31/2025

Condensed Balance Sheet			
(\$ in millions, except per share data)	Q4 '25	Q3 '25	Q4 '24
Cash & Investments	\$ 6,410	\$ 6,347	\$ 5,505
Net Loans, including HFS	14,030	14,455	9,555
Goodwill & Intangible Assets	1,056	987	882
Other Assets	855	920	548
Total Assets	\$ 22,351	\$ 22,709	\$ 16,490
Total Deposits	\$ 19,025	\$ 19,453	\$ 13,942
Senior Debt, Sub Debt, and TRUPs	192	190	-
Other Liabilities	272	292	246
Total Shareholders' Equity	2,862	2,774	2,302
Total Liabilities & Equity	\$ 22,351	\$ 22,709	\$ 16,490
Book value per share	\$ 12.93	\$ 12.54	\$ 11.40
Tangible book value per share ¹	\$ 7.81	\$ 7.73	\$ 6.70

Condensed Income Statement			
(in thousands, except per share data)	Q4 '25	Q3 '25	Q4 '24
Net Interest Income	\$ 181,465	\$ 145,670	\$ 128,400
Provision / (Reversal of Provision)	(23,476)	47,018	(4,708)
Non-Interest Income	78,521	109,778	18,535
Non-Interest Expense	129,510	163,329	84,449
Pre-Tax Income	\$ 153,952	\$ 45,101	\$ 67,194
Taxes	29,650	(10,060)	15,531
Net Income	\$ 124,302	\$ 55,161	\$ 51,663
Diluted weighted-average shares outstanding *	221,095	207,259	200,977
Diluted earnings per share *	\$ 0.54	\$ 0.25	\$ 0.24

*Class A

Financial Ratios			
	Q4 '25	Q3 '25	Q4 '24
ROAA	2.20%	1.18%	1.25%
ROATCE ¹	28.5%	14.2%	15.1%
Net Interest Margin	3.47%	3.36%	3.38%
Efficiency Ratio ¹	46.9%	62.3%	55.6%
Ending FTE	1,921	2,036	1,439
Loans to Deposits	75%	75%	69%
ACL / Total Loans	1.08%	1.16%	0.92%
Tier 1 Leverage Ratio	8.6%	10.3%	9.7%

Mechanics Bancorp Strategic Update

- Integration of HomeStreet is proceeding smoothly with our core conversion scheduled for March 2026
 - Remain on track to deliver on our initial costs savings estimate of \$82mm (~43% of HomeStreet's 2024 NIE) and expect approximately \$430mm run-rate NIE (excluding CDI amortization) for Mechanics by Q4'26
 - Legacy HomeStreet CD runoff is occurring as expected and on-track to reach ~\$1bn+ by the end of Q1'26; Legacy HomeStreet core deposit attrition has been minimal
- We agreed to sell our Fannie Mae Delegated Underwriting and Servicing ("DUS") business line to Fifth Third in early December for \$130mm, inclusive of ~\$28.5mm fair value of our DUS MSR as of 9/30/2025
 - Specialized division focused on multifamily lending and servicing under the Fannie Mae DUS program
 - Transaction is subject to Fannie Mae's approval and expected to close in Q1'26, with substantially all excess capital generated from the sale expected to be returned to shareholders as part of a Q2'26 dividend (subject to Board and regulatory approval)
- We continue to selectively manage our CRE levels down post-merger and expect our CRE Concentration ratio to drop below 300% over the coming years
- We are building out our Commercial Banking, Wealth Management and Treasury Sales staff across our new West Coast footprint
- There's a significant opportunity to improve our client experience and peer-leading efficiency metrics by further investing in technology across the Bank
- We expect modest NIM expansion in 2026 and beyond as our deposit costs decline (two more rate cuts assumed) and Legacy Mechanics earning assets continue to re-price
- **Expect to deliver >\$300mm of run-rate earnings by Q4'26 (~18% ROATCE and ~1.4% ROAA in Q4'26 and 2027E)**
- **We have ~\$92mm of excess capital above our 8.25% Tier 1 Leverage Ratio target as of 12/31/2025 and expect to pay an estimated \$0.39 dividend in the first quarter (subject to Board and regulatory approval)**

Mechanics Bancorp Overview

Mechanics Bancorp Overview

\$22.4bn

Total assets

166

Branches

#3 / #4

CA / West Coast market
share by deposits¹

Key Stats vs. \$10–100bn public U.S. banks

As of MRQ:

CoD: **1.43%**

U.S. banks: 1.94%
#12 of 81

As of MRQ:

NIB: **35%**

U.S. banks: 25%
#4 of 81

As of MRQ:

CET1: **14.1%**

U.S. banks: 12.1%
#17 of 81

As of MRQ:

RWA / Assets: **59%**

U.S. banks: 76%
#2 of 81

2027E:

ROATCE: **~18%**

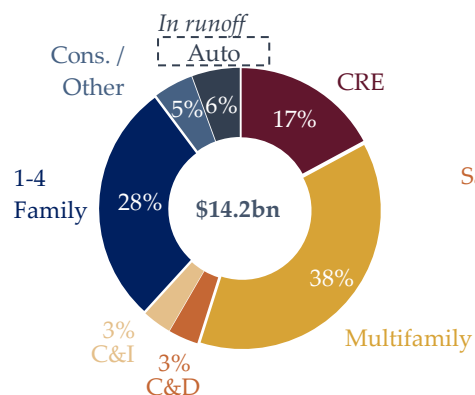
U.S. banks: 13.9%
#2 of 81

2027E:

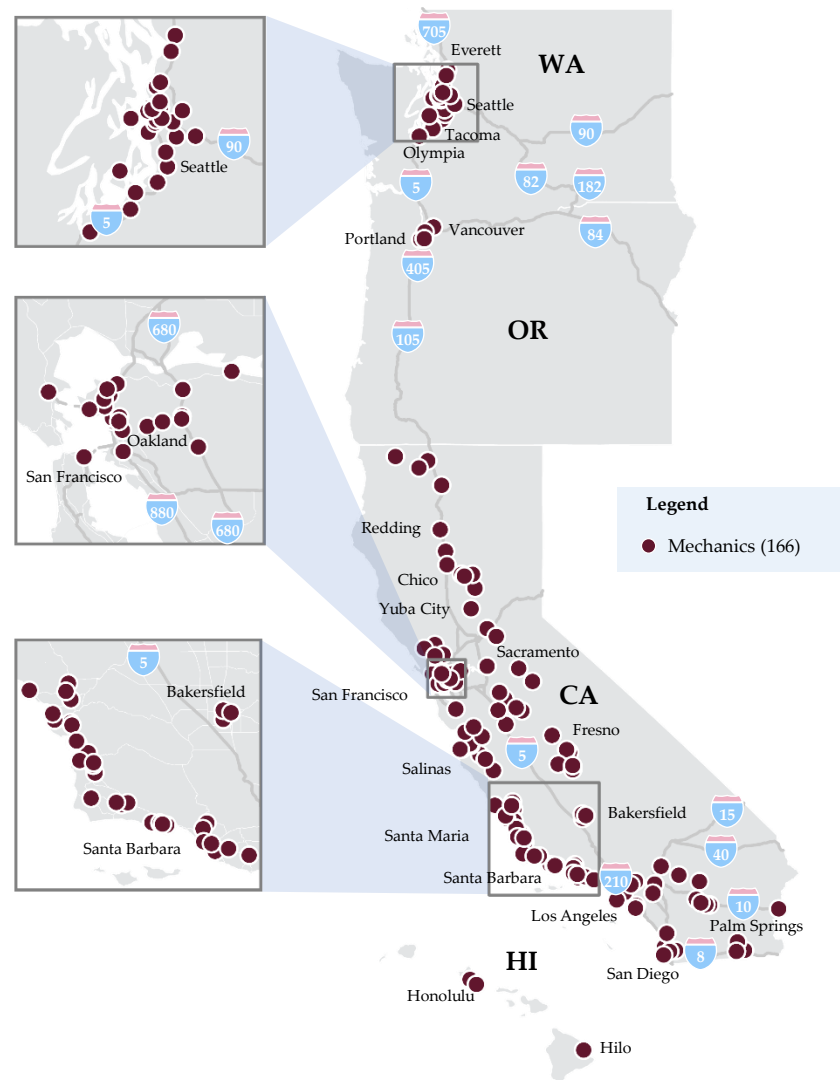
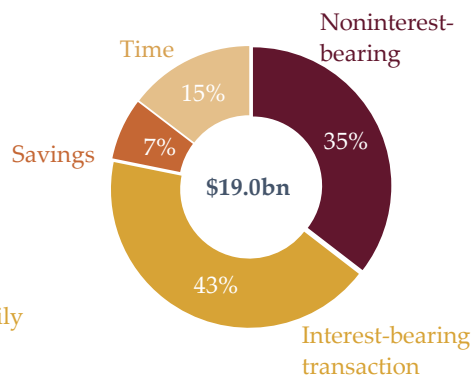
ROAA: **~1.4%**

U.S. banks: 1.23%
#23 of 81

Loans



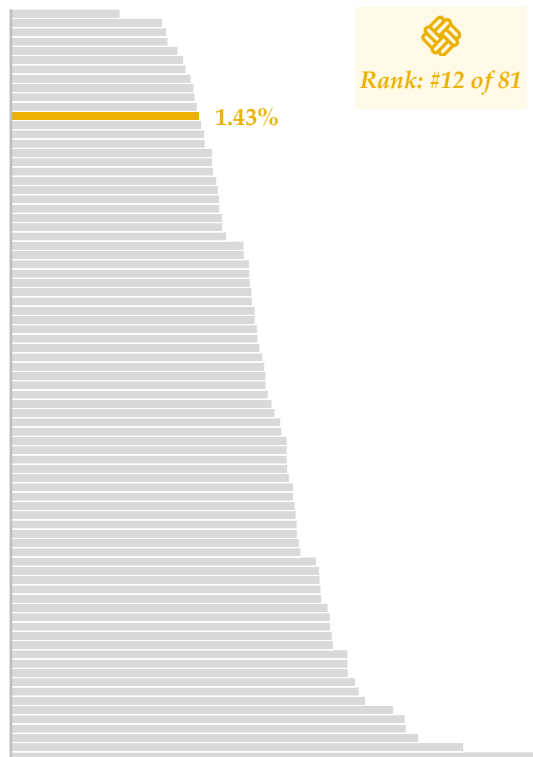
Deposits



Low-Cost Deposits Deliver Superior Returns with Low-Risk Assets

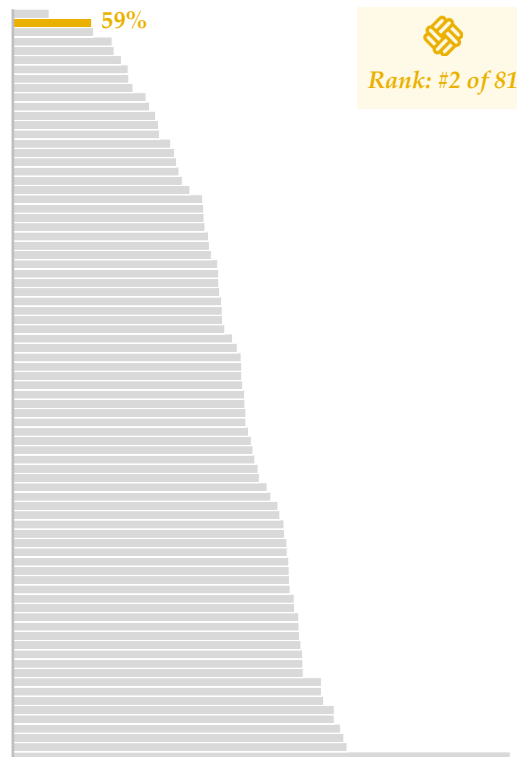
LOW-COST DEPOSIT BASE

Cost of Deposits of \$10–100bn U.S. public banks



LOW-RISK ASSET STRATEGY

RWA / Assets of \$10–100bn U.S. public banks



SUPERIOR RISK-ADJUSTED RETURNS

Creates substantial capacity to deploy capital

< 50%
Q4'26 and 2027E Efficiency Ratio

~1.4%
Q4'26 and 2027E ROAA

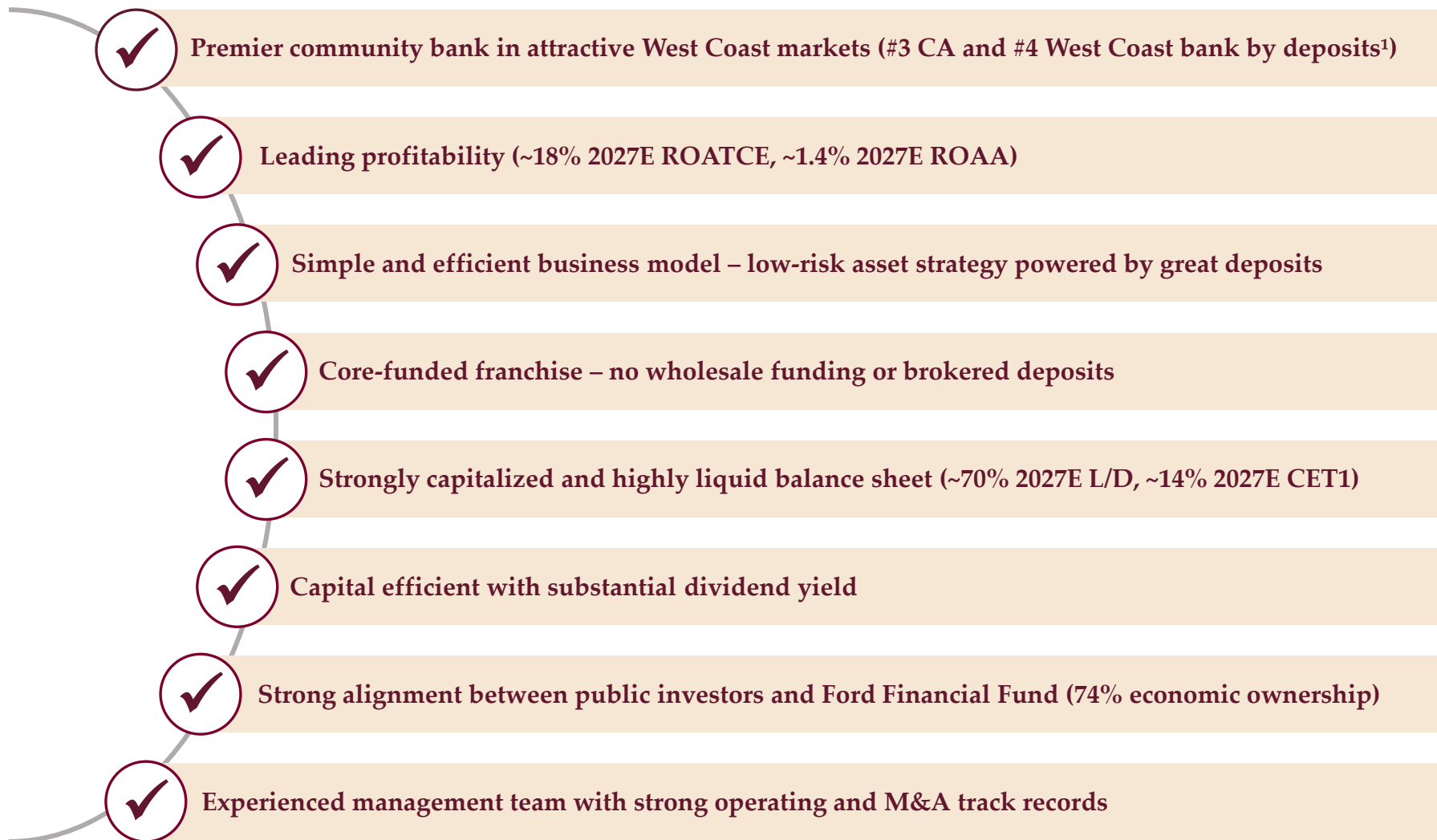
~18%
Q4'26 and 2027E ROATCE

> \$300mm
2027E GAAP Earnings

Substantial Dividends¹
>100% 2026 payout ratio and
>80% 2027E+ payout ratio expected

Exceptional funding base and enterprise efficiency results in leading performance and capital returns despite low-risk asset strategy

Compelling Investment Thesis



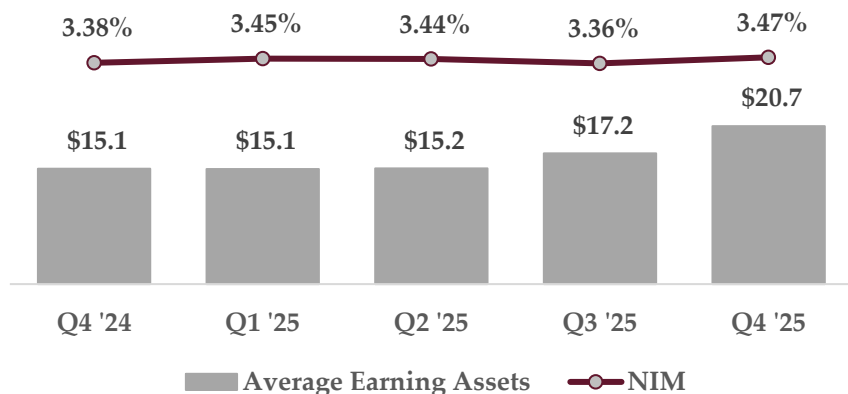
Fourth Quarter 2025 Financial Drivers



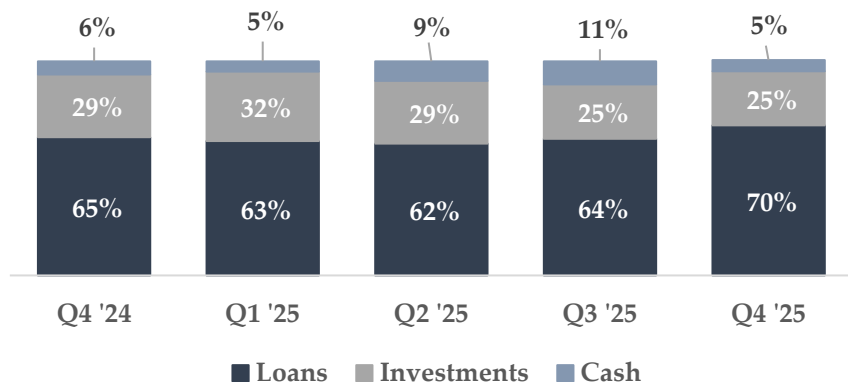
Net Interest Income & Margin

Average Earning Assets and NIM Trends

(\$ in billions)



Average Earning Assets Mix Trend



* Investments includes Securities and FHLB stock and other investments

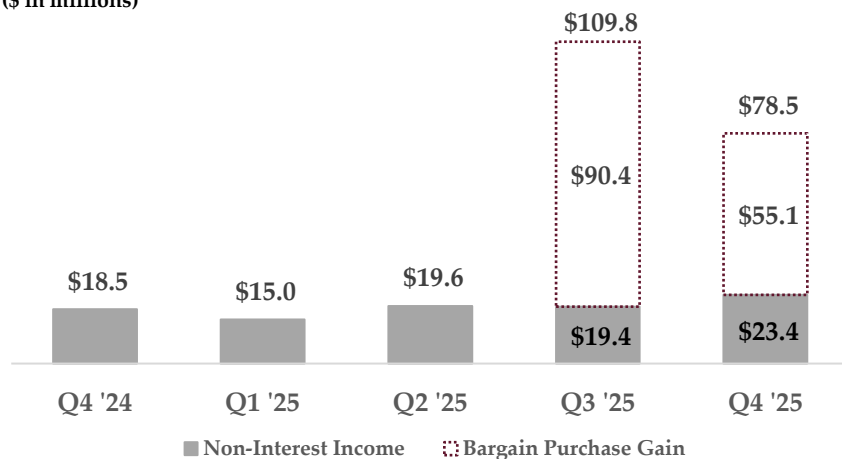
Key Highlights

- Q4'25 net interest income increased \$35.8 million, or 24.6%, to \$181.5 million from \$145.7 million for Q3'25
- Net interest margin increased 11 bps during the fourth quarter, driven primarily from higher loan yields on Multifamily and SFR loans acquired from HomeStreet and lower cost of deposits from \$603 million of high-cost CD run-off and the impact of recent Fed rate cuts
- Q4'25 interest income included \$13.1 million of discount accretion on the loans acquired in the HomeStreet acquisition (~\$162 million of remaining discount on acquired HomeStreet loans at 12/31/2025)
- In Q4'25 the Bank early adopted ASU 2025-08 retroactively which resulted in the elimination of the credit mark on the non PCD acquired loans and established the corresponding ACL in purchase accounting
- Earning asset mix shift was due to lower cash balances from CD outflows and investment purchases

Non-Interest Income

Non-Interest Income Trend

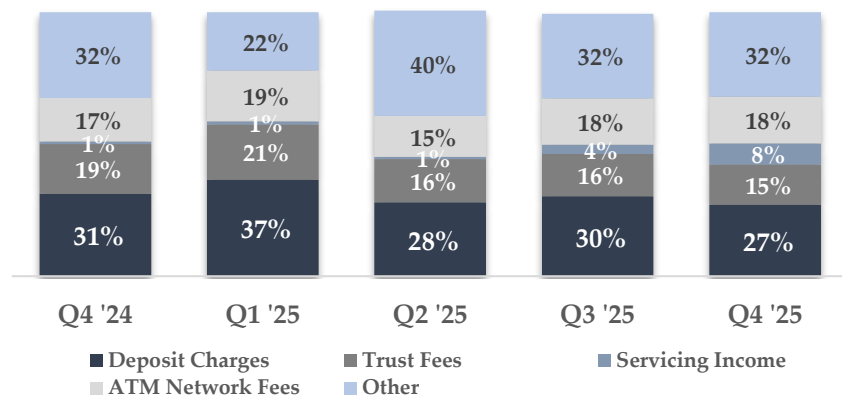
(\$ in millions)



Key Highlights

- Q4'25 non-interest income decreased \$31.3 million, or 28.5%, to \$78.5 million from \$109.8 million in Q3'25
- Q4'25 includes an adjustment to the bargain purchase gain recognized on the HomeStreet acquisition of \$55.1 million as a result of writing up the intangible asset associated with the DUS business line
- Remaining increase was due to the full quarter impact of legacy HomeStreet's non-interest income (gain on sale of loans, servicing income, service charges, etc.)
- Q3'25 included the initial bargain purchase gain recognized of \$90.4 million

Non-Interest Income Mix (ex Bargain Purchase Gain)

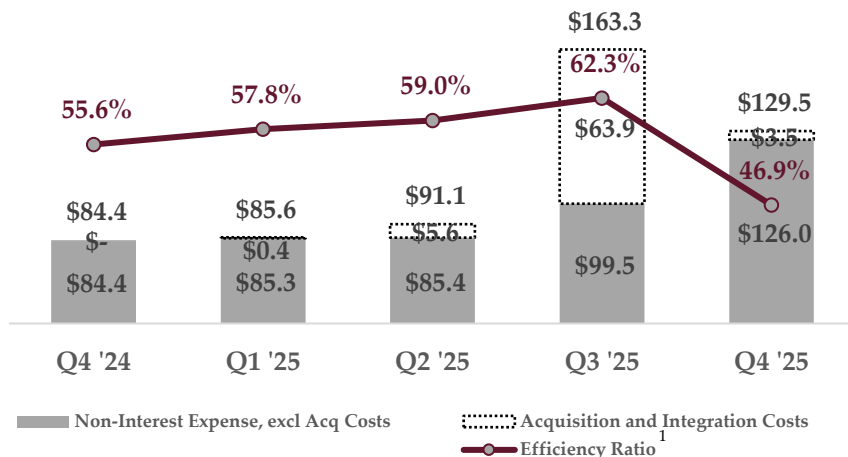


*Other includes income from bank-owned life insurance and other income

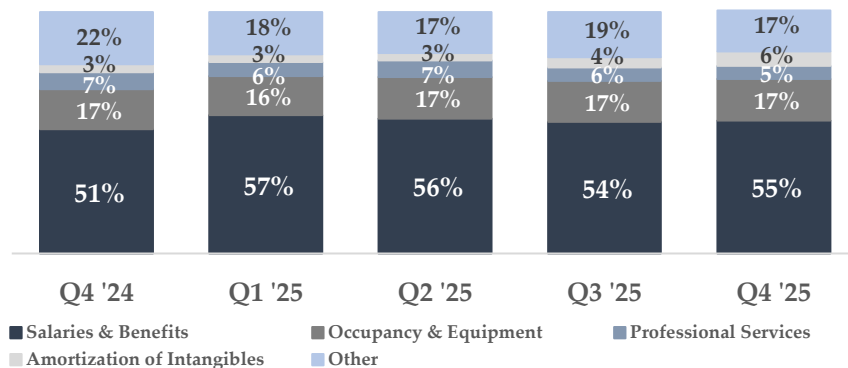
Non-Interest Expense

Non-Interest Expense Trend

(\$ in millions)



Non-Interest Expense (ex Acquisition and Integration Costs)



*Other includes FDIC assessments and regulatory fees, data processing, loan related, marketing and advertising, other real estate owned related and other expense

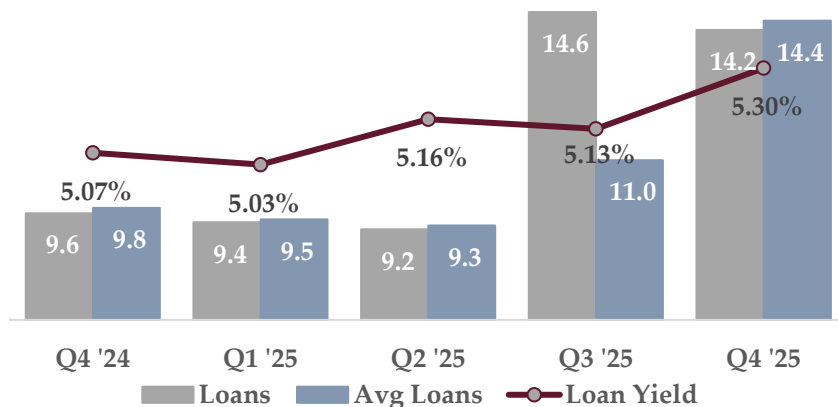
Key Highlights

- Q4'25 non-interest expense decreased \$33.8 million, or 20.7%, to \$129.5 million from \$163.3 million in Q3'25
- Merger-related costs during Q4'25 were \$3.5 million, compared to \$63.9 million in Q3'25 and included severance, merger related professional services expense and termination of contract related expenses
- Excluding one-time merger-related costs, non-interest expense increased \$26.5 million during Q4'25, mainly due to full quarter impact of the operating expenses associated with Legacy HomeStreet

Loan Portfolio Overview

Loan Balance and Yield Trends

(\$ in billions)



Quarter-over-Quarter Loan Metrics

(\$ in millions)

	Q3 '25		Q4 '25	
	Balance	Avg Yield	Balance	Avg Yield
Loans HFS	55	6.60%	6	5.29%
Commercial and Industrial	547	6.76%	482	5.83%
Multifamily	5,448	4.66%	5,355	5.09%
CRE Non-owner Occupied	1,864	5.28%	1,740	5.11%
CRE Owner Occupied	709	5.52%	689	5.73%
Construction and Land	536	7.56%	494	6.39%
Residential Real Estate	3,907	4.57%	3,971	5.10%
Auto	955	6.43%	791	6.45%
Other Consumer	603	5.86%	655	5.52%
Total Loans	14,624	5.13%	14,183	5.30%

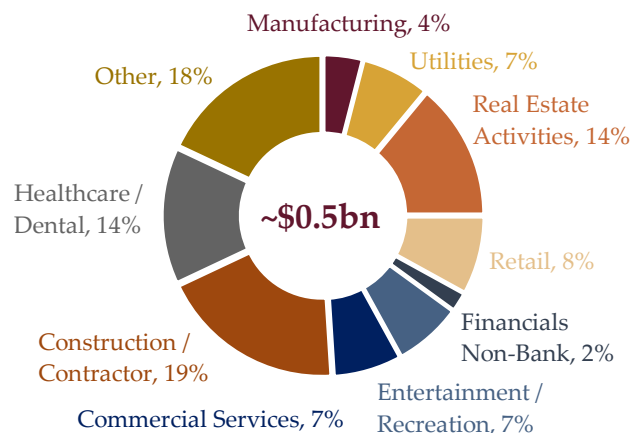
Key Highlights

- Q4'25 loan interest income increased \$50.8 million, or 35.8%, to \$192.6 million from \$141.8 million in Q3'25
- Loan yields increased 17 bps in Q4'25, driven by the full quarter impact of the loans acquired from HomeStreet
- Multifamily and SFR loan yields increased by 43 bps and 53 bps, respectively
- The Bank's CRE concentration ratio decreased to 344% in Q4'25 from 360% at the end of the Q3'25, driven by lower CRE balances
- The Bank originated \$525 million of loan commitments predominantly in SFR and Other Consumer (Inclined – loans against the cash surrender value of whole life insurance policies)
- The Bank sold \$149 million of loans during the quarter (\$39 million in UPB was Legacy HomeStreet C&I syndications sold near to par with the balance of sold loans SFR)

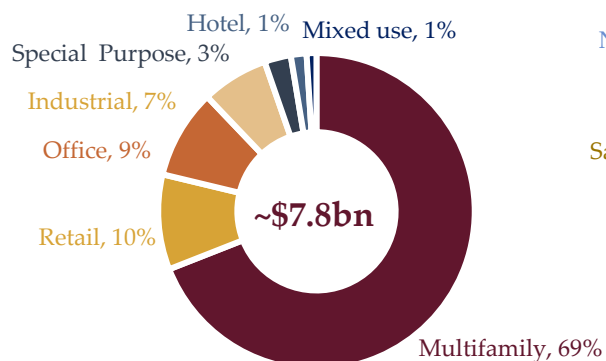
Granular, Low-Risk Commercial Lending with a Multifamily Focus

- ✓ **Mechanics Bank's commercial lending is highly granular and well-diversified across both collateral types and geography**
- ✓ **Focus on multifamily lending, with an emphasis on Southern California (53% of total multifamily)**
 - Average multifamily loan size of \$3.9 million, with average LTV¹ of 55% and average DCR² of 1.48x
- ✓ **Modest CRE concentrations in retail and office**
 - Average size of CRE retail and office loans are \$3.2 and \$2.1 million, respectively
 - Average CRE retail LTV¹ of 48% and DCR² of 1.79x; average CRE office LTV¹ of 51% and DCR² of 1.70x
- ✓ **Total CRE³ of ~\$7.8bn, with 69% in lower risk-profile multifamily loans**
 - CRE concentration of 344% as of December 31, 2025; 107% ex-multifamily
 - Seven CRE office loans totaling \$36 million in central business districts of Los Angeles, Oakland, San Francisco and Seattle
- ✓ **Realized a ~\$7mm net charge off on a Legacy HomeStreet syndicated C&I credit in Q4'25 (identified during due diligence and fully reserved for)**
 - Sold ~\$39mm in UPB (\$70mm in commitments) of Legacy HomeStreet C&I syndications at par in Q4'25
 - Will continue to reduce HomeStreet syndicated loans over time (~\$142mm in UPB at 9/30/25, ~\$76mm at 12/31/25)

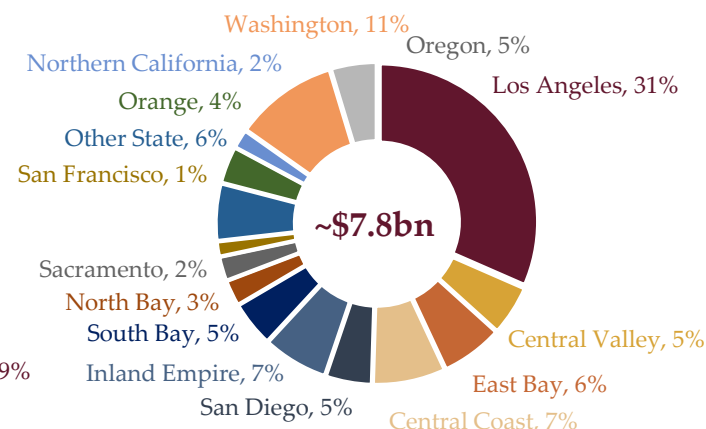
C&I breakdown: Q4'25



CRE composition: Q4'25

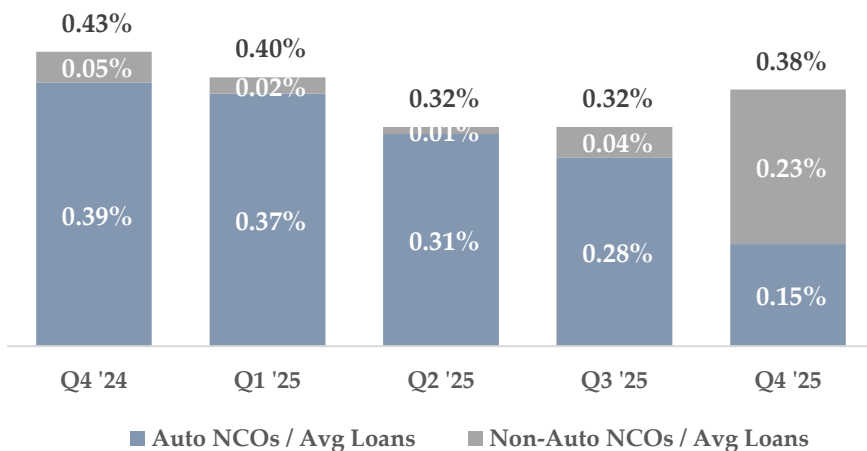


CRE geography: Q4'25



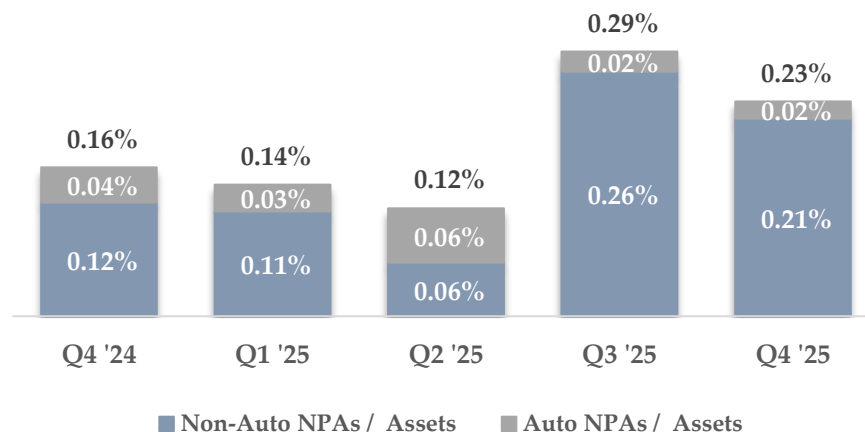
Asset Quality

NCOs / Average Loans

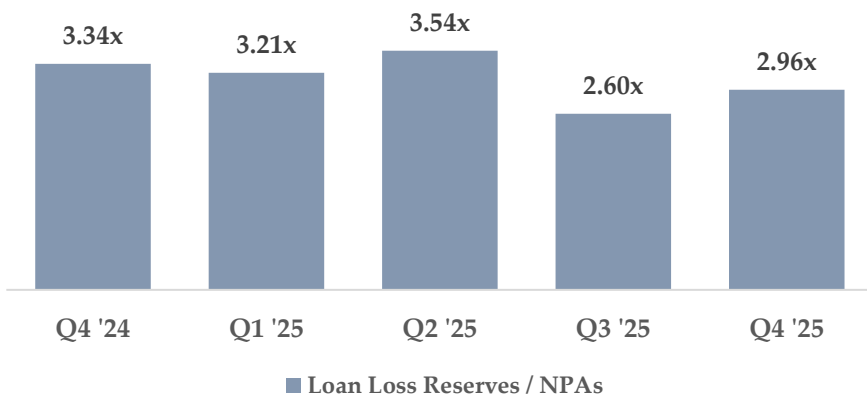


* Ratios are annualized

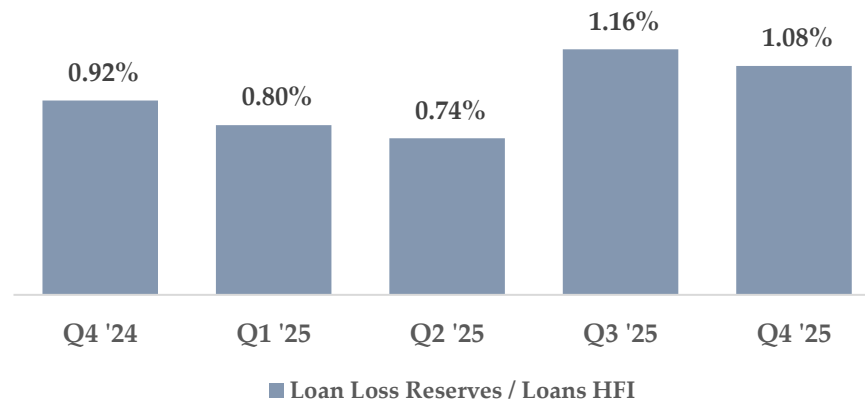
NPAs / Assets



Loan Loss Reserves / NPAs



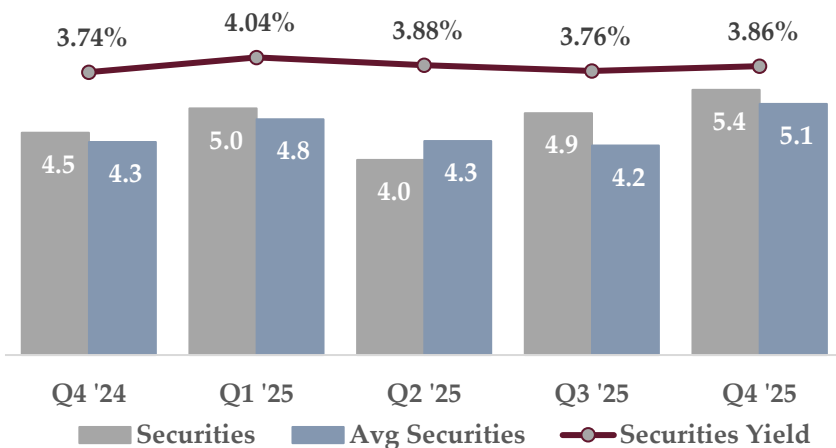
Loan Loss Reserves / Loans HFI



Securities Portfolio

Securities Balance and Yield Trends

(\$ in billions)



Key Highlights

- Q4 '25 securities interest income increased \$9.2 million, or 23%, to \$49.5 million from \$40.3 million in Q3 '25 driven by higher balances and yields
- The yield on the securities portfolio increased 10 bps due to the full quarter impact of the HMST acquired securities portfolio and recent purchases at higher yields
- The overall securities portfolio increased \$475 million during the quarter and included \$400 million of purchases of Agency CMO floaters

Quarter-over-Quarter Securities Metrics

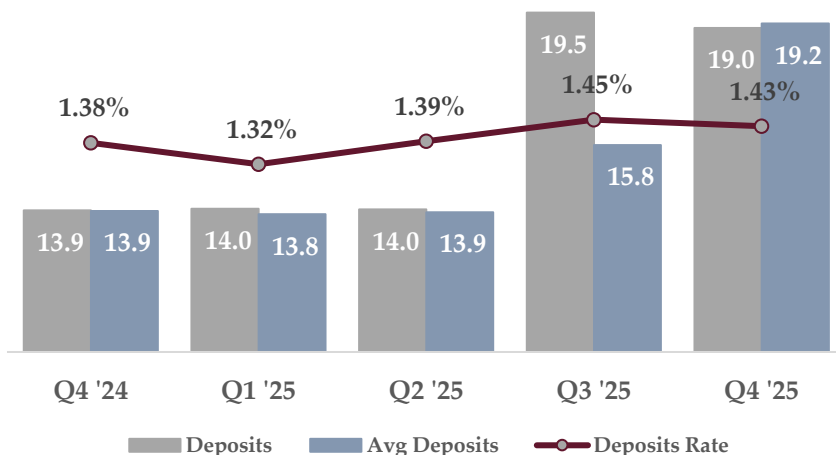
(\$ in millions)

	Q3 '25		Q4 '25	
	Balance	Avg Yield	Balance	Avg Yield
Agency MBS/CMO	3,412	3.86%	3,897	3.92%
Agency CMBS	689	2.50%	683	2.77%
Municipals	483	3.86%	484	4.12%
Corporates	53	4.73%	50	6.39%
CLOs	189	5.70%	189	5.37%
Treasuries	71	3.82%	70	3.78%
Agency Debentures	7	5.52%	7	5.03%
Total Securities	4,904	3.76%	5,380	3.86%

Deposits Overview

Deposit Balance and Cost Trends

(\$ in billions)



Quarter-over-Quarter Deposit Metrics

(\$ in millions)

	Q3 '25		Q4 '25	
	Balance	Avg Cost	Balance	Avg Cost
Noninterest-bearing Demand	6,749	-	6,744	-
Savings	1,398	0.03%	1,368	0.03%
Interest-bearing Demand	1,733	0.32%	1,878	0.62%
Money Market	6,186	3.08%	6,250	2.57%
Time Deposits	3,387	3.14%	2,785	3.28%
Total Deposits	19,453	1.45%	19,025	1.43%

Key Highlights

- Q4 '25 deposit interest expense increased \$11.5 million, or 20.0%, to \$69.0 million from \$57.5 million for Q3 '25 driven by higher average balances from the HomeStreet merger
- Cost of deposits decreased 2 bps in Q4 '25, driven by lower money market costs and Legacy HomeStreet Time Deposit run-off
- Deposit balances decreased \$428 million during the fourth quarter, driven by \$603 million of Time Deposit run-off, offset by \$210 million of growth in Interest-Bearing Demand and Money Market
- Spot cost of deposits at 12/31/2025 was 1.30% (see next page for a detailed stratification)

Details on Mechanics Bank Deposits at 12/31/2025

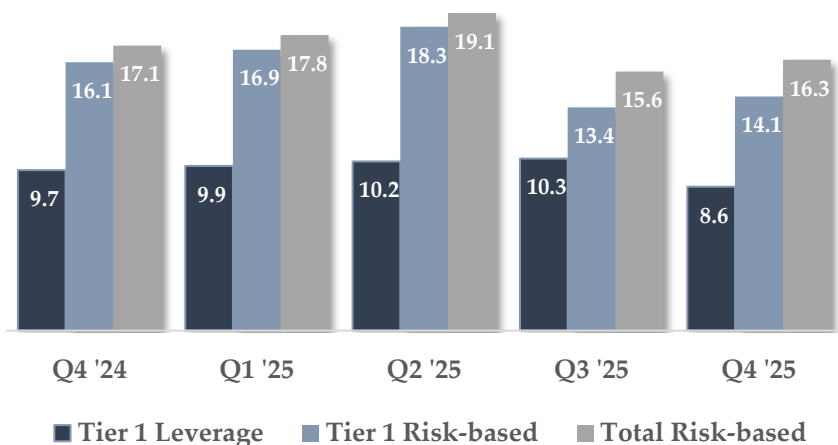
Mechanics Bank Deposits

(\$ in millions, except account data)

Segment	Number of Accounts	Deposit Balance (\$)	Deposit Balance (%)	Avg Account Size (\$)	Relationship Weighted Age (yrs)	Cost ¹ (%)
Consumer	368,678	\$ 9,680	51%	\$ 26,256	17.9	1.35%
Business	70,441	8,027	42%	113,956	16.6	1.04%
Public	1,145	1,318	7%	1,151,038	27.7	2.43%
Total	440,264	\$ 19,025	100%	\$ 43,213	18.0	1.30%

Capital and Liquidity Update

Capital Ratios Trend (%)



Key Highlights

- Mechanics Bank's capital ratios exceed minimums to be "well-capitalized" and meet all regulatory capital requirements and internal policy limits
- Available liquidity totaled approximately \$17.0 billion at 12/31/25, an increase of \$2.2 billion relative to 9/30/25 as additional acquired assets from HomeStreet have been pledged to the FHLB and FRB

Available Funding Capacity Trend

(\$ in billions)

	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25
Excess Reserves at FRB	0.8	0.6	1.9	1.2	0.8
FHLB, FRB & Other borrowing lines	10.4	12.1	10.6	13.2	15.8
Other Unencumbered Securities	1.8	0.5	0.7	0.4	0.4
Total	\$ 13.0	\$ 13.2	\$ 13.2	\$ 14.8	\$ 17.0

Appendix



Details on Mechanics Bank Standalone CRE Portfolio

CRE by collateral (\$mm)

Collateral Type	Balance	% of Owner-occupied	LTV ¹	Avg Size	Total classified	Non-owner classified	Owner classified	Total NPL
Multifamily	\$5,355	0%	55%	\$3.9	\$119	\$0	\$0	\$4
Retail	758	10%	48%	3.2	14	13	1	0
Office	710	22%	51%	2.1	58	55	2	13
Industrial / Warehouse	531	40%	45%	2.0	4	3	1	1
Special Purpose	223	62%	44%	2.4	12	0	12	0
Hotel / Motel	127	1%	48%	4.2	14	14	1	0
Mixed Use	81	19%	42%	1.4	0	0	0	0
Total	\$7,785	8%	53%	\$3.2	\$221	\$85	\$17	\$18

CRE by collateral and origination vintage (\$mm)

<u>Collateral Type</u>	<u>Balance</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 or earlier</u>
Multifamily	\$5,355	1%	3%	8%	42%	23%	11%	12%
Retail	758	1%	1%	1%	11%	5%	3%	78%
Office	710	1%	0%	1%	18%	10%	4%	66%
Industrial / Warehouse	531	3%	3%	2%	22%	11%	10%	49%
Special Purpose	223	1%	0%	5%	27%	6%	4%	57%
Hotel / Motel	127	0%	0%	9%	4%	21%	0%	66%
Mixed Use	81	0%	0%	2%	3%	0%	7%	88%
Total	\$7,785	1%	2%	6%	34%	18%	9%	30%

Source: Mechanics management; Note: Financial data as of December 31, 2025; ¹ LTV defined as current loan balance divided by most recent appraisal

Details on Mechanics Bank Standalone CRE Portfolio (cont'd)

CRE by collateral and reset/maturity (\$mm)

Collateral Type	Balance	Balance maturing next 24 months	Rate resets next 24 months	Maturing & rate reset % of loans
Multifamily	\$5,355	\$83	\$953	19%
Retail	758	313	78	52%
Office	710	243	59	43%
Industrial / Warehouse	531	93	101	36%
Special Purpose	223	31	52	37%
Hotel / Motel	127	88	8	75%
Mixed Use	81	37	2	48%
Total	\$7,785	\$888	\$1,253	28%

CRE by loan size and collateral (\$mm)

Collateral Type	Multifamily	Retail	Office	Industrial	Special Purpose	Hotel/Motel	Mixed Use	Total
Greater than \$20MM	\$719	\$21	\$45	\$20	\$41	\$0	\$0	\$846
\$10MM - \$20MM	1,337	208	189	88	39	49	0	1,910
\$5MM - \$10MM	1,196	239	184	124	60	49	28	1,880
\$1MM - \$5MM	1,977	254	217	242	63	26	38	2,817
Less than \$1MM	126	36	75	57	20	3	15	332
Total	\$5,355	\$758	\$710	\$531	\$223	\$127	\$81	\$7,785
Count	1,379	238	338	267	94	30	60	2,406
Average size	\$3.9	\$3.2	\$2.1	\$2.0	\$2.4	\$4.2	\$1.4	\$3.2

Source: Mechanics management; Note: Financial data as of December 31, 2025

Non-GAAP Financial Measures and Reconciliations

Return on Average Equity and Return on Average Tangible Equity

(\$ in thousands)

Return on Average Equity and Return on Average Tangible Equity	Ref	Quarter Ended		
		December 31, 2025	September 30, 2025	December 31, 2024
Net Income	(a)	\$ 124,302	\$ 55,161	\$ 51,663
Add: intangibles amortization, net of tax ¹		5,442	3,040	1,961
Net income, excluding the impact of intangible amortization, net of tax	(b)	\$ 129,744	\$ 58,201	\$ 53,624
Average Shareholders' Equity	(c)	\$ 2,792,310	\$ 2,541,917	\$ 2,297,176
Less: average goodwill and other intangible assets		984,105	912,679	883,522
Average tangible shareholders' equity	(d)	\$ 1,808,205	\$ 1,629,238	\$ 1,413,654
Return on average equity ²	(a)/(c)	17.7%	8.6%	8.9%
Return on average tangible equity (non-GAAP) ²	(b)/(d)	28.5%	14.2%	15.1%

¹ Estimated statutory tax rate of 27.25 for quarter ended December 31, 2025, and 28.5% for all other periods

² Ratios are annualized

Non-GAAP Financial Measures and Reconciliations (cont'd)

Efficiency Ratio

(\$ in thousands)

Efficiency Ratio	Ref	Quarter Ended		
		December 31, 2025	September 30, 2025	December 31, 2024
Noninterest expense	(e)	\$ 129,510	\$ 163,329	\$ 84,449
Less: intangibles amortization		7,479	4,251	2,742
Noninterest expense, excluding the impact of intangible amortization	(f)	\$ 122,031	\$ 159,078	\$ 81,707
Net interest income	(g)	181,465	145,670	128,400
Noninterest income	(h)	78,521	109,778	18,535
Efficiency ratio (unadjusted)	(e)/(g+h)	49.8%	63.9%	57.5%
Efficiency ratio (non-GAAP)	(f)/(g+h)	46.9%	62.3%	55.6%

Non-GAAP Financial Measures and Reconciliations (cont'd)

Book Value and Tangible Book Value Per Share

(\$ in thousands, except shares and per share data)

Book Value and Tangible Book Value Per Share	Ref	As of		
		December 31, 2025	September 30, 2025	December 31, 2024
Total shareholders' equity	(i)	\$ 2,862,375	\$ 2,774,134	\$ 2,301,868
Less: goodwill and other intangible assets		1,055,796	986,569	882,049
Total tangible shareholders' equity	(j)	\$ 1,806,579	\$ 1,787,565	\$ 1,419,819
Common shares outstanding-Class A and B	(k)	221,305,009	221,203,135	201,999,328
Common shares outstanding-Class A		220,190,561	220,088,687	200,884,880
Common shares outstanding-Class B-adjusted		11,144,480	11,144,480	11,144,480
Shares outstanding at period end-adjusted ¹	(l)	231,335,041	231,233,167	212,029,360
Book value per share	(i)/(k)	\$ 12.93	\$ 12.54	\$ 11.40
Tangible book value per share (non-GAAP)	(j)/(l)	\$ 7.81	\$ 7.73	\$ 6.70

¹ Includes 11,144,480 Class A Shares issuable upon the conversion of 1,114,448 Class B Shares outstanding. Class B Shares also are treated as if such share had been converted into ten Class A Shares for purposes of calculating the economic rights of the Class B Shares, including upon liquidation of the Company or the declaration of dividends or distributions by the Company.

Non-GAAP Financial Measures and Reconciliations (cont'd)

Common Equity Ratio and Tangible Common Equity Ratio

(\$ in thousands)

Common Equity Ratio and Tangible Common Equity Ratio	Ref	As of		
		December 31, 2025	September 30, 2025	December 31, 2024
Total shareholders' equity	(m)	\$ 2,862,375	\$ 2,774,134	\$ 2,301,868
Less: goodwill and other intangible assets		1,055,796	986,569	882,049
Total tangible shareholders' equity	(n)	\$ 1,806,579	\$ 1,787,565	\$ 1,419,819
Total assets	(o)	\$ 22,351,475	\$ 22,708,820	\$ 16,490,112
Less: goodwill and other intangible assets		1,055,796	986,569	882,049
Total tangible assets	(p)	\$ 21,295,679	\$ 21,722,251	\$ 15,608,063
Common equity ratio	(m)/(o)	12.81%	12.22%	13.96%
Tangible common equity ratio (non-GAAP)	(n)/(p)	8.48%	8.23%	9.10%

Non-GAAP Financial Measures and Reconciliations (cont'd)

Core Net Income

(\$ in thousands)

Core Net Income	Ref	Quarter Ended December 31, 2025		
		As Reported	Non-Core Adjustments	Core Net Income
Net Interest Income before Provision		\$ 181,465	\$ -	\$ 181,465
Provision / (Reversal of Provision) ¹		(23,476)	(20,206)	(3,270)
Net Interest Income After Provision		204,941	20,206	184,735
Non-Interest Income ²		78,521	55,097	23,424
Non-Interest Expense ³		129,510	3,507	126,003
Pre-Tax Income		153,952	71,796	82,156
Taxes ⁴		29,650		22,388
Net Income	(a)	\$ 124,302		\$ 59,768
Add: intangibles amortization, net of tax ⁵		5,442		5,442
Net income, excluding the impact of intangible amortization, net of tax	(b)	129,744		65,210
Average Assets	(c)	22,433,839		22,433,839
Average tangible shareholders' equity	(d)	1,808,205		1,808,205
Return on average assets ⁵	(a)/(c)	2.20%		1.06%
Return on average tangible equity (non-GAAP) ⁵	(b)/(d)	28.5%		14.3%

¹ \$20.2mm double-count provision adjustment. ² \$55.1mm bargain purchase gain. ³ \$3.5mm one-time merger expenses.

⁴ Non-core adjustments and core net income reflect estimated statutory tax rate of 27.25%. ⁵ Ratios are annualized