



April 1, 2024

Dear Fellow Shareholder,

We are very pleased to report our 2023 financial results for Mountain Pacific Bancorp. This was a very strong year for the Bank as we successfully managed through the challenges of rapidly rising interest rates, heightened inflation, and industry turmoil.

There are a few key developments we would like to highlight:

- ✦ Mountain Pacific Bank has once again been honored with a "5 Stars – Superior" rating by Bauer Financial, the premier bank-rating organizations.
- ✦ We are excited to announce we will be opening in Q2 our fifth branch in Bellingham's Barkley Village neighborhood, marking a significant expansion of our footprint from Seattle to the Canadian Border.
- ✦ In 2025, we will be relocating our Ballard Branch to the former Crown Hill branch of Bank of America at 8550 15th Ave. NW, enhancing accessibility and convenience for our customers.
- ✦ We continue to grow the offerings of Mountain Pacific Insurance Services and now provide Medicare Advantage, Group Health Insurance, and specialty insurance lines through Lloyds of London, including private flood insurance.

In 2023 Mountain Pacific Bancorp again recorded record earnings. Our net income increased to \$9.0 million, a 17.7% increase from 2022. Moreover, our net operating income per diluted common share increased by 16.7% to \$1.33.

Financial Highlights for 2023:

- ✦ Total assets reached \$677.1 million.
- ✦ Total loans ended the year at \$563.6 million.
- ✦ Total deposits stood at \$535.4 million.
- ✦ Net income before income taxes totaled \$11.3 million compared to \$9.6 million in 2022.
- ✦ We achieved a Return on Average Assets (ROA) of 1.44% and a Return on Average Equity (ROE) of 14.6%.

Furthermore, Mountain Pacific Bank concluded 2023 with a Tier 1 Capital Ratio of 12.4%, well above the regulatory threshold of 6.0% for being considered well-capitalized bank.

We would like to acknowledge and thank our dedicated employees who were instrumental in our success during this challenging year.



As we navigate through the coming year, we are committed to delivering exceptional customer service and strong financial performance. We anticipate ongoing consolidation in the banking industry, presenting us with opportunities to acquire top talent, gain new customer relationships, and explore potential new markets.

Please visit our website, where you can access our 2023 Annual Report at <https://mp.bank/investor-relations/>. Should you prefer a physical or electronic copy, please do not hesitate to contact us, and we will send you a copy.

We invite you to join us for our Annual Shareholders Meeting scheduled for Wednesday, May 1, 2024, at 6 p.m. The meeting will take place at the Everett Golf & Country Club, located at 1500 52nd Street SE, Everett, Washington. Enclosed, you will find information regarding the meeting, along with a Proxy form. We request that you please complete, sign, and return the enclosed Proxy.

To our valued customers, we extend our sincere appreciation for your continued trust and support. If you are not a customer, we encourage you to consider Mountain Pacific Bank for your banking needs and we welcome your referrals of friends and family.

Should you have any inquiries or require further assistance, please feel free to contact me directly at (425) 263-3524.

With appreciation,

Rick Pedack
Chairman
Mountain Pacific Bancorp

Mark Duffy
President
Mountain Pacific Bancorp

Enclosures

This document contains forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations, the ability to attract and retain customers and key employees, general economic conditions, and competition within the business areas in which Mountain Pacific is conducting its operations. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. Mountain Pacific undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. This statement is included for the express purpose of the safe harbor provisions of the 1995 Private Securities Litigation Reform Act.