



HERITAGE OAKS BANK

HERITAGE OAKS BANK-MISSION COMMUNITY BANK CUSTOMER FAQs

Q: WHAT IS THE CURRENT STATE OF THE MERGER?

A: On February 28, 2014, the merger of Heritage Oaks Bank (HOB) and Mission Community Bank (MCB) was completed.

All regulatory approvals were received, and the boards of directors and shareholders of HOB and MCB approved the merger. The transaction was consummated at the close of business on Friday, February 28, 2014. All Mission Community Bank branches opened as branches of Heritage Oaks Bank on Monday, March 3, 2014.

Effective at close of business July 18, 2014, former MCB accounts will be transitioned over to HOB products, services and pricing. All former MCB customers received a merger guide mailed in June describing these changes. If you would like a copy of this guide, please contact your local branch or call us at 805-369-5200 or 800-795-2524.

Q: HOW WILL THIS MERGER BENEFIT ME?

A: The merger is now complete. The combined bank provides outstanding service, a wider array of products and services at competitive prices, and continues to be locally managed. HOB has assets of approximately \$1.6 billion and remains headquartered on the Central Coast. The merged bank will continue to be actively involved in the communities we serve, which has been one of the hallmarks of both HOB and MCB. As a customer, you will enjoy the convenient benefits of a large bank such as access to iPhone and Android mobile banking apps and expanded business cash management services, combined with the personalized attention and local decision-making you can only get from a local community bank. Heritage Oaks Bank is a stable, well-capitalized organization that has earned a coveted 5-star "Superior" rating from Bauer Financial, a leading independent bank ratings agency.

Q: I WAS A MISSION COMMUNITY BANK CUSTOMER—WHEN WILL I BE ABLE TO USE HERITAGE OAKS BANK'S SERVICES?

A: You are now a Heritage Oaks Bank customer; all MCB accounts have become HOB accounts. Effective at close of business July 18, 2014, former MCB accounts will be transitioned over to the HOB products, services and pricing. All former MCB customers received a merger guide mailed in June describing these changes. If you would like a copy of this guide, please contact your local branch or call us at 805-369-5200 or 800-795-2524.

Q: WILL MY RATES, FEES AND CHARGES CHANGE?

A: Effective at close of business July 18, 2014, former MCB accounts will be transitioned over to the HOB products, services and pricing. All former MCB customers received a merger guide mailed in June describing these changes. If you would like a copy of this guide, please contact your local branch or call us at 805-369-5200 or 800-795-2524.



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Q: WHAT WILL HAPPEN WITH MY ACCOUNT NUMBERS?

A: Effective at close of business July 18, 2014, former MCB accounts will be transitioned over to the HOB products, services and pricing. For now, you can continue to use your current MCB checks and MCB debit card. All former MCB customers received a merger guide mailed in June describing these changes and the adjustments that are being made to former MCB account numbers. If you would like a copy of this guide, please contact your local branch or call us at 805-369-5200 or 800-795-2524.

Q: WHEN CAN I USE EITHER BANK TO TRANSACT ALL OF MY BANKING BUSINESS?

A: You may now conduct transactions at any HOB or former MCB branch, regardless of which bank you have had your accounts with. After July 21, 2014 you will also be able to use either bank's ATMs for all ATM transactions including cash withdrawals, transfers, deposits, and balance inquiries.

Q: WILL ANY BRANCHES BE CLOSED AND IF SO, WHICH ONES?

A: Heritage Oaks Bank currently has 17 full-service branches in San Luis Obispo and Santa Barbara Counties and three Loan Production Offices (LPOs) in Oxnard and Goleta. During the summer of 2014, we plan to reduce the 17 branches to 11 and the three LPOs will be combined into two, one each in Goleta and Oxnard. We will notify customers in writing at least 90 days before a specific branch consolidation happens.

There are some areas where HOB and former MCB branches are located within 1.5 miles of each other, including one branch from each bank in Paso Robles, San Luis Obispo, Arroyo Grande, and Atascadero and two branches of Heritage Oaks and one Mission Community branch that are very close together in Santa Maria, for a total of 11 branches that are in relatively close proximity to each other. The 11 branches will be reduced to five branches during the summer of 2014. After the branch consolidations are complete, in addition to the two loan production offices, there will be 11 HOB branches throughout the tri-counties including two branches each in Paso Robles and San Luis Obispo and one branch each in Santa Maria, Arroyo Grande, Atascadero, Templeton, Cambria, Morro Bay, and Santa Barbara.

Customers are now able to use any HOB or former MCB branch to conduct transactions.

Q: AS A RESULT OF THE MERGER, WHAT WILL HAPPEN WITH THE EMPLOYEES?

A: When two banking organizations merge, there are many overlapping locations, and job functions and workforce reductions are an unfortunate result. We have done everything possible to handle the human impact in a respectful way by giving affected employees considerable advance notice, a generous severance package and opportunities to apply for new positions in the organization. By the end of September 2014, we anticipate a total workforce reduction of about 65 positions or approximately 20% of the combined team. Everyone whose position is subject to elimination as a result of the merger has been notified. The reductions will take place in phases. We expect that some of the eliminated



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positions will be resolved through normal attrition. We're doing everything possible to help people transition through this process including generous severance packages and offering job search skills including resume writing, interview skills, and more.

If you have questions, please don't hesitate to ask your branch or relationship manager. Thank you for your patience and your business.