



**FIVE STAR BANCORP**

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# Investor Presentation

April/May 2021

# Safe Harbor Statement and Disclaimer

## Notice to and Undertaking by Recipients

Five Star Bancorp ("Five Star," the "Company," "we" or "us") has filed a registration statement on Form S-1 (including a prospectus, which is preliminary and subject to completion) with the U.S. Securities and Exchange Commission ("SEC") for the offering to which this presentation relates. Before you invest in any securities, you should read the prospectus in that registration statement and the other documents the Company has filed with the SEC for more complete information about the Company and the offering. You may obtain the documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Company, any underwriter, or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting Keefe, Bruyette & Woods, Inc., toll-free at (800) 966-1559 or by emailing [USCapitalMarkets@kbw.com](mailto:USCapitalMarkets@kbw.com). This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities of the Company, nor shall there be any sale of such securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This presentation has been prepared by us solely for informational purposes based on our own information, as well as information from public and industry sources.

Neither the SEC nor any other regulatory agency has approved or disapproved of our securities or passed upon the accuracy or adequacy of this presentation. Any representation to the contrary is a criminal offense.

## Forward-Looking Statements

This presentation contains, and future oral and written statements by us and our management may contain, forward-looking statements. These forward-looking statements represent plans, estimates, objectives, goals, guidelines, expectations, intentions, projections, and statements of our beliefs concerning future events, business plans, objectives, expected operating results, and the assumptions upon which those statements are based. Forward-looking statements include without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and are typically identified with words such as "may," "could," "should," "will," "would," "believe," "anticipate," "estimate," "expect," "aim," "intend," "plan," or words or phrases of similar meaning. We caution that the forward-looking statements are based largely on our expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors which are, in many instances, beyond our control. Such forward-looking statements are based on various assumptions (some of which may be beyond our control) and are subject to risks and uncertainties, which change over time, and other factors which could cause actual results to differ materially from those currently anticipated.

New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us. If one or more of the factors affecting our forward-looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements contained in this presentation. Therefore, we caution you not to place undue reliance on our forward-looking information and statements. We disclaim any duty to revise or update the forward-looking statements, whether written or oral, to reflect actual results or changes in the factors affecting the forward-looking statements, except as specifically required by law. You should read carefully our "Cautionary Note Regarding Forward-Looking Information" and the factors described in the "Risk Factors" section of our registration statement to better understand the risks and uncertainties inherent in our business.

## Industry Information

This presentation includes statistical and other industry and market data that we obtained from government reports and other third-party sources. Our internal data, estimates, and forecasts are based on information obtained from government reports, trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. Although we believe that this information (including the industry publications and third party research, surveys, and studies) is accurate and reliable, we have not independently verified such information. In addition, estimates, forecasts and assumptions are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. Finally, forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this presentation.

## Non-GAAP Financial Measures

We present adjusted operating revenue; pre-tax, pre-provision net earnings; net tangible book value per share; and tangible shareholders' equity to tangible assets to help us describe our operating performance. Our presentation of these non-GAAP measures is intended as a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures should not be considered as an alternative to performance measures derived in accordance with U.S. GAAP. Our presentation of these non-GAAP measures should not be construed to imply that our future results will be unaffected by these items. See the appendix to this presentation for a reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures.

## March 31, 2021

Numbers contained in this presentation for the quarter ended March 31, 2021 are preliminary and unaudited. As a result, subsequent information may cause a change in certain accounting estimates and other financial information, including the Company's allowance for loan losses, fair values, and income taxes.

# Offering Summary

Issuer	Five Star Bancorp
Exchange / Ticker	NASDAQ Global Select / FSBC
Base Shares Offered	5,265,000
Underwriters' Option	15%
Filing Range	\$18.00 - \$20.00
Base Offering Size <sup>(1)</sup>	Approximately \$100 million (prior to underwriters' option)
Use of Proceeds	To (i) fund a cash distribution to our existing shareholders and (ii) increase the capital of the Bank in order to support our organic growth strategies, including expanding our overall market share, to strengthen our regulatory capital and for working capital, and other general corporate purposes
Lock-Up	180 days for executive officers, directors, and +4% shareholders
Bookrunner	Keefe, Bruyette & Woods, A Stifel Company
Co-Managers	Stephens Inc. and D.A. Davidson & Co.
Expected Pricing Date	May 4 <sup>th</sup> , 2021



(1) Assumes midpoint of the filing range.

# Today's Presenters



**James Beckwith**  
*President and Chief Executive Officer*

- Joined the Company in 2003
- Currently the Chair-Elect of the Western Bankers Association
- Previously served as CFO, CCO, and COO at National Bank of the Redwoods in Santa Rosa, CA



**Heather Luck**  
*Senior Vice President and Chief Financial Officer*

- Joined the Company in 2018 as Vice President/Director of Finance and has served as CFO since February 2021
- Previously served as a manager in assurance services at Ernst & Young from 2010-2017



**John W. Dalton**  
*Senior Vice President and Chief Credit Officer*

- Joined the Company in 2011
- Has more than 41 years of experience in the lending and banking industry



**Mike E. Lee**  
*Senior Vice President and Chief Regulatory Officer*

- Joined the Company in 2005
- Served as the Company's Chief Financial Officer and Chief Credit Officer prior to his current role
- Previously worked at the FDIC



**Michael A. Rizzo**  
*Senior Vice President and Chief Banking Officer*

- Joined as Senior Vice President & Business Development Officer in 2005
- Helped establish the Company's business banking practice
- Manages the team of Business Development Officers



**Shelley R. Wetton**  
*Senior Vice President and Chief Marketing Officer*

- Previously served as Vice President, Corporate Communications at the Buzz Oates Group of Companies for 16 years

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# Introduction to Five Star

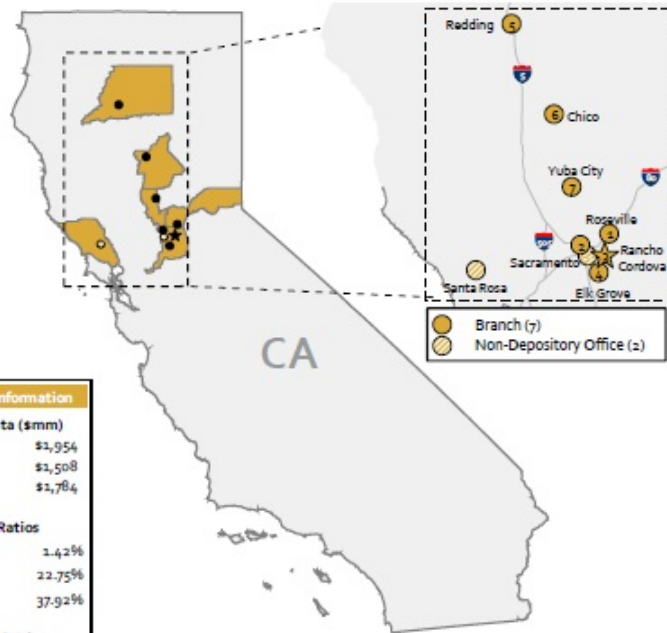
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# Company Snapshot

## Company Overview

- Five Star Bank (the "Bank") was chartered in California in 1999
- Five Star Bancorp was incorporated in California in 2002 and thereafter became the bank holding company
- The Bank was founded by a group of Sacramento-based business entrepreneurs to provide a community business bank with exceptional banking services
- Five Star Bancorp is a business bank whose primary focus is in commercial real estate lending, but has expanded to additional industry sectors to meet client demand



Branch #	Location	Date Established	12/31/15 Deposits (\$mm)	12/31/20 Deposits (\$mm)	5 year Deposit CAGR (%)
1.	Roseville	12/20/1999	\$238.7	\$620.7	21.07
2.	Sacramento	1/5/2004	209.4	449.6	16.51
3.	Rancho Cordova	4/24/2006	112.9	268.0	18.87
4.	Elk Grove	8/15/2011	114.3	201.8	12.03
<b>Capitol Region</b>			<b>675.3</b>	<b>1,540.1</b>	<b>17.93</b>
5.	Redding	2/26/2008	46.0	120.1	21.14
6.	Chico	7/14/2014	23.4	99.8	33.69
7.	Yuba City	7/10/2020	-	24.0	-
<b>Total Deposits</b>			<b>\$744.7</b>	<b>\$1,784.0</b>	<b>19.09</b>

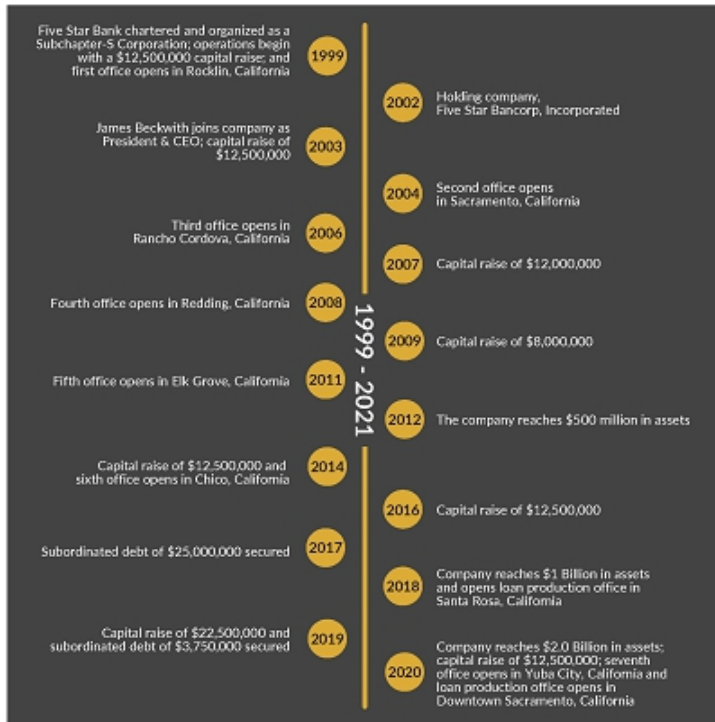
  

FY 2020 Financial Information	
<b>Balance Sheet Data (\$mm)</b>	
Assets	\$1,954
Total Loans	\$1,508
Deposits	\$1,784
<b>Performance Ratios</b>	
ROAA - C Corp <sup>(1)</sup>	1.42%
ROAE - C Corp <sup>(2)</sup>	22.75%
Efficiency Ratio <sup>(2)</sup>	37.92%
<b>Asset Quality Metrics</b>	
ALLL / Loans HFI	1.47%
NPAs / Assets	0.02%
NCOs / Average Loans	0.12%

(1) In connection with an initial public offering of our securities, we intend to terminate our S Corporation status. We calculate C Corporation return on average assets, or ROAA C-Corp, and C Corporation return on average shareholders' equity, or ROAE C-Corp, by using a combined statutory tax rate for federal and state income taxes of 29.58%.

(2) Efficiency ratio is defined as the ratio of noninterest expense to net interest income plus noninterest income.

# An Organic Growth Success Story



## AWARDS

- Sacramento Business Journal's (SBJ) Best Places to Work
- SBJ Fastest-Growing Companies (ranked #18)
- Sacramento Metro Chamber of Commerce's Businessman of the Year: James Beckwith
- SBJ's 40 Under 40: Jen Matulich and Lydia Ramirez
- SBJ's Most Admired CEOs: James Beckwith
- Sacramento Asian Chamber of Commerce's 2021 Community Steward Award
- Comstock's Magazine Women in Leadership: Lydia Ramirez

## RATINGS

- Ranked "Super Premier Performer" by the Findley Report (their top rating category)
- Ranked 39th out of 4,391 community banks in the nation in 2019 by S&P Global
- Rated as a "Superior Bank" by the IDC
- Ranked #14 in the nation for SBA Loan Production as of the SBA's fiscal year end 9/30/2020



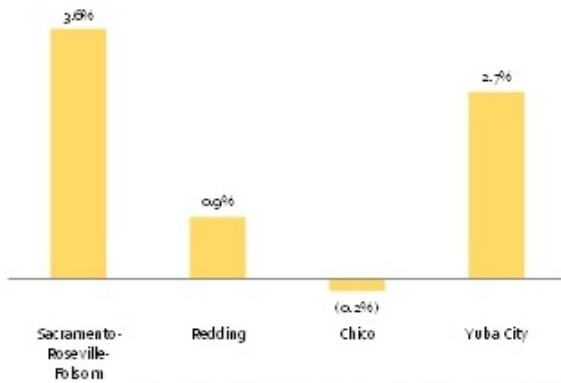
# Board of Directors

The Board of Directors owns or otherwise controls 42.18% of the Company's common stock<sup>(1)</sup>

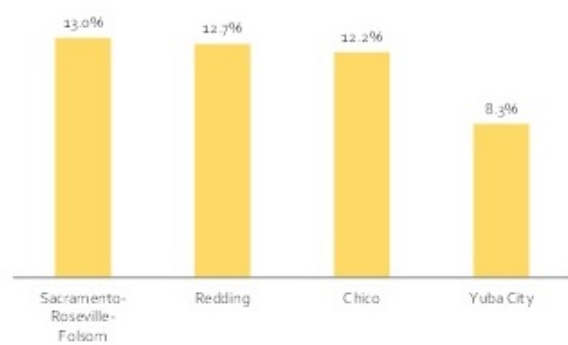
Name	Title	% Ownership <sup>(1)</sup>	Current / Prior Experience
David J. Lucchetti	Chairperson of the Board	2.52%	<ul style="list-style-type: none"> <li>Has served as Chairman of the Board since 2019</li> <li>Currently serves as President, CEO, &amp; Director of Pacific Coast Building Products and Director of the Greater Sacramento Economic Council</li> </ul>
David F. Nickum	Vice Chairperson	1.33%	<ul style="list-style-type: none"> <li>Currently serves as President &amp; CEO of Valley Farm Transport, Inc.</li> </ul>
Larry Allbaugh	Director	27.09%	<ul style="list-style-type: none"> <li>Currently serves as CEO of Buzz Oates Group and Director of Teichert Inc. and the Greater Sacramento Economic Council</li> </ul>
James Beckwith	Director	3.75%	<ul style="list-style-type: none"> <li>Joined the Company in 2003</li> <li>Currently the Chair-Elect of the Western Bankers Association</li> <li>Previously served as CFO, CCO, and COO at National Bank of the Redwoods in Santa Rosa, CA</li> </ul>
Michael Campbell	Director	2.43%	<ul style="list-style-type: none"> <li>One of the founders of Five Star Bank</li> <li>CEO of California Trucking Association (2005 – 2013)</li> <li>CFO of Surewest Communications (NASDAQ: SURW) (1994 – 2004)</li> <li>Former Partner at Ernst &amp; Young in the Seattle, WA office</li> </ul>
Shannon Deary-Bell	Director	<1%	<ul style="list-style-type: none"> <li>Currently serves as President, CEO, &amp; Director of Nor-Cal Beverage</li> </ul>
Philip M. Joffe	Director	2.43%	<ul style="list-style-type: none"> <li>Has served as a director of Five Star Bank since its inception</li> <li>COO of CalFarm Insurance prior to their sale to Nationwide (1986 – 1999)</li> <li>President of CalFarm Life Insurance prior to their sale to SunAmerica, Inc. (1993 – 1995)</li> </ul>
Robert T. Perry-Smith	Director	<1%	<ul style="list-style-type: none"> <li>Former CEO and founder of Perry-Smith LLP</li> </ul>
Kevin Ramos	Director	1.14%	<ul style="list-style-type: none"> <li>Currently serves as Chief Investment Officer of Buzz Oates Group and Director of Saint John's Program for Change</li> </ul>
Judson Riggs	Director	<1%	<ul style="list-style-type: none"> <li>Currently serves as CEO &amp; Chairman of Teichert Inc. and Director of PRIDE Industries and the Greater Sacramento Economic Council</li> </ul>

# Markets of Operation

Projected Population Growth by MSA (2021-2026)



Projected Median HHI<sup>(1)</sup> Growth by MSA (2021-2026)



Summary Market Demographics by MSA

Metropolitan Statistical Area	Population			Household Income		
	2020 Total Population	'16 - '21 Actual Growth	'21 - '26 Projected Growth	Median Household Income	'16 - '21 Actual Growth	'21 - '26 Projected Growth
Sacramento-Roseville-Folsom, CA	2,369,724	4.7%	3.6%	\$74,374	32.1%	13.0%
Redding, CA	179,521	(1.1%)	0.9%	\$58,932	40.4%	12.7%
Chico, CA	231,807	(5.1%)	(0.2%)	\$54,480	26.0%	12.2%
Yuba City, CA	176,777	4.1%	2.7%	\$63,037	23.7%	8.3%
United States of America	330,342,293	2.6%	2.9%	\$66,010	22.0%	9.0%



Source: S&P Global.  
 (1) "HHI" is defined as Household Income.

# Sacramento Market Highlights

- Large, innovative economy with 2.6 million residents
- The Greater Sacramento Area has a profitable and productive economy driven by the governmental, education, technology, health care, agricultural, and manufacturing sectors
- Favorable demographics trends relative to the United States as whole
  - Over the next 5 years, Sacramento's population is expected to grow by 3.6% (vs. 2.9% nationally) and median house hold income is expected to grow by 13.0% (vs. 9.0% nationally)
- A recent study by Redfin, which sampled more than 1.5 million consumers who searched for homes across 87 metro areas nationwide, showed Sacramento as the most popular metro area destination for homebuyers looking to move to a different metro area, with the majority of those homebuyers seeking to relocate from elsewhere in California
- The emerging trend of the work-from-home business model, which has accelerated due to the impact of the COVID-19 pandemic, is driving significant migration within California creating both immediate and long-term economic benefits for the Greater Sacramento Area in particular

Source: S&P Global, Greater Sacramento Economic Council, and Redfin.

# Deposit Market Share

## Five Star Has Cemented its Position in the Capitol Region and the Sacramento Valley Markets

Sacramento, CA				
Rank	Institution (ST)	Deposits (\$mm)	Market Share	Branches
1	U.S. Bancorp	45,311	33.27 %	18
2	Wells Fargo & Co.	8,937	10.55	35
3	Bank of America Corp.	5,805	13.89	19
4	JPMorgan Chase & Co.	3,757	8.97	19
5	Mitsubishi UFJ Financial Group Inc.	2,822	4.25	1
6	BNP Paribas SA	2,757	6.60	8
7	River City Bank	2,477	5.91	5
8	<b>Five Star Bancorp</b>	<b>1,308</b>	<b>3.65</b>	<b>3</b>
9	Citigroup Inc.	1,067	3.55	3
10	Farmers & Merchants Bancorp	520	1.24	6
11	El Dorado Savings Bank F.S.B.	494	1.18	8
12	American River Bankshares	437	1.05	5
13	Zions Bancorp. NA	432	1.03	3
14	Banner Corp.	398	0.90	4
15	Umpqua Holdings Corp.	374	0.90	5
Top 15		140,320	94.44	170
Market Total		141,805	100.00	194

Placer, CA				
Rank	Institution (ST)	Deposits (\$mm)	Market Share	Branches
1	Wells Fargo & Co.	43,655	37.56 %	15
2	Bank of America Corp.	2,028	15.29	13
3	2011 TCRT	1,980	13.91	2
4	JPMorgan Chase & Co.	1,168	8.81	7
5	U.S. Bancorp	809	6.32	13
6	<b>Five Star Bancorp</b>	<b>765</b>	<b>5.33</b>	<b>1</b>
7	Bank of Commerce Holdings	575	4.33	1
8	Umpqua Holdings Corp.	574	4.33	4
9	BNP Paribas SA	404	3.05	4
10	Trico Bancshares	270	2.04	3
11	Mitsubishi UFJ Financial Group Inc.	225	1.70	2
12	First Northern Community Bancorp	222	1.67	2
13	First Foundation Inc.	215	1.24	2
14	FB Corp.	146	1.10	2
15	Central Valley Community Bancorp	107	0.80	1
Top 15		112,634	95.25	70
Market Total		118,265	100.00	83

Shasta, CA				
Rank	Institution (ST)	Deposits (\$mm)	Market Share	Branches
1	Trico Bancshares	5956	25.81 %	10
2	Bank of Commerce Holdings	382	15.09	4
3	Bank of America Corp.	367	14.70	2
4	Wells Fargo & Co.	365	14.57	2
5	U.S. Bancorp	379	15.65	4
6	JPMorgan Chase & Co.	337	13.69	2
7	Cornerstone Community Bancorp	258	10.44	2
8	Plumas Bancorp	92	3.74	2
9	<b>Five Star Bancorp</b>	<b>82</b>	<b>3.30</b>	<b>1</b>
10	Umpqua Holdings Corp.	81	3.25	1
11	Mitsubishi UFJ Financial Group Inc.	71	2.83	1
12	Banner Corp.	40	1.60	1
13	2011 TCRT	34	1.36	1
14	Golden Valley Bancshares Inc.	25	1.00	1
Market Total		23,060	100.00	36

Butte, CA				
Rank	Institution (ST)	Deposits (\$mm)	Market Share	Branches
1	Trico Bancshares	41,283	22.05 %	9
2	Wells Fargo & Co.	921	4.73	6
3	Bank of America Corp.	814	4.23	3
4	JPMorgan Chase & Co.	698	3.59	4
5	2011 TCRT	574	2.95	5
6	Golden Valley Bancshares Inc.	331	1.71	1
7	U.S. Bancorp	309	1.60	4
8	BNP Paribas SA	305	1.58	3
9	Northern California National Bank	264	1.37	1
10	Umpqua Holdings Corp.	143	0.74	1
11	<b>Five Star Bancorp</b>	<b>61</b>	<b>0.31</b>	<b>1</b>
12	Banner Corp.	20	0.10	1
Market Total		186,288	100.00	39

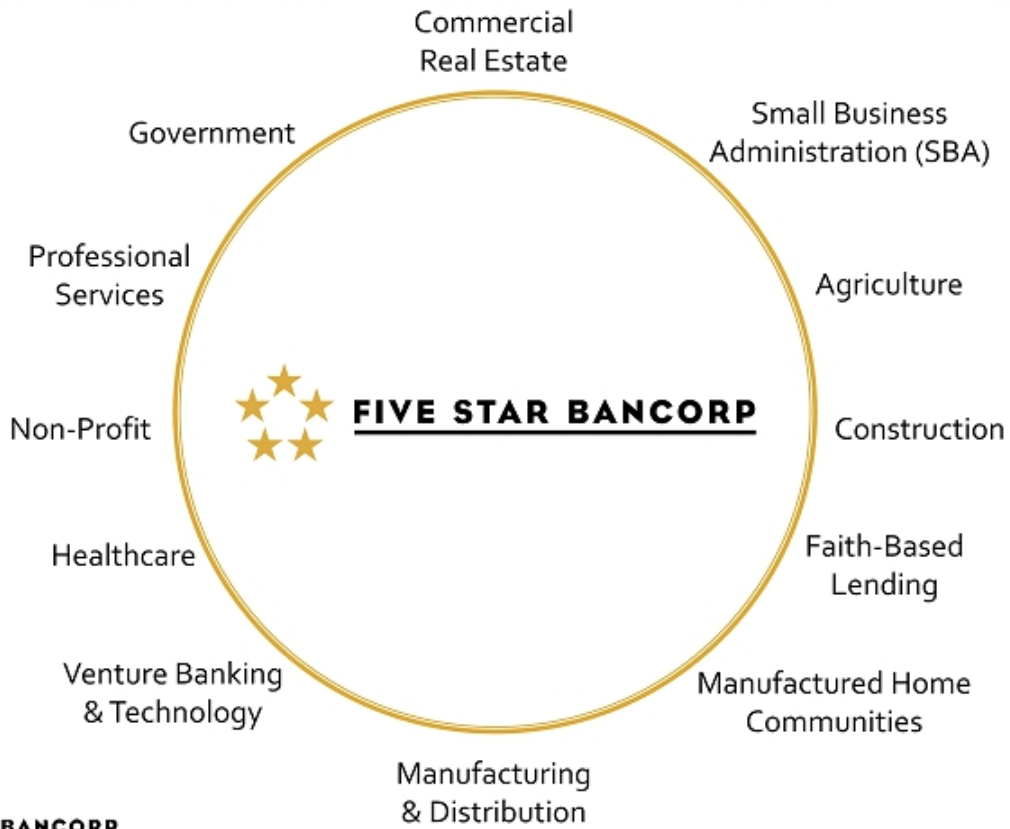
Source: S&P Global and FDIC Summary of Deposits. Deposit market share data as of 6/30/2020. Excludes non-retail deposits.



# Business Strategy

Customer and Community Centric Focus	<ul style="list-style-type: none"><li>• Deep connectivity to the geographic and industry markets we serve</li><li>• Emphasis on centers of influence within geographic and industry markets</li><li>• Focus on bringing solutions one customer at a time</li><li>• Banking larger, more sophisticated loan and deposit customers within the markets we serve</li><li>• Leadership positions in most community organizations we connect with</li><li>• Deep knowledge of competitor strengths and weaknesses</li></ul>
Origination	<ul style="list-style-type: none"><li>• Coordinate and target loan opportunities with team of 18 business development officers</li><li>• Business development officers are incentivized to develop deep customer relationships</li><li>• Efficient client acquisition and loan approval processes</li></ul>
Specialized Lending Products	<ul style="list-style-type: none"><li>• Strong CRE mini-perm lender across several CRE asset classes</li><li>• SBA Preferred Lender</li><li>• Strong agricultural lender, both input and long-term loans</li><li>• Experienced faith based lender</li><li>• Strong asset backed lender capabilities</li></ul>
Risk Management	<ul style="list-style-type: none"><li>• Two-tiered loan committee system: a Management Loan Committee (meets once a week) and a Director Loan Committee (meets twice a month)</li><li>• Constant loan portfolio review function</li><li>• Top down and bottom up stress tests</li><li>• Muni portfolio monthly review</li><li>• Quarterly ERM assessment</li><li>• Annual cyber, BSA/AML, third-party risk assessment</li><li>• Growing compliance management system</li></ul>

# Business Banking Verticals



# Embracing Technology

## "Solution Focus" Approach to Implementing Banking Technology

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Technology is a driver in maintaining and expanding client relationships, competing for new business, and improving profitability through efficiencies

- ⚙️ **nCino Loan Origination System** | scalable loan origination system and document repository facilitating a loan portfolio that offers fintech-sourced loan opportunities
- ⚙️ **Q2 Online and Mobile Banking** | scalable online banking and treasury management platform supporting all customer types; includes Automated Clearing House, wires, positive pay, remote deposit capture, credit cards, bill pay, electronic statements, mobile capture
- ⚙️ **Existing Corporate Technology Infrastructure** | already capable of supporting future growth and demonstrated sustainability through invocation of our pandemic plan during COVID-19



Continued investments in these solutions empower employees, engage customers, and broaden our digital service offerings

## Future for Information Technology

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### New Data Analytics Department

- ⚙️ Create more comprehensive reporting from ancillary solutions and systems which integrate with our core system
- ⚙️ Established control process over certain key reports



### Future Goals

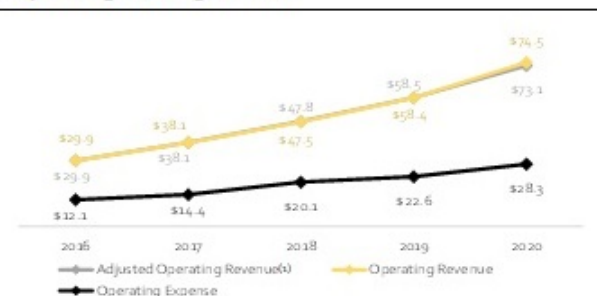
- ⚙️ Establish data warehouse to tie together data from key solutions and providers we utilize
- ⚙️ Collaboration with fintech firms, vendors, and core providers to improve productivity and leverage process automation to attain competitive advantage

# Operational Efficiency

## We have built a culture focused on prudent expense management

- Our operating leverage and operating performance is driven by our focus on larger, more sophisticated customers and the ability of our professionals to manage high volumes of assets
  - This ability is aided by our extensive use of what we believe to be best-in-class customer management software
- Despite our growth and increasing regulatory and compliance costs, we have successfully maintained low expense ratios

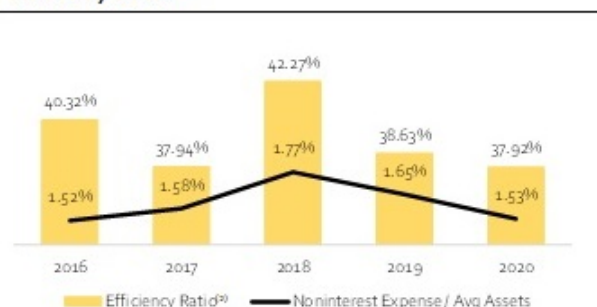
Operating Leverage (\$mm)



Leveraging Our Employee Base



Efficiency Ratio<sup>(2)</sup>




(1) Adjusted operating revenue is a non-GAAP financial measure and excludes gains/losses on available-for-sale securities. For a reconciliation of this non-GAAP measure to the most directly comparable GAAP financial measure, see the Appendix to this presentation.  
 (2) Efficiency ratio is defined as the ratio of noninterest expense to net interest income plus noninterest income.





# ESG & DEI


## Commitment to Environmental, Social & Governance

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 We are executing, and plan to scale-up, an ESG strategy that focuses on environmental impacts of our business, social factors and the governance of our Board of Directors to drive positive change

 **Environmental** | We are currently working with a local utility district to manage a micro-loan program funding residential energy efficiency equipment. Other initiatives include encouraging customers to utilize technology to reduce carbon footprint by reducing in-branch customer visits.

 **Social** | We created a 2020 Community Impact Report detailing the Bank's accomplishments, and we work to create positive social impacts in the communities in which our business operates, including by addressing food deserts, supporting affordable housing projects, and encouraging nonprofit donations. During the COVID-19 pandemic, we remain committed to employee and customer safety through robust alternative working arrangements and extensive safety measures.

 **Governance** | The Governance & Nominating Committee of our Board of Directors is committed to Board diversity and compliance with applicable rules, regulations, and guidance regarding composition of our leadership. We are committed to transparency, ethical business practices, and accounting transparency.

## Dedication to Diversity, Equity & Inclusion

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 Diversity, Equity & Inclusion is center stage in our workplace

- ★ We have a fully engaged SVP, Chief Operations Officer & Chief DE&I Officer who leads our DE&I efforts
- ★ Our Human Resources Department is demonstrating a commitment to DE&I through hiring practices and employee training
- ★ We are committed to ensuring all employees feel a sense of belonging in the workplace and that processes and programs are impartial, fair, and provide equal opportunity for every individual
- ★ We also have a history of serving customers in the nonprofit community who assist our region's most vulnerable, underserved, and underrepresented populations

# Mission, Core Values & Customer Testimonial



"We were astounded at how quickly we received the PPP funds – we were not used to that kind of speed with something so important to us. Five Star Bank makes you feel you are their most important customer. Moving to Five Star Bank was an easy decision!"

~ Thomas Chan and Dan Chan, Owners, General Produce



Photo: Ryan Cavallaro



## Our Mission

We strive to become the top business bank in all markets we serve through exceptional service, deep connectivity and customer empathy. We are dedicated to serving real estate, agricultural, faith based, and small to medium-sized enterprises. We aim to consistently deliver value that meets or exceeds expectations of our shareholders, customers, employees, business partners, and community.

## Our Core Values

- Purpose-Driven and Integrity-Centered Banking
- Community Stewardship
- Regional and Industry Expertise
- A Speed to Serve
- A Commitment to Economic Development

# Financial Highlights

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# Balance Sheet Growth

Total Assets (\$mm)



Total Loans (\$mm)

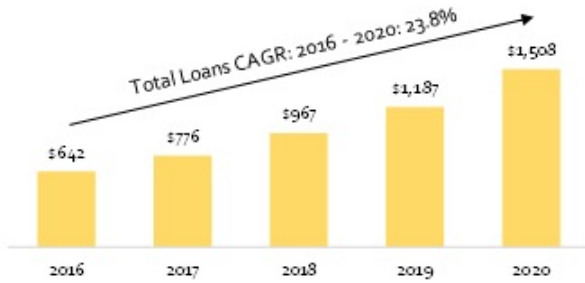


Total Deposits (\$mm)

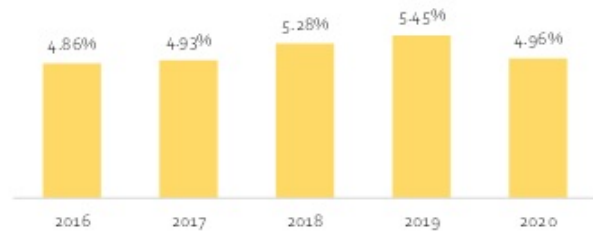


# Loan Portfolio

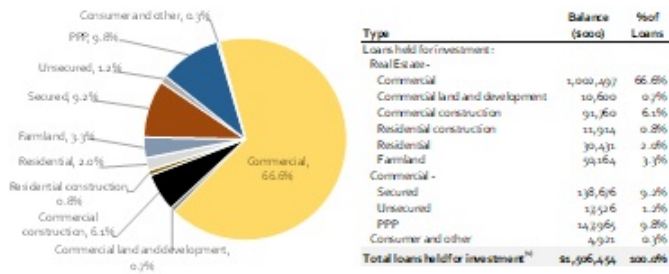
## Total Loan Growth (\$mm)



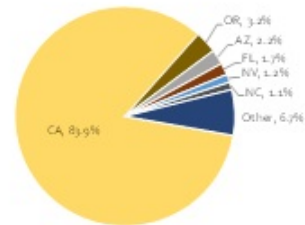
## Yield on Loans



## Loan Composition – Held for Investment ("HFI")



## Real Estate Loan Balances by Geography

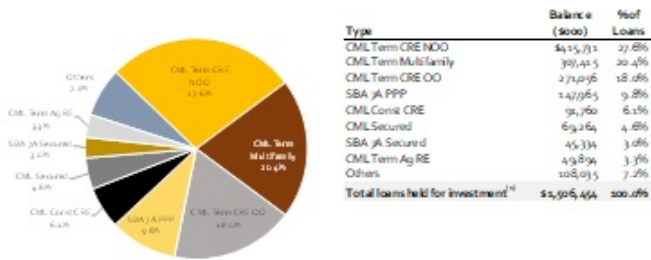


(1) Excludes \$4.8 million in loans held for sale as of 12/31/2020.

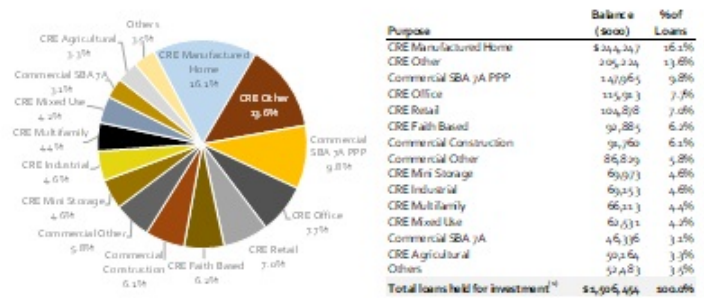
# Commercial Portfolio Diversification

We focus primarily on commercial lending, with an emphasis on commercial real estate. We offer a variety of loans to small- and medium-sized businesses, professionals, and individuals, including commercial real estate, commercial land and construction, commercial, and farmland loans. To a lesser extent, we also offer residential real estate and construction real estate loans and consumer loans.

Loans by Type – Held for Investment ("HFI")



Loans by Purpose – Held for Investment ("HFI")



(1) Excludes \$4.8 million in loans held for sale as of 12/31/2020.

# Asset Quality

Non-performing Assets ("NPAs")  
(Including Troubled Debt Restructurings)



Allowance for Loan Losses ("ALLL") / Loans HFI &  
Net Charge-offs ("NCOs") / Average Loans



- Our primary objective is to maintain a high level of asset quality in our loan portfolio. In order to maintain our strong asset quality, we:
  - Place an emphasis on our commercial portfolio where risk assessments are reevaluated as a result of reviewing commercial property operating statements and borrower financials
  - Monitor payment performance, delinquencies, and tax and property insurance compliance
  - Design our practices to facilitate the early detection and remediation of problems within our loan portfolio
  - Employ the use of an outside independent consulting firm to evaluate our underwriting and risk assessment process
- As of December 31, 2020, 35 loans totaling \$41.4 million, or 2.7% of the loan portfolio, were in a COVID-19 deferral period and 304 loans totaling \$108.0 million had been in a COVID-19 deferment at some point during 2020 but were not in such deferment as of December 31, 2020
  - 24 of the loans that received COVID-19 deferments had only their principal portion deferred to their respective maturities and some borrowers received a Paycheck Protection Program ("PPP") loan that included loan funds to make their interest-only payments

# Deposit Composition

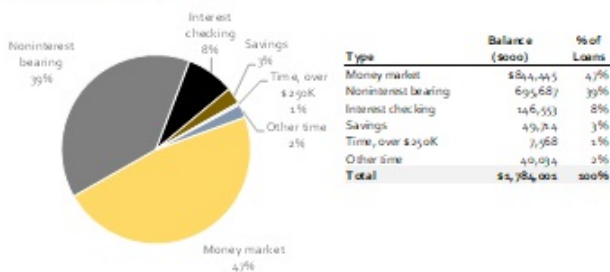
## Total Deposit Growth (\$mm)



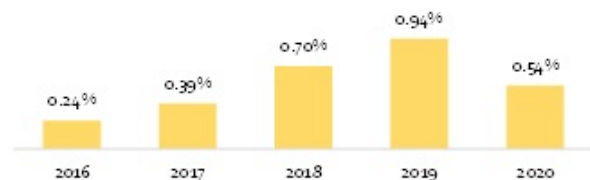
## Noninterest Bearing ("NIB") Deposit Growth (\$mm)



## Deposit Composition



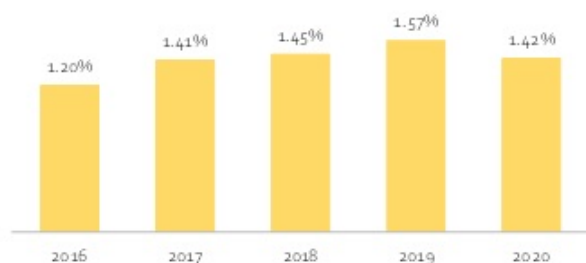
## Cost of Funds



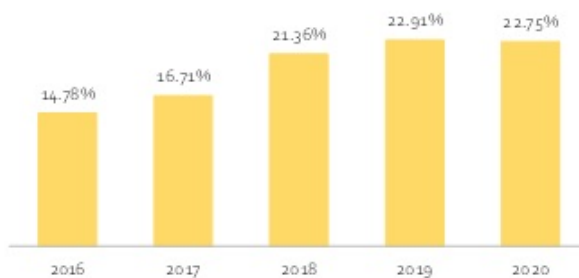


# Profitability

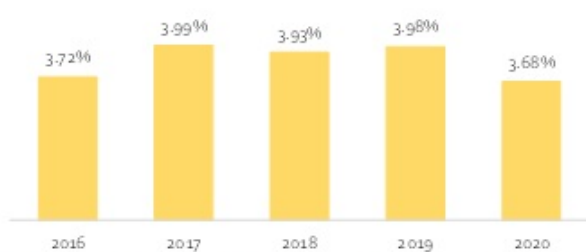
Return on Average Assets – C Corp<sup>(1)</sup>



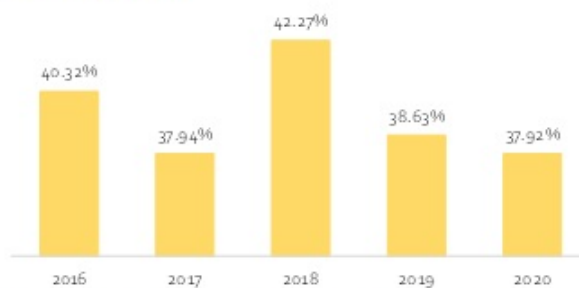
Return on Average Equity – C Corp<sup>(1)</sup>



Net Interest Margin



Efficiency Ratio<sup>(2)</sup>



(1) In connection with an initial public offering of our securities, we intend to terminate our S Corporation status. We calculate ROAA C-Corp and ROAE C-Corp by using a combined statutory tax rate for federal and state income taxes of 42.00% prior to January 1, 2018 and 29.56% after January 1, 2018.

(2) Efficiency ratio is defined as the ratio of noninterest expense to net interest income plus noninterest income.

# Historical Earnings, NTBVPS and Dividends

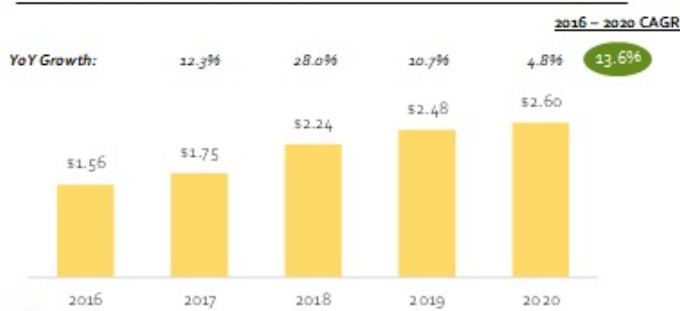
## Net Income (\$mm) – C Corp<sup>(1)</sup>



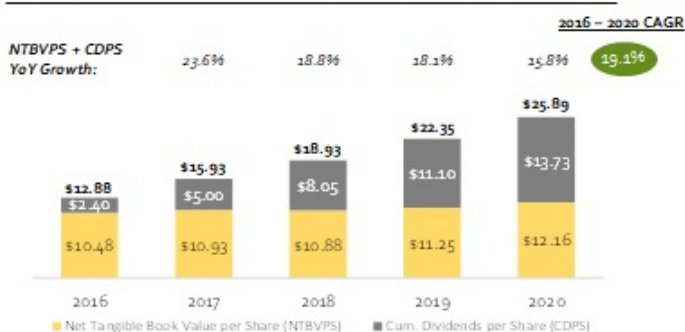
## Pre-Tax, Pre-Provision Net Earnings<sup>(2)</sup> (\$mm)



## Earnings per Share – C Corp<sup>(1)</sup>



## Net Tangible Book Value per Share ("NTBVPS")<sup>(3)</sup>



Shares O/S (mm):

2016: 7.3, 2017: 7.3, 2018: 7.4, 2019: 9.7, 2020: 11.0

(1) In connection with an initial public offering of our securities, we intend to terminate our S Corporation status. We calculate C Corporation net income by using a combined statutory tax rate for federal and state income taxes of 42.00% prior to January 1, 2018 and 29.56% after January 1, 2018.

(2) This is a non-GAAP financial measure. For a reconciliation of this non-GAAP measure to the most directly comparable GAAP financial measure, see the Appendix to this presentation.

(3) We define "net tangible book value per share" as book value per share less goodwill and other intangible assets, divided by the outstanding number of common shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We had no goodwill or other intangible assets as of any of the dates indicated. As a result, tangible book value and net tangible book value per share is the same as total shareholders' equity and book value per share as of each of the dates indicated, respectively.

# Recent Developments

## Q1 2021 Highlights

- Net income growth driven by Paycheck Protection Program ("PPP") loans, lower cost of funds, and a decline in provision for loan losses
- Continued balance sheet growth with increases in total loans and total deposits
- In the three months ended March 31, 2021 we provided an additional \$109.2 million in PPP loans to 448 customers, approximately 10% of which were new customers
- As of March 31, 2021, we had 3 borrowers totaling slightly over \$17.0 million in the aggregate still on a COVID-19 deferment; one borrower is a theater and the other two are faith-based organizations
  - We anticipate all three to return to their pre-COVID-19 contractual payment status after their COVID-19 deferments end
  - All loans to date, that came off COVID-19 deferments, went back to their contractual payment structures that were in place prior to the COVID-19 pandemic with no risk rating downgrades to classified nor any Troubled Debt Restructures ("TDR")

## Q1 2021 Unaudited Preliminary Financial Results

<i>(Dollars in thousands, except per share amounts)</i>	<i>As of</i>	
	<i>March 31, 2020 (Unaudited)</i>	<i>March 31, 2021 (Unaudited)</i>
<b>Select Period End Balance Sheet Data:</b>		
Total assets	\$1,559,971	\$2,150,737
Total loans	1,267,786	1,546,554
Total deposits	1,372,150	1,983,111
Total shareholders' equity	109,384	131,378
Book value per share	11.30	11.94

<i>(Dollars in thousands, except per share amounts)</i>	<i>For the three months ended,</i>	
	<i>March 31, 2020 (Unaudited)</i>	<i>March 31, 2021 (Unaudited)</i>
<b>Performance:</b>		
Net income - C Corp <sup>(1)</sup>	\$5,108	\$7,509
Earnings per share - C Corp <sup>(1)</sup>	0.53	0.68
ROAA - C Corp <sup>(1)</sup>	1.41 %	1.49 %
ROAE - C Corp <sup>(1)</sup>	19.36 %	23.56 %
Net interest margin	4.02 %	3.83 %

(1) In connection with an initial public offering of our securities, we intend to terminate our S Corporation status. We calculate Net Income C-Corp, ROAA C-Corp and ROAE C-Corp by using a combined statutory tax rate for federal and state income taxes of 29.56%.

# Select Financial Performance vs. Peers

	Company	Peers	
		Regional <sup>(1)</sup>	High Performing <sup>(2)</sup>
<b>2016-2020 CAGR:</b>			
Total assets	23.5%	9.4%	11.4%
Total loans	23.8%	10.8%	9.2%
Total deposits	23.7%	9.3%	11.8%
C-Corp net income <sup>(3)</sup>	28.9%	9.5%	14.6%
C-Corp earnings per share <sup>(3)</sup>	13.6%	5.1%	8.6%
<b>2020 Financial Metrics:</b>			
Return on average assets ("ROAA")	1.95%		
C-Corp equivalent ROAA <sup>(3)</sup>	1.42%	0.95%	1.28%
Yield on loans	4.96%	4.55%	4.46%
Cost of total deposits	0.54%	0.14%	0.19%
Net interest margin	3.68%	3.59%	3.52%
Efficiency ratio <sup>(4)</sup>	37.92%	57.72%	52.57%
Noninterest expense to average assets	1.53%	2.20%	2.19%
Loan to deposit ratio	84.5%	81.9%	81.4%
Net charge-offs to average loans	0.12%	0.02%	0.09%
Noninterest bearing deposits to total deposits	39.0%	40.4%	30.6%

Source: S&P Global. Financial data as of 12/31/2020.

(1) Regional peers include major exchange-traded banks with total assets between \$1.5bn-\$25.0bn headquartered in CA, OR, and WA, excluding merger targets and ethnic banks.

(2) High Performing peers include major exchange-traded banks with total assets between \$1.5bn-\$25.0bn and Core ROAA >1.50% in 2018 and 2019, excluding merger targets, ethnic banks, and companies without research estimates.

(3) In connection with an initial public offering of our securities, we intend to terminate our S Corporation status. We calculate C Corporation net income and ROAA C-Corp by using a combined statutory tax rate for federal and state income taxes of 29.56%.

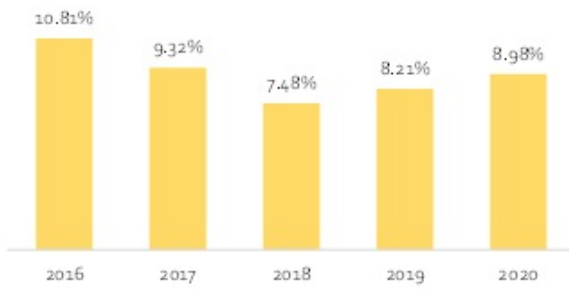
(4) Efficiency ratio is defined as the ratio of noninterest expense to net interest income plus noninterest income.



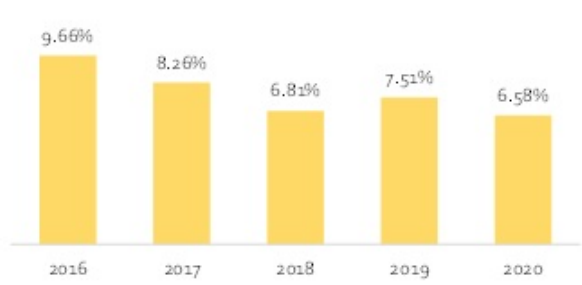
**FIVE STAR BANCORP**

# Capital Position

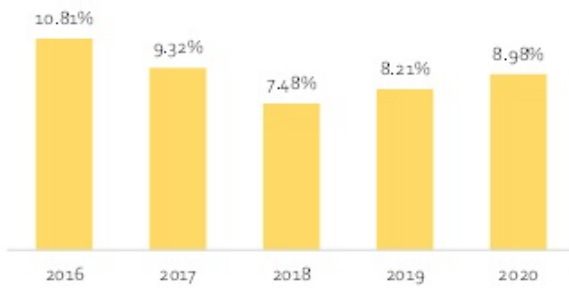
Common Equity Tier 1 to Risk Weighted Assets



Tier 1 Capital to Average Assets



Tier 1 Capital to Risk Weighted Assets



Total Capital to Risk Weighted Assets



# Key Investment Highlights



Experienced board of directors and management team



Attractive markets driving future growth potential



Proven organic growth capabilities



Attractive core deposit franchise



Scalable and efficient operating model



Differentiated approach to banking



Committed to serving and developing the local economy



Shareholder alignment and performance driven culture

# Appendix

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# Executive Management Team

Name	Title	Years of Experience	Years with Five Star	Prior Experience
James Beckwith	President and Chief Executive Officer	30	18	<ul style="list-style-type: none"> <li>Joined the Company in 2003</li> <li>Currently the Chair-Elect of the Western Bankers Association</li> <li>Previously served as CFO, CCO, and COO at National Bank of the Redwoods in Santa Rosa, CA</li> </ul>
Heather Luck	Senior Vice President and Chief Financial Officer	16	3	<ul style="list-style-type: none"> <li>Joined the Company in 2018 as Vice President/Director of Finance, and has served as CFO since February 2021</li> <li>Previously served as a manager in assurance services at Ernst &amp; Young from 2010-2017</li> </ul>
John W. Dalton	Senior Vice President and Chief Credit Officer	41	10	<ul style="list-style-type: none"> <li>Joined the Company in 2011</li> <li>Has more than 41 years of experience in the lending and banking industry</li> </ul>
Kristine M. Hyde	Senior Vice President and Chief Human Resources Officer	25	1	<ul style="list-style-type: none"> <li>Joined the Company in 2020 after serving as an independent human resources consultant to the Company between 2017-2020</li> </ul>
Michael E. Lee	Senior Vice President and Chief Regulatory Officer	30	16	<ul style="list-style-type: none"> <li>Joined the Company in 2005 as Chief Financial Officer, transitioned to Chief Credit Officer in 2007, and has served as Senior Vice President and Chief Regulatory Officer since 2010</li> <li>Previously served 14 years with the FDIC</li> </ul>
Lydia Ramirez	Senior Vice President, Chief Operations Officer and Chief DE&I Officer	16	4	<ul style="list-style-type: none"> <li>Joined the Company in 2017 as Senior Vice President and Director of Branch Administration</li> <li>Previously served as Vice President &amp; Multi-Branch Manager at MUFG Union Bank from 2010-2017</li> </ul>
Michael A. Rizzo	Senior Vice President and Chief Banking Officer	34	16	<ul style="list-style-type: none"> <li>Joined as Senior Vice President &amp; Business Development Officer</li> <li>Helped establish the Company's business banking practice</li> <li>Manages the team of Business Development Officers</li> </ul>
Brett Wait	Senior Vice President and Chief Information Officer	15	9	<ul style="list-style-type: none"> <li>First joined the Company in 2011 before serving as Chief Information Officer of River City Bank from 2017 to 2018, before rejoining in 2018 in his current position</li> <li>Has over 15 years of community banking experience and information technology fluency</li> </ul>
Shelley R. Wetton	Senior Vice President and Chief Marketing Officer	20	6	<ul style="list-style-type: none"> <li>Previously served as Vice President, Corporate Communications at the Buzz Oates Group of Companies for 16 years</li> </ul>



# Financial Highlights

	As of and for the year ending December 31,				
	2016	2017	2018	2019	2020
<b>Balance Sheet (\$000)</b>					
Total assets	\$840,369	\$977,830	\$1,272,090	\$1,479,859	\$1,953,765
Gross loans	641,835	775,508	966,546	1,186,840	1,507,979
Total deposits	761,188	864,502	1,161,394	1,311,750	1,784,001
Total shareholders' equity	76,620	80,198	80,316	108,877	133,775
Full-time employees (#)	68	87	97	107	141
<b>Profitability (%)</b>					
Net income (C-Corp) (\$000) <sup>(1)</sup>	\$9,491	\$12,835	\$16,504	\$21,374	\$26,228
ROAA (C-Corp) <sup>(2)</sup>	1.20	1.41	1.45	1.57	1.42
ROAE (C-Corp) <sup>(2)</sup>	14.78	16.71	21.36	22.91	22.75
Noninterest income to average assets	0.19	0.29	0.34	0.40	0.50
Noninterest expense to average assets	1.52	1.58	1.77	1.65	1.53
Net interest margin	3.72	3.99	3.93	3.98	3.68
Efficiency ratio <sup>(2)</sup>	40.32	37.94	42.27	38.63	37.92
Yield on loans	4.86	4.93	5.28	5.45	4.96
Cost of total deposits	0.24	0.39	0.70	0.94	0.54
<b>Balance Sheet Ratios / Capital (%)</b>					
Loan to deposit ratio	84.3	89.7	83.1	90.5	84.5
Noninterest-bearing deposits to total deposits	30.9	30.5	28.9	29.5	39.0
Total shareholders' equity to total assets	9.12	8.24	6.31	7.36	6.85
Tangible shareholders' equity to tangible assets <sup>(3)</sup>	9.12	8.24	6.31	7.36	6.85
Common equity tier 1 to risk weighted assets	10.81	9.32	7.48	8.21	8.98
Tier 1 capital to average assets	9.66	8.26	6.81	7.51	6.58
Tier 1 capital to risk weighted assets	10.81	9.32	7.48	8.21	8.98
Total capital to risk weighted assets	11.97	13.23	10.79	11.52	12.18
<b>Asset Quality (%)</b>					
Nonperforming loans to loans	0.23	0.41	0.22	0.07	0.03
Nonperforming assets to total assets	0.18	0.32	0.16	0.05	0.02
Net charge-offs (recoveries) to average loans	(0.01)	0.03	0.13	0.21	0.12
Allowance for loan losses to loans held-for-investment	1.30	1.25	1.21	1.26	1.47

(1) In connection with the offering described herein, we intend to terminate our S Corporation status. We calculate C Corporation net income, return on average assets, or ROAA C-Corp, and C Corporation return on average shareholders' equity, or ROAE C-Corp, by using a combined statutory tax rate for federal and state income taxes of 42.00% prior to January 1, 2018 and 29.56% after January 1, 2018.

(2) Efficiency ratio is defined as the ratio of noninterest expense to net interest income plus noninterest income.

(3) This is a non-GAAP financial measure. We define "tangible shareholders' equity to tangible assets" as total shareholders' equity less goodwill and other intangible assets, divided by total assets less goodwill and other intangible assets. The most directly comparable GAAP financial measure is total shareholders' equity to total assets. We had no goodwill or other intangible assets as of any of the dates indicated. As a result, tangible shareholders' equity to tangible assets is the same as total shareholders' equity to total assets as of each of the dates indicated, respectively.



# Income Statement and Balance Sheet

Income Statement (\$000)	For the year ending December 31,				
	2016	2017	2018	2019	2020
Total interest income	\$30,234	\$38,636	\$50,970	\$64,678	\$74,390
Total interest expense	1,778	3,210	7,253	11,635	9,180
Net interest income	28,456	35,426	43,717	53,043	65,210
Provision for loan losses	1,500	1,500	4,000	5,500	9,000
Total noninterest income	1,476	2,649	3,819	5,393	9,302
Total noninterest expense	12,069	14,445	20,093	22,575	28,257
Income before income taxes	16,363	22,130	23,443	30,361	37,255
Provision for income taxes	590	779	815	1,061	1,327
Net income	\$15,773	\$21,351	\$22,628	\$29,300	\$35,928
Pre-tax, pre-provision net earnings <sup>(1)</sup>	\$17,863	\$23,630	\$27,443	\$35,861	\$46,255

Balance Statement (\$000)	As of December 31,				
	2016	2017	2018	2019	2020
Cash and cash equivalents	\$93,993	\$100,741	\$203,292	\$177,366	\$290,493
Securities held to maturity	10,346	9,909	9,448	8,962	7,979
Securities available for sale	71,397	74,536	70,228	77,198	114,949
Loans held-for sale	450	3,898	6,315	6,527	4,820
Loans held-for investment	641,385	771,610	960,231	1,180,313	1,503,159
Allowance for loan losses	(8,344)	(9,629)	(11,639)	(14,915)	(22,189)
Total assets	840,369	972,830	1,272,090	1,479,859	1,953,765
Deposits	761,188	864,502	1,161,394	1,311,750	1,784,001
FHLB advances	-	3,748	-	25,000	-
Subordinated notes	-	24,382	24,446	28,253	28,320
Total liabilities	763,749	892,632	1,191,774	1,370,982	1,819,990
Total shareholders' equity	76,620	80,198	80,316	108,877	133,775

(1) This is a non-GAAP financial measure. For a reconciliation of this non-GAAP measure to the most directly comparable GAAP financial measure, see the non-GAAP financial measures.

# Non-GAAP Financial Measures

Some of the financial measures discussed herein are non-GAAP financial measures. In accordance with SEC rules, we classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP in our statements of income, balance sheets, or statements of cash flows.

Adjusted operating revenue, pre-tax, pre-provision net earnings, net tangible book value per share, and tangible shareholders' equity to tangible assets are non-GAAP financial measures. We define "adjusted operating revenue" as operating revenue (net interest income plus noninterest income) minus net gains/losses on sales of securities. The most directly comparable GAAP financial measure is operating revenue. We define "pre-tax, pre-provision net earnings" as net income plus income tax expense and provision for (recapture of) loan losses. The most directly comparable GAAP financial measure is net income. We define "net tangible book value per share" as book value per share less goodwill and other intangible assets, divided by the outstanding number of common shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We had no goodwill or other intangible assets as of any of the dates indicated. As a result, tangible book value and net tangible book value per share is the same as total shareholders' equity and book value per share as of each of the dates indicated, respectively. We define "tangible shareholders' equity to tangible assets" as total shareholders' equity less goodwill and other intangible assets, divided by total assets less goodwill and other intangible assets. The most directly comparable GAAP financial measure is total shareholders' equity to total assets. We had no goodwill or other intangible assets as of any of the dates indicated. As a result, tangible shareholders' equity to tangible assets is the same as total shareholders' equity to total assets as of each of the dates indicated, respectively.

We believe that these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with GAAP. However, we acknowledge that our non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other banking companies use. Other banking companies may use names similar to those we use for the non-GAAP financial measures we disclose, but may calculate them differently. You should understand how we and other companies each calculate their non-GAAP financial measures when making comparisons.

The following reconciliation table provides a more detailed analysis of these non-GAAP financial measures along with their most directly comparable financial measures calculated in accordance with GAAP.

Non-GAAP Financial Measures (\$000)	For the year ending December 31,				
	2016	2017	2018	2019	2020
<b>Pre-Tax, Pre-Provision Net Earnings</b>					
Net Income	\$15,773	\$21,351	\$22,628	\$29,300	\$35,928
Plus: Provision for Income Taxes	590	779	815	1,061	1,327
Plus: Provision for Loan Losses	1,500	1,500	4,000	5,500	9,000
<b>Pre-Tax, Pre-Provision Net Earnings</b>	<b>\$17,863</b>	<b>\$23,630</b>	<b>\$27,443</b>	<b>\$35,861</b>	<b>\$46,255</b>
<b>Adjusted Operating Revenue</b>					
Net Interest Income	\$28,456	\$35,426	\$43,717	\$53,043	\$65,210
Noninterest Income	1,476	2,649	3,819	5,393	9,302
Net Gains (Losses) on Sales of Securities	(60)	37	241	66	(1,438)
<b>Adjusted Operating Revenue</b>	<b>\$29,872</b>	<b>\$38,112</b>	<b>\$47,777</b>	<b>\$58,502</b>	<b>\$73,074</b>