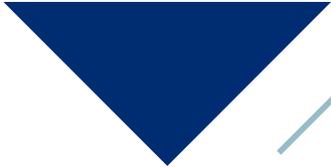




**Shareholder
Presentation
May 22, 2023**



Company Overview

- **Summit State Bank is a commercial bank headquartered in Santa Rosa, CA with \$1.1 billion in assets, 5 branch locations and more than 116 employees**
- **Bank formed in 1982**
- **Listed on NASDAQ in 2006 under the ticker symbol “SSBI”**
- **Summit Way Service Standards -Dedicated to serving and giving back to its customers and communities by delivering the best service and solutions available**



Building a Better Sonoma County, That's Our Business



Summit State Bank-NASDAQ: SSBI

Headquartered in Santa Rosa, CA

Branch Locations

- Santa Rosa Main
- Healdsburg
- Santa Rosa Montgomery Village
- Rohnert Park
- Petaluma

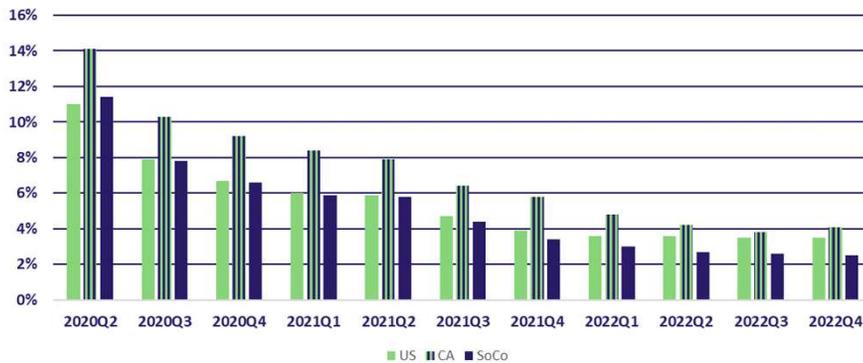
Regional Small Business Lending Group

- Roseville, CA



Market Area Highlights

Unemployment



GDP



* 2022 So. County GDP figures unavailable

Note: Real Annual GDP Rate of change, not seasonally adjusted.
Source: <https://fred.stlouisfed.org>

Northern California Concentrated in Sonoma County

- Commercial Property Investment Inventory Remains Low
- Diverse and Strong Economy:
 - Healthcare, Manufacturing, Construction and Wholesale Trade Comprise > 40% of the County's Earnings
 - Consistently Low Unemployment and High GDP
- Ranked 15th in Median Household Income across California

Our Leadership Team



Brian Reed

President & CEO
38 Years in the Industry
6 at Summit State Bank



Genie Del Secco

EVP & Chief Operating Officer
32 Years in the Industry
7 at Summit State Bank



Brandy Seppi

EVP & Chief Lending Officer
28 Years in the Industry
8 at Summit State Bank



Camille Kazarian

EVP & Chief Financial Officer
23 Years in the Industry
4 at Summit State Bank

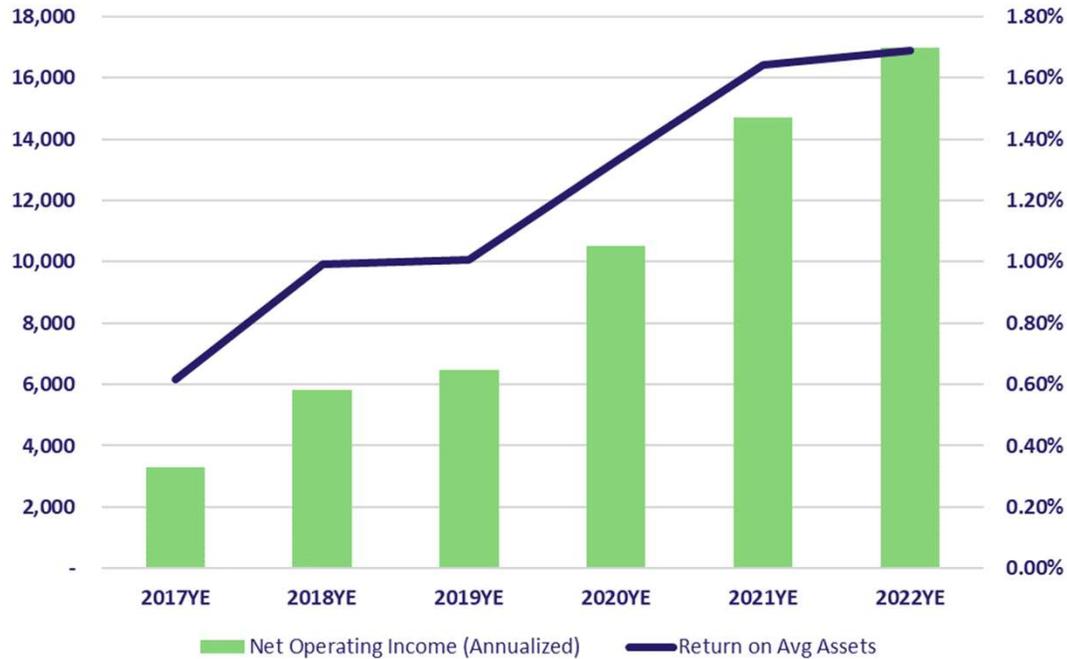


Michael Castlio

SVP & Chief Credit Officer
27 Years in the Industry
4 at Summit State Bank

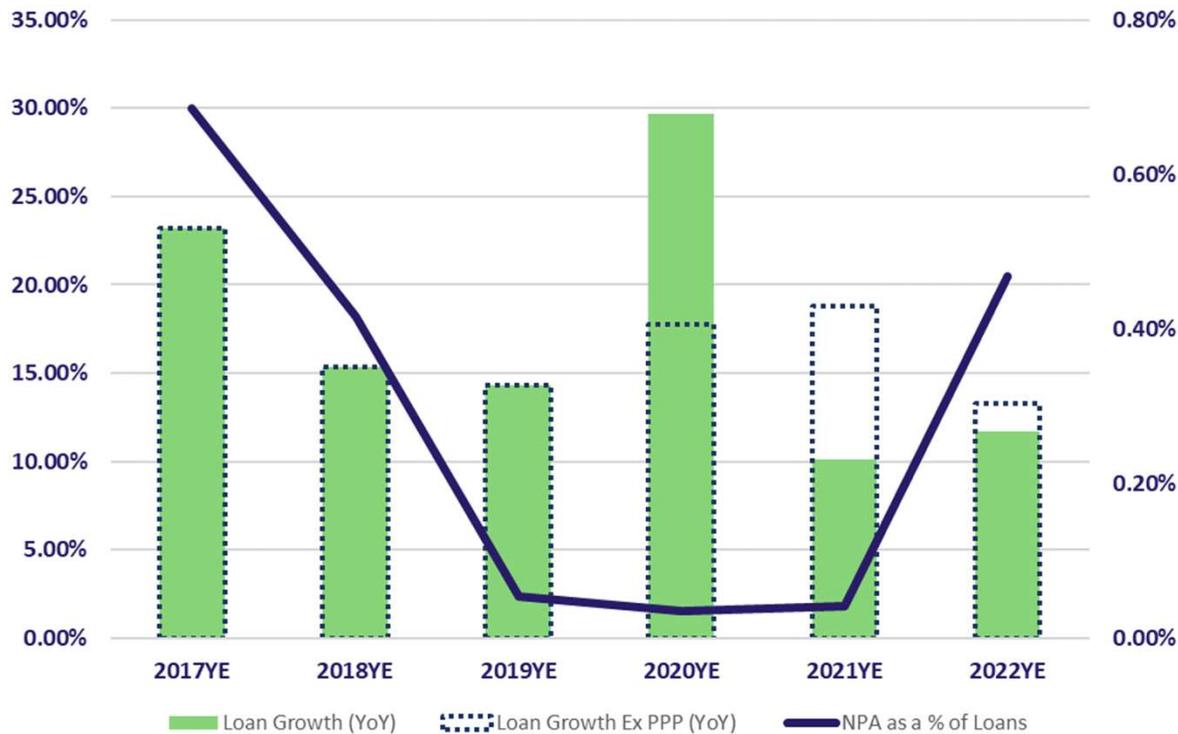
**148 Years of Collective
Experience**

Financial Trends



- Strong Net Interest Income Growth
- Consistent Non-interest Income Growth since 2017 due to:
 - SBA Loan Sales, and
 - SBA Servicing Income
- Increasing Return on Average Assets

Loan Growth & Asset Quality



- Loan Growth (YoY) without PPP Loans at 13.3%
- Strong Reserves (Allowance for Loans & Lease Losses – ALLL)
 - ALLL is 1.59% without PPP Loans, which Carry a Zero-Risk Weighting and excluding unsold guaranteed portion of SBA loans
- CECL Conversion as of January 1, 2021

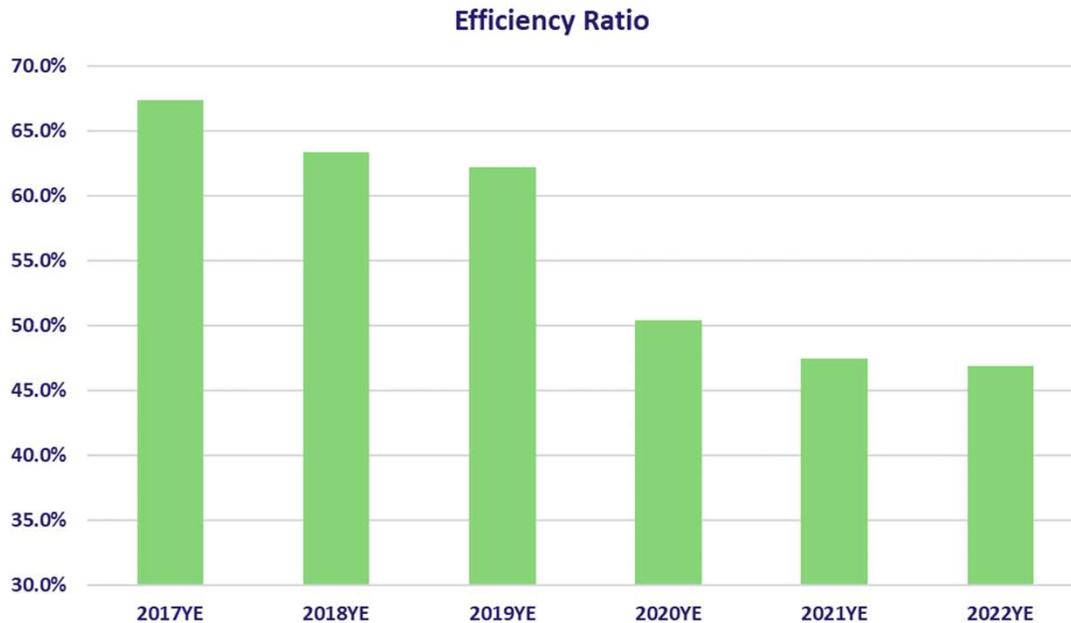
Interest Income & Interest Expense Management

Net Interest Margin (%) and Net Interest Income (\$000's)



- Strong Net Interest Margin Compared to CA Peer Group
- NIM compression observed due to increasing deposit costs
- Most recent 3 years show continued improvement in:
 - Net Interest Income Growth
 - Increased Profitability

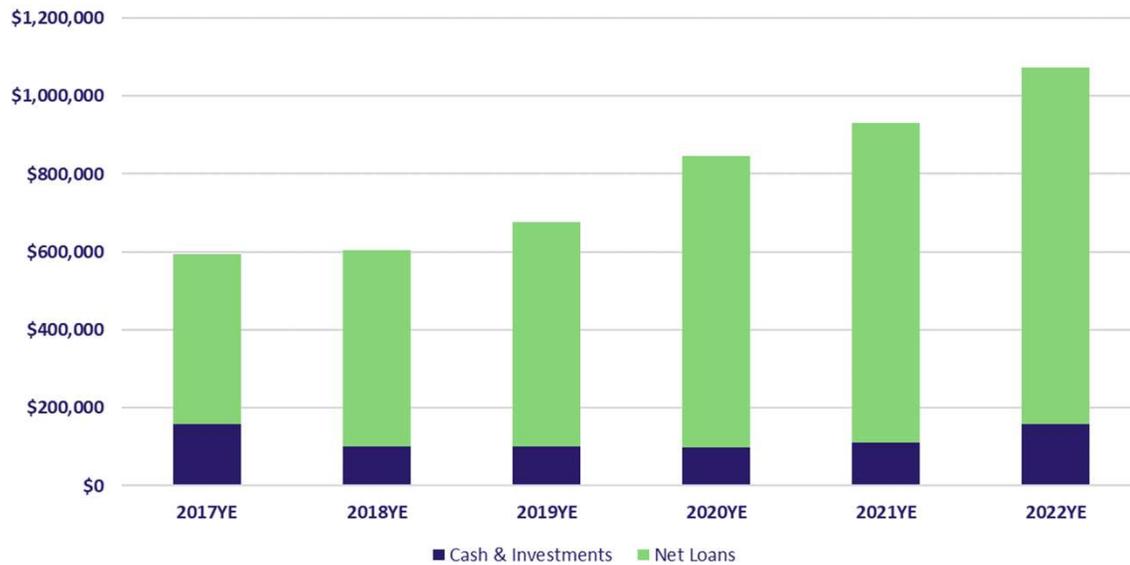
Building the Infrastructure to Deliver Results



- In 2017 the Bank Designed a 5-year Growth Plan to Deliver Strategic Results
- Strong Performance in Efficiency with Consistent Gains through:
 - Income Growth, and
 - Expense Management
- Continually Reviewing Technology for Enhancements

Assets Trends

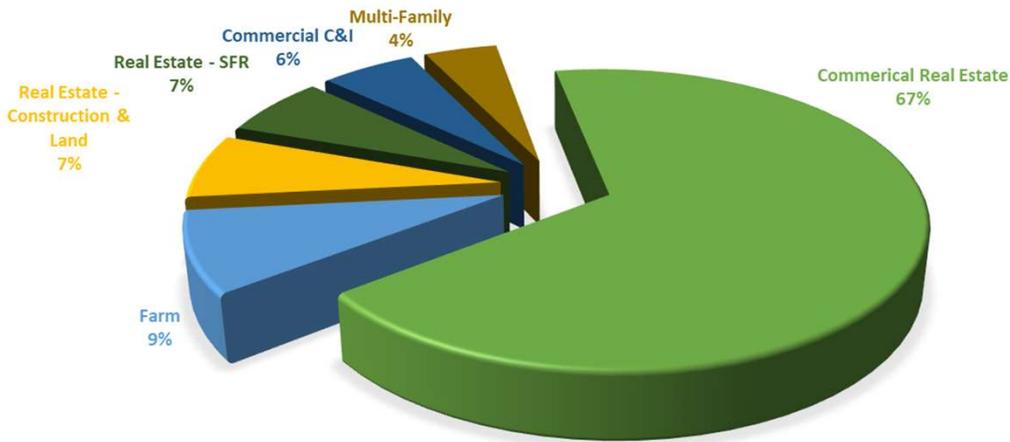
Net Loans and Cash & Investments
(\$000's)



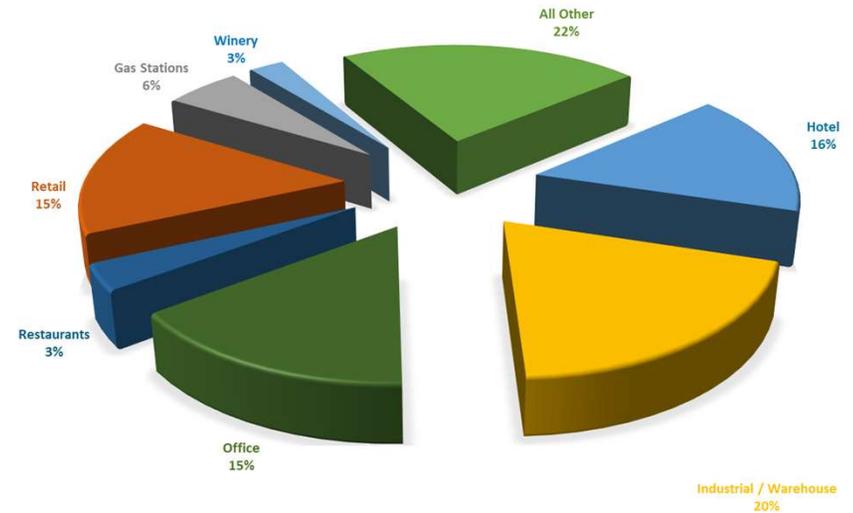
- Focused Growth on Conventional CRE and SBA Guaranteed Loans with Targeted Yield at 7.25%
- Portfolio Loan Yield as of 2022Q4 at 5.43%
- Organic Loan Growth through Strong Relationship Practices

Loan Composition

Total Loan Portfolio

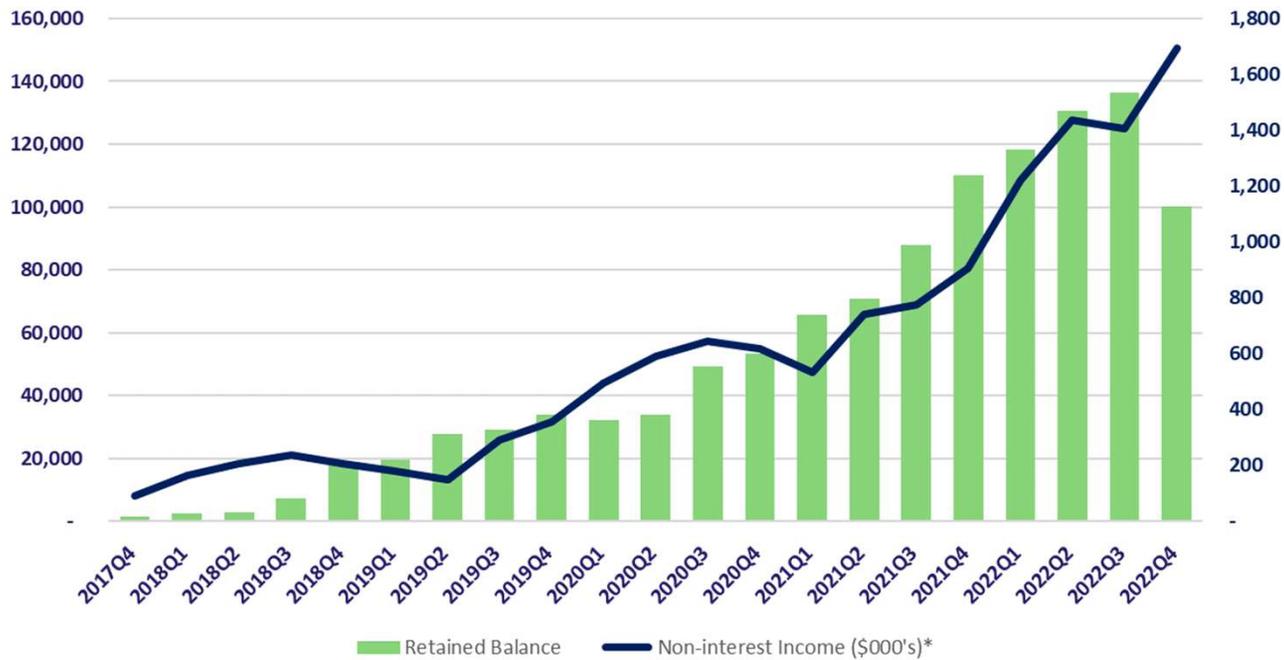


CRE Loan Portfolio Concentration



- Diversified Portfolio with Manageable Risk
- Total Portfolio LTV 47% (ex C&I); CRE LTV 49.5%
- CRE LTV 48.6% for Property Types with Higher Risk
 - Pandemic Risks: Wineries, Hotels, Restaurants, and Retail at ~34.8% of CRE Portfolio
 - Post Pandemic Risks: Office at 15% of CRE Portfolio

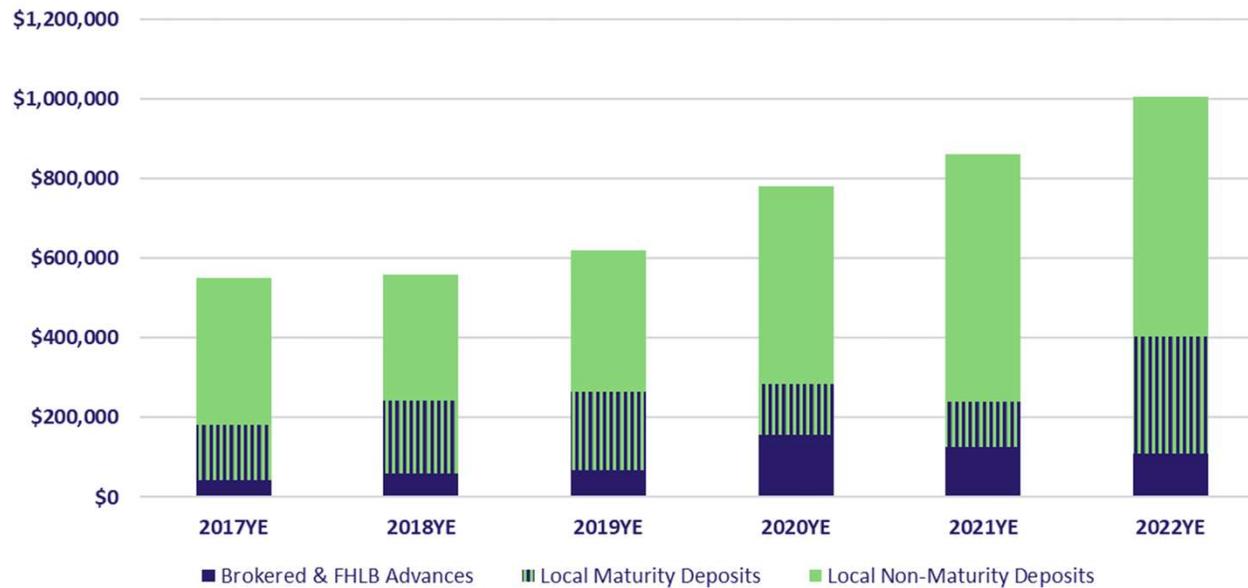
SBA Loan Program



- Dedicated Small Business Lending Group Created in 2017
- Floating Rate Yields ~ 11.7% (January 2023 adjustment)
- Increase in Non-interest Income through:
 - Consistent SBA Loan Sales
 - Growing SBA Servicing Income
- Decreased Retained Balance in Q4 2022 driven by selling all guaranteed balances and slowing SBA originations

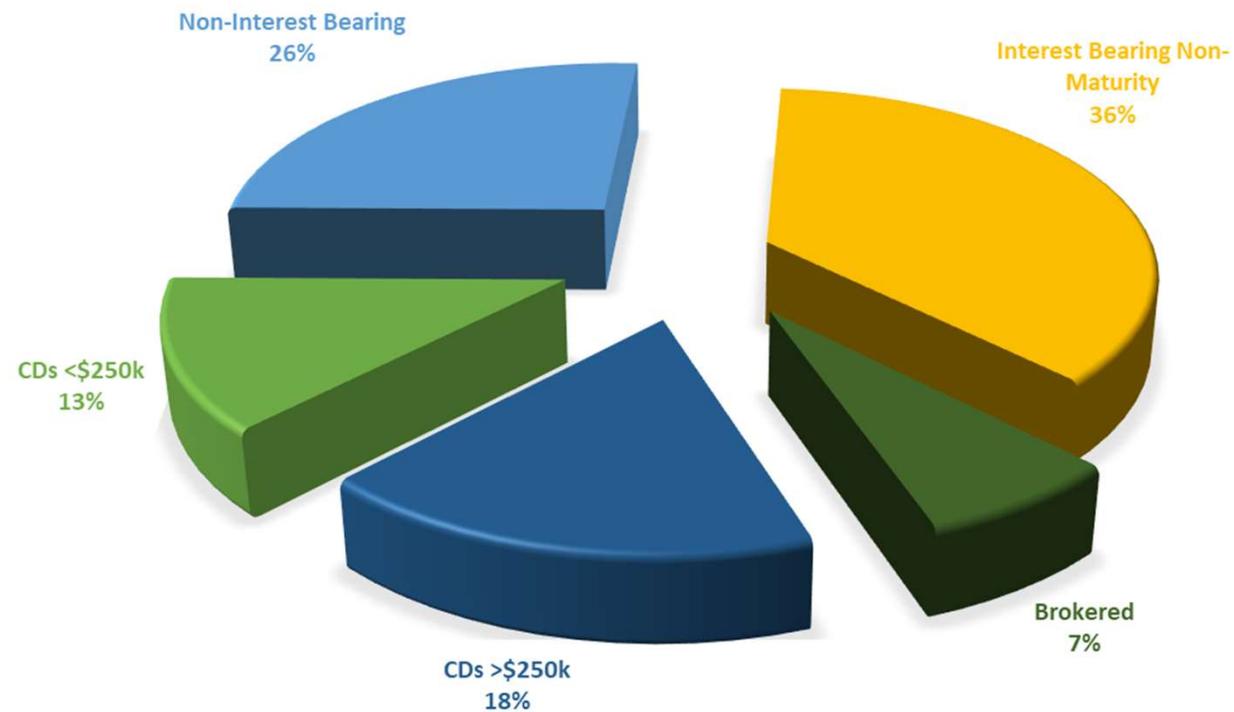
Liabilities Trends

Local Deposits and Brokered & FHLB Advances
(\$000's)

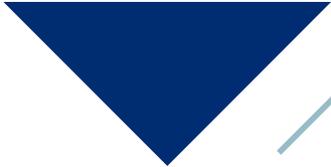


- 4Q2022 Average Cost of Funds at 0.71%
- Deposit growth from 2016 to 4Q2022:
 - Local Non-Maturity Deposits went from 56% to 60% of Total Deposits
 - Total Local Deposits went from 70% to 89% of Total Deposits
- Focus on Local Deposit Growth
- Managed & Disciplined Use of Brokered Deposits & FHLB Advances

Deposit Composition



- Organic Deposit Growth through Strong Relationship Practices
- Focused Local Deposit Growth
- FY2022 Average Cost of Deposits at 0.58%



Focus on Liquidity and Quality as of Q1 2023

- ❖ **\$194MM of Available Liquidity**
 - Including Cash and Investments Available for Sale
 - Primary Liquidity is 17%

- ❖ **\$330MM of Off-Balance Sheet Liquidity Sources**
 - Including FHLB, Federal Reserve Bank, and Fed Funds lines
 - Secondary Liquidity is 29%

- ❖ **\$207MM of Contingent Funding Sources**
 - Including SBA Loan Sales, FRB (BTFP), Broker Deposits (based on internal policy limits)

- ❖ **AOCI impact is minimal to Capital Ratio (~1%)**

- ❖ **Deposit Portfolio Quality**
 - Only an estimated 24% of Deposits are uninsured by FDIC
 - Deposit Concentrations
 - Only 2 Depositors meet Regulatory definition of Concentration
 - Top 25 Depositors represent only 25% of Deposits
 - Total Local Deposits are 92%

Consistently Delivers Strong Stock Value

Investment in 1 share since 2016

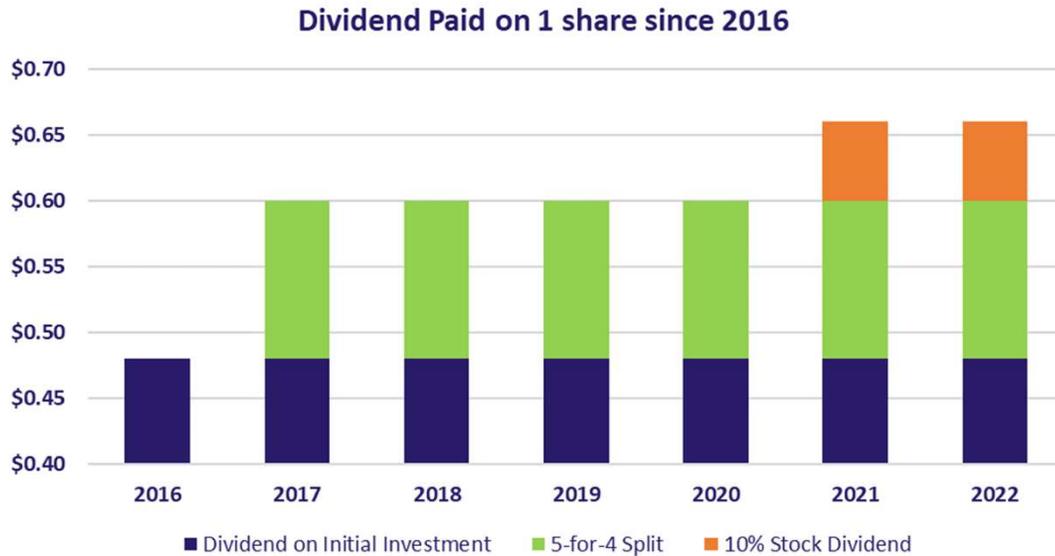


Graph illustrates investment in 1 share of stock beginning in 2016

- 2016: One share of stock purchased
- 2017: A five-for-four stock split results in 1.25 shares outstanding
- 2021: A one time 10% stock dividend results in 1.38 shares outstanding

Note: Value represents the Bank's average annual stock price adjusted historically for splits and dividend multiplied by the number of shares

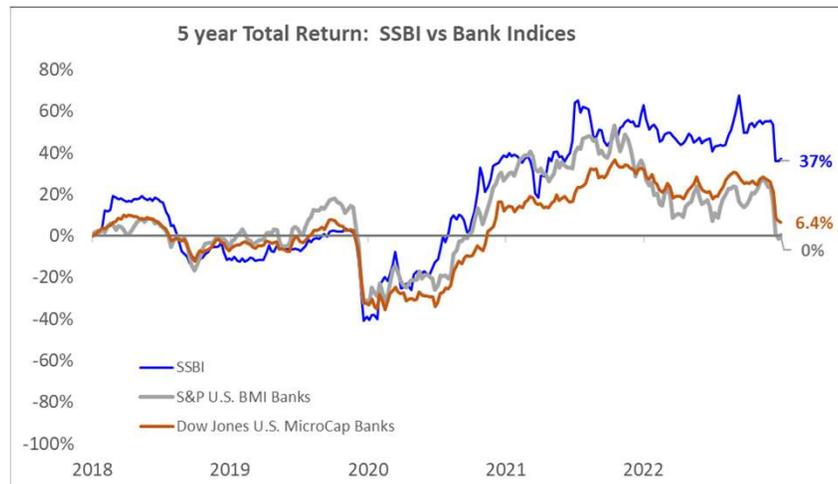
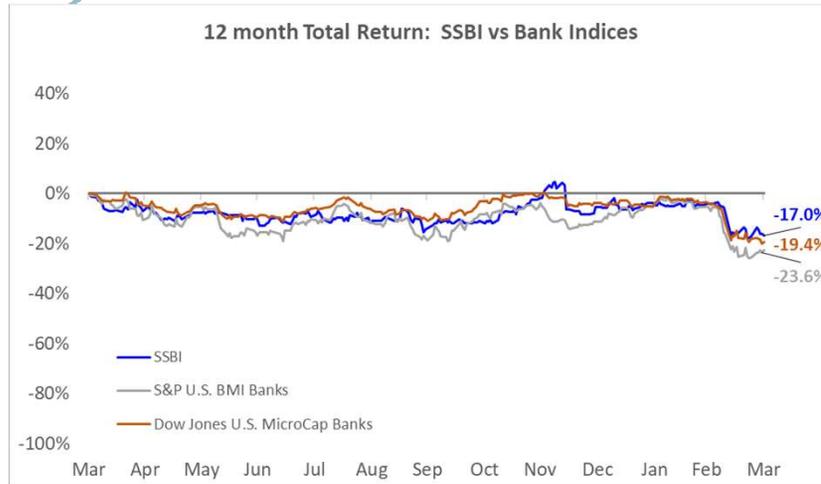
Strong Dividend Return



Graph illustrates investment in 1 share of stock beginning in 2016

- Dividend on Initial Investment relates to the original purchase of 1 share
- Additional Dividend Return of 37.5% is a result of:
 - 5-for-4 stock split (2017)
 - one time 10% stock dividend (2021)

Stock Total Return Outperforms Bank Indices



Total Return vs
Bank Indices as of
Q1 2023

Why Summit State Bank?

- ❖ **Experienced Executive & Management Team**
- ❖ **Commitment to a Culture of Success**
- ❖ **Focused on Organic Growth**
- ❖ **Strategic Lending Platform Positioned to Deliver Results**
- ❖ **High Credit Quality with a Low Risk Profile**
- ❖ **Strong Net Interest Margin & Improved Efficiency Ratio**
- ❖ **California Peer Group Leader in Key Performance Metrics**
- ❖ **Consistent Growth of Total Return to Shareholders**

Awards and Accolades

Best Places to Work
North Bay Business Journal

Best Business Bank
North Bay biz magazine

Top Community Bank Loan Producer
ICBA

Raymond James Bankers Cup
Raymond James

Super Premier Performance
Findley Reports

Bank & Thrift Sm - All Stars
Piper Sandler



Private Securities Litigation Reform Act of 1995

Statements made during this presentation and in response to questions may constitute Forward Looking Statements within the meaning of the Private Securities Litigation Reform Act of 1995 and any such statements are subject to risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties include those related to the economic environment, particularly in the region where Summit State Bank operates, competitive products and pricing, general interest rate changes and the fiscal and monetary policies of the US Government, credit risk management, regulatory actions, and other risks and uncertainties.



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