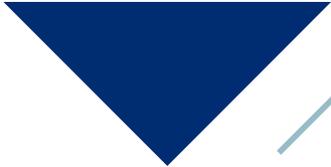




**Investor
Presentation
Q1 2023**



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 Locations

Headquartered in Santa Rosa, CA

Branch Locations

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

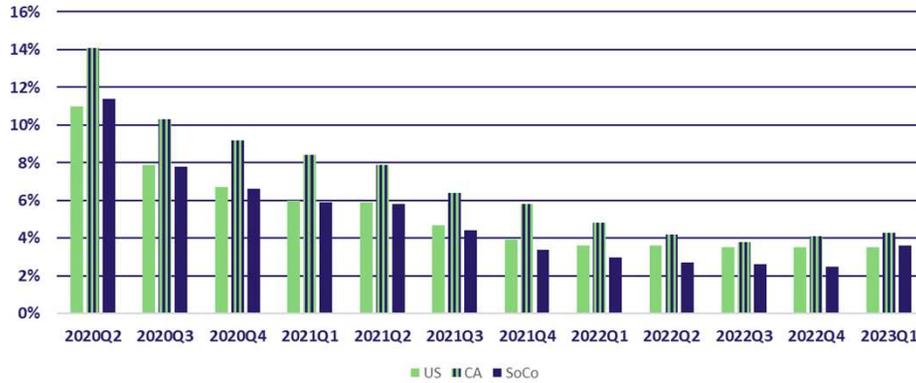
Regional Small Business Lending Group

- Roseville, CA

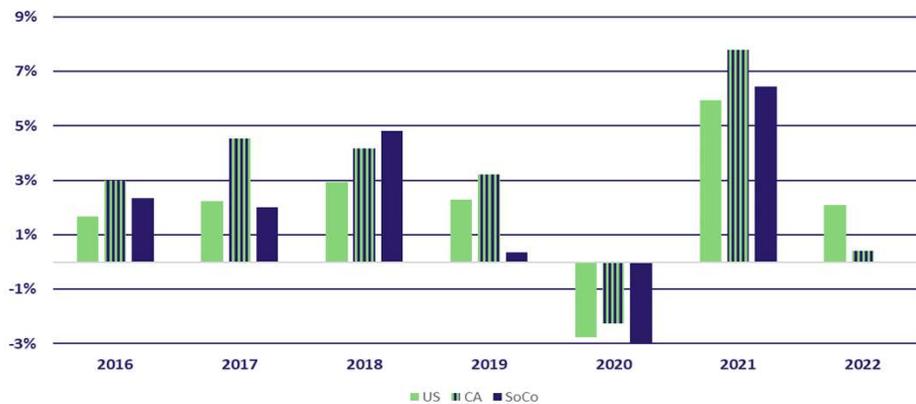


Market Area Highlights

Unemployment



GDP



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

* 2022 Sonoma County GDP figures unavailable

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

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

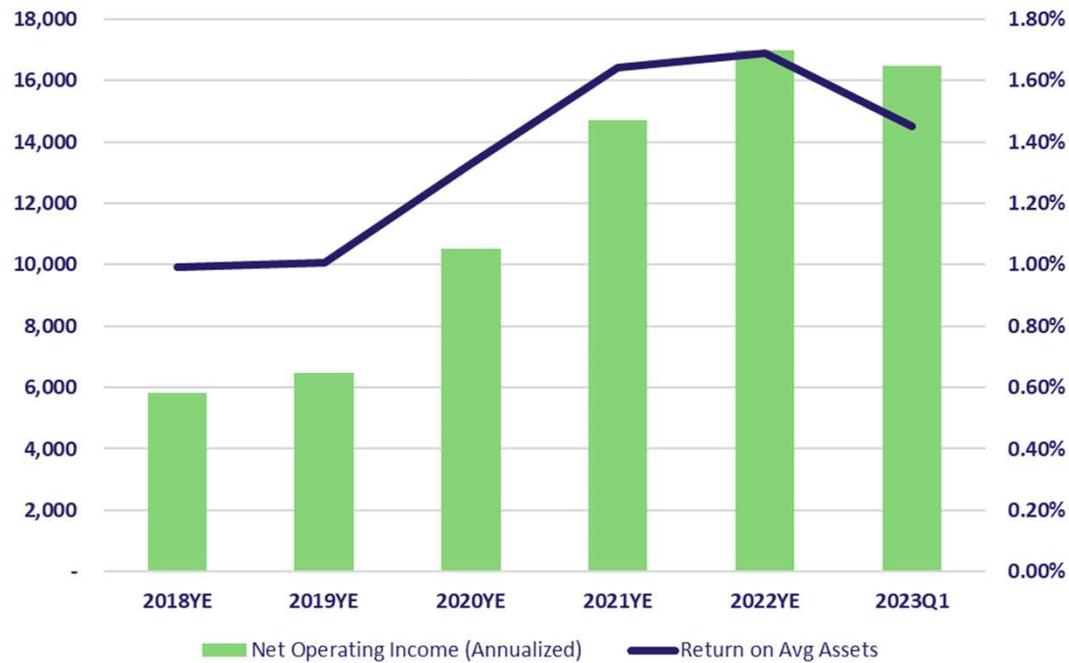


Michael Castlio

SVP & Chief Credit Officer
30 Years in the Industry
5 at Summit State Bank

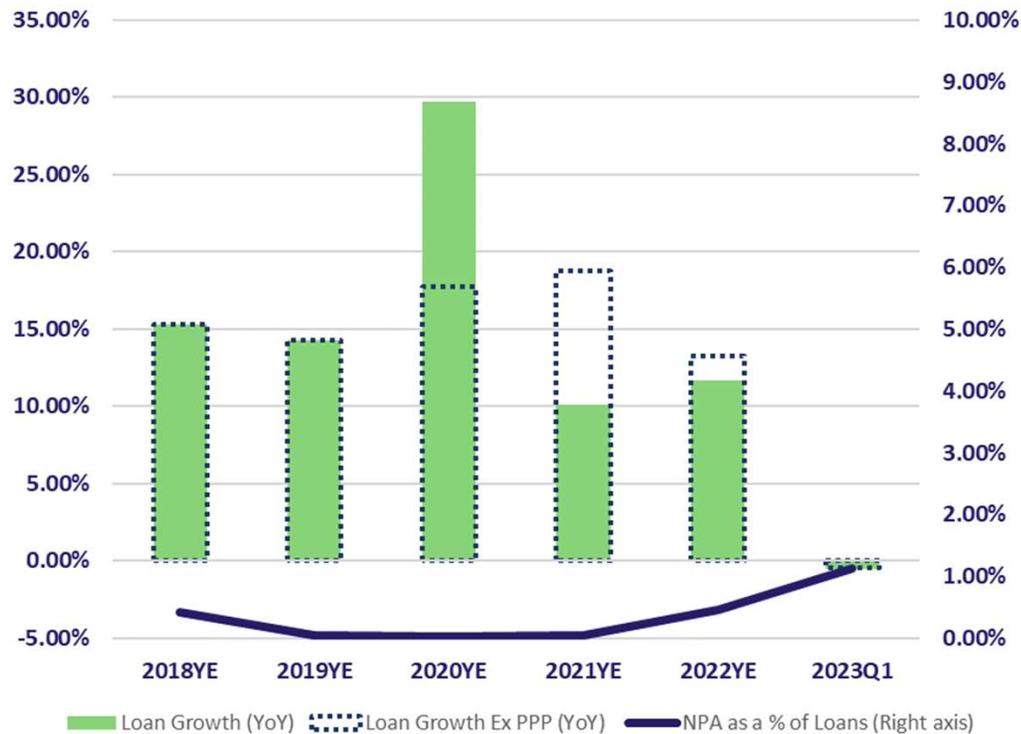
**151 Years of Collective
Experience**

Financial Trends



- Rate increases have put downward pressure on Return on Average Assets and Net Interest Income
- Consistent Non-interest Income Growth since 2017 due to:
 - SBA Loan Sales, and
 - SBA Servicing Income
- Loan Sales Outlook potentially constrained due to current rate environment

Loan Growth & Asset Quality

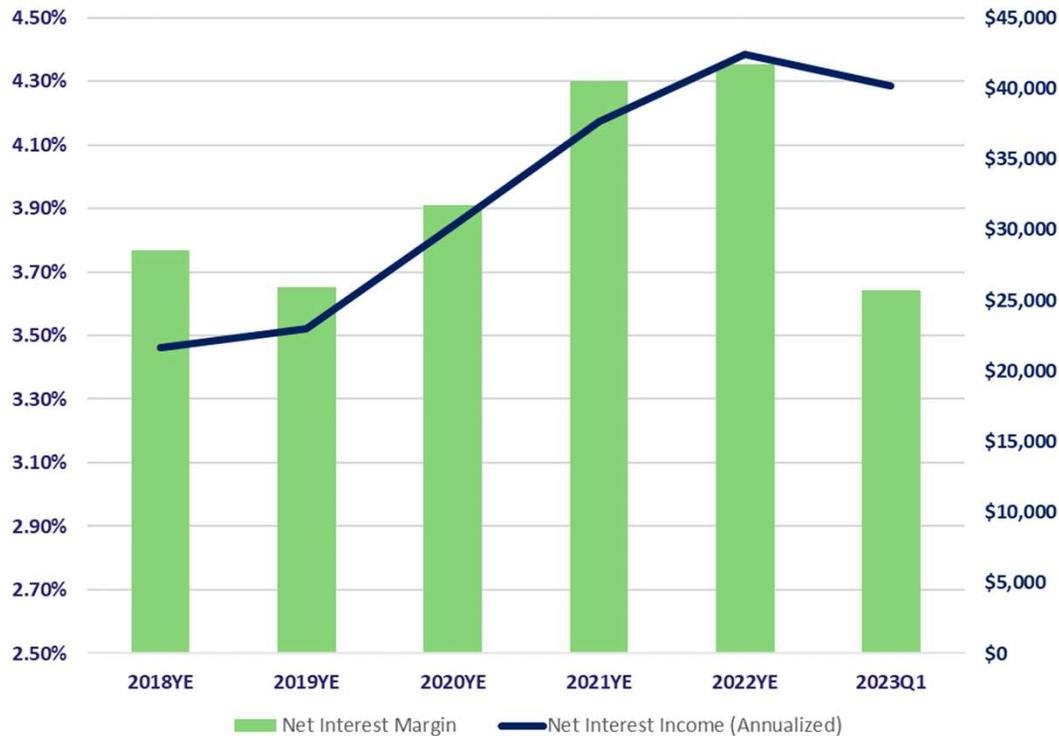


Note: CECL Conversion as of January 1, 2021

- Loan Growth without PPP Loans has declined (0.4%) due to \$23MM of loan sales in March 2023
- Average Loan Balance (QoQ) increased \$7MM from Q4 2022
- Strong Reserves (Allowance for Loans & Lease Losses - ACL)
 - ACL is 1.67% without PPP Loans, which Carry a Zero-Risk Weighting and excluding unsold guaranteed portion of SBA loans
- Increase in Non-Performing Loans are comprised of two loans that the borrower is in the process of liquidating and our estimated loss is zero

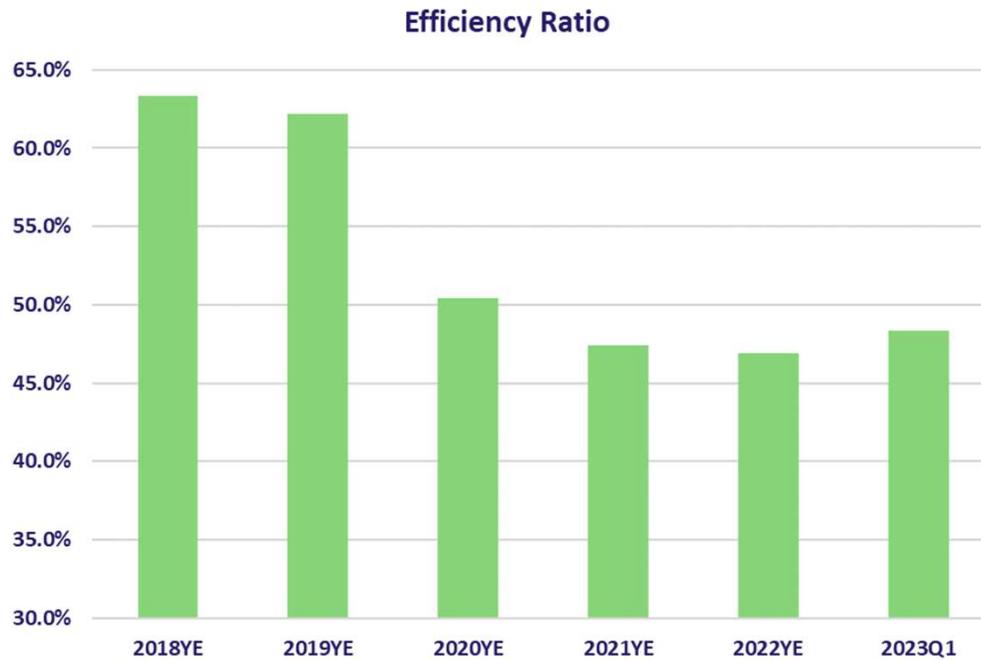
Interest Income & Interest Expense Management

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



- NIM compression observed due to planned deposit growth and increased interest rates
- Most recent 3 years show continued improvement in:
 - Net Interest Income Growth
 - Increased Profitability
- While NIM is declining it still remains strong

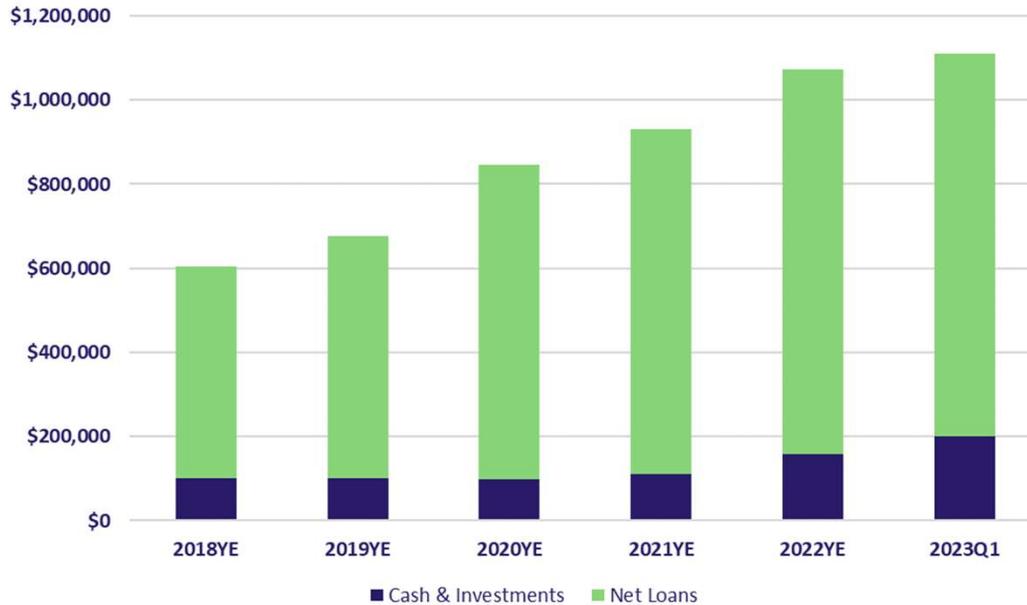
Building the Infrastructure to Deliver Results



- Strong Performance in Efficiency with Consistent Gains through:
 - Income Growth, and
 - Expense Management
- Continually Reviewing Technology for Enhancements

Assets Trends

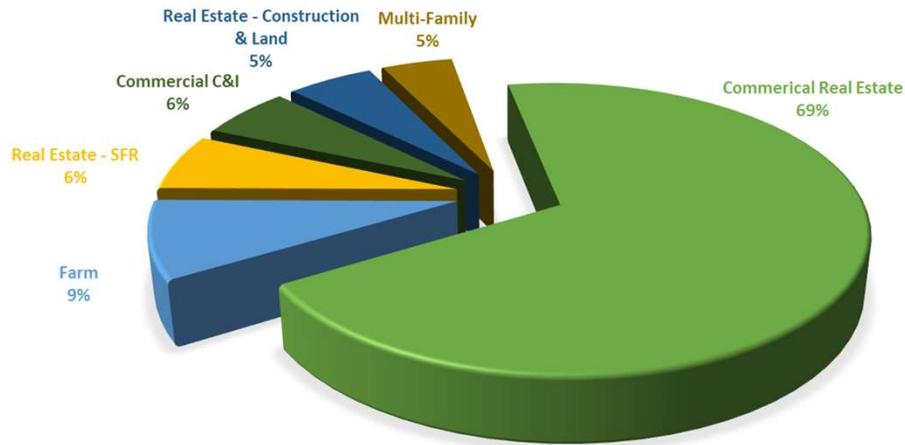
Net Loans and Cash & Investments
(\$000's)



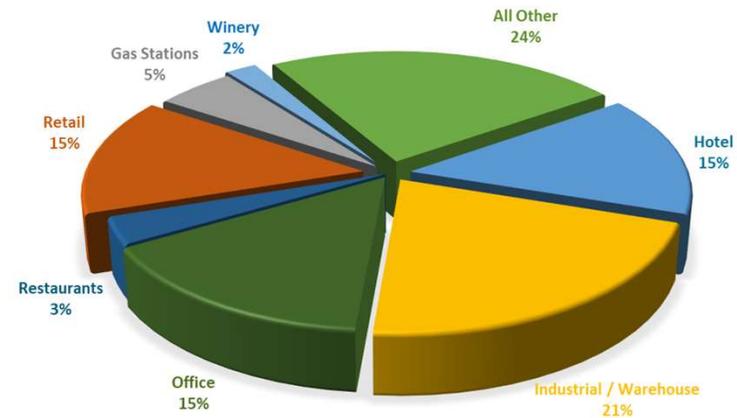
- Focused Growth on Conventional CRE and SBA Guaranteed Loans with Targeted Yield at 7.25%
- Portfolio Loan Yield as of 2023Q1 at 5.59%
- Focused on Organic Loan Growth through Strong Relationship Practices
- Asset growth in Q1 2023 is driven by growth in Cash

Loan Composition

Total Loan Portfolio

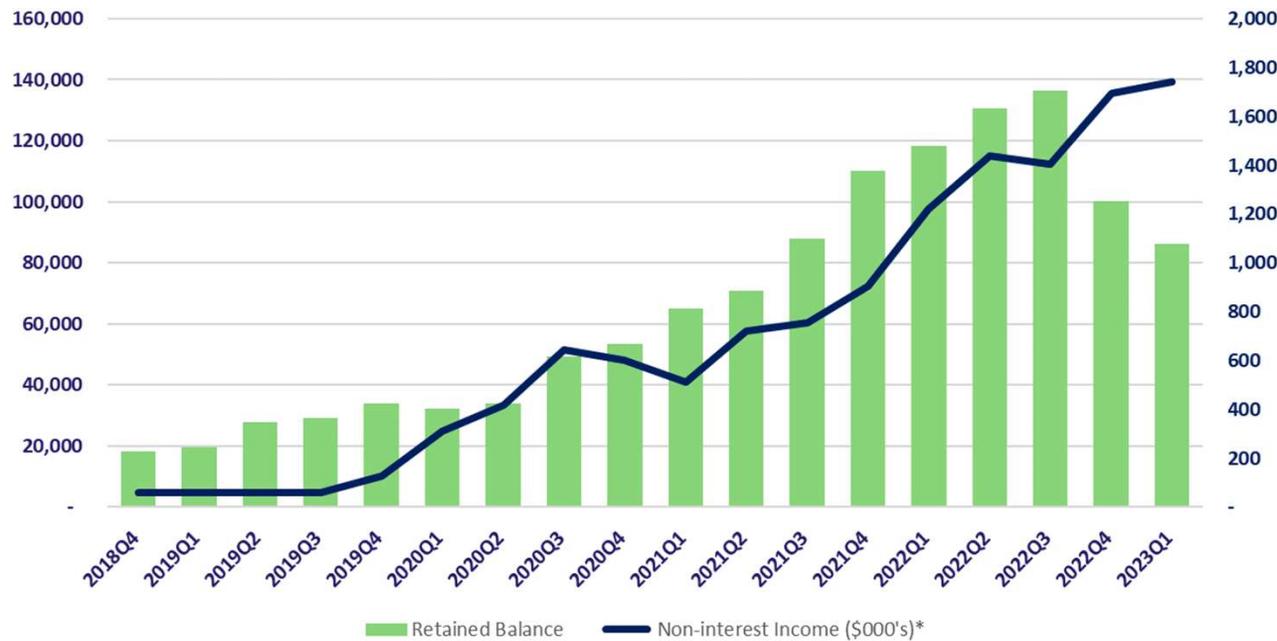


CRE Loan Portfolio Concentration



- Diversified Portfolio with Manageable Risk
- Total Portfolio LTV 47% (ex C&I); CRE LTV 49.2%
- CRE LTV 48.8% for Property Types with Higher Risk
 - Pandemic Risks: Wineries, Hotels, Restaurants, and Retail at ~34.7% of CRE Portfolio
 - Post Pandemic Risks: Office at 15% of CRE Portfolio (LTV 56% & DSCR 2.05x)

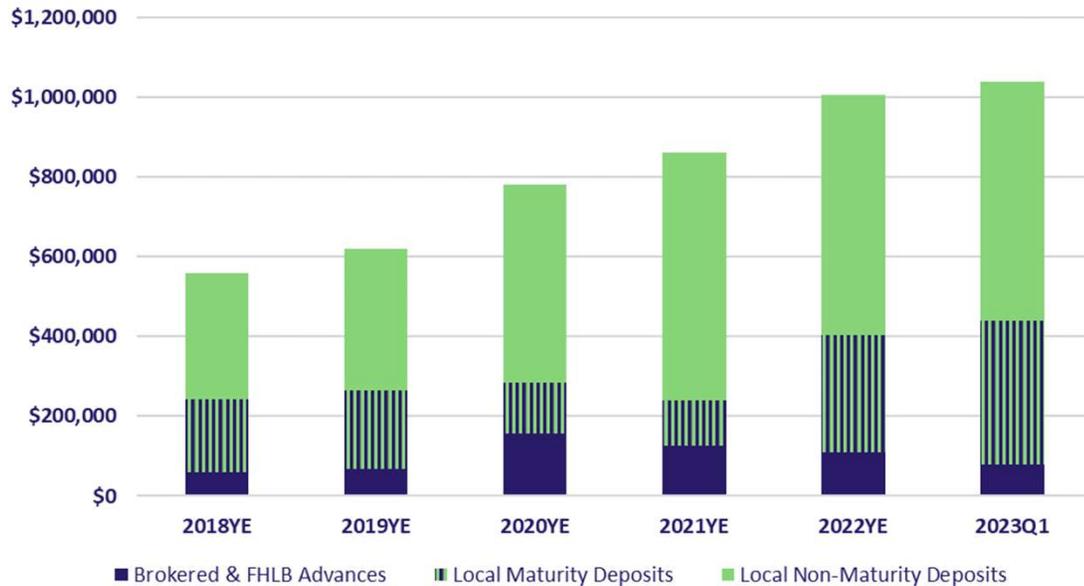
SBA Loan Program



- 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 driven by selling majority of guaranteed balances and slowing SBA originations

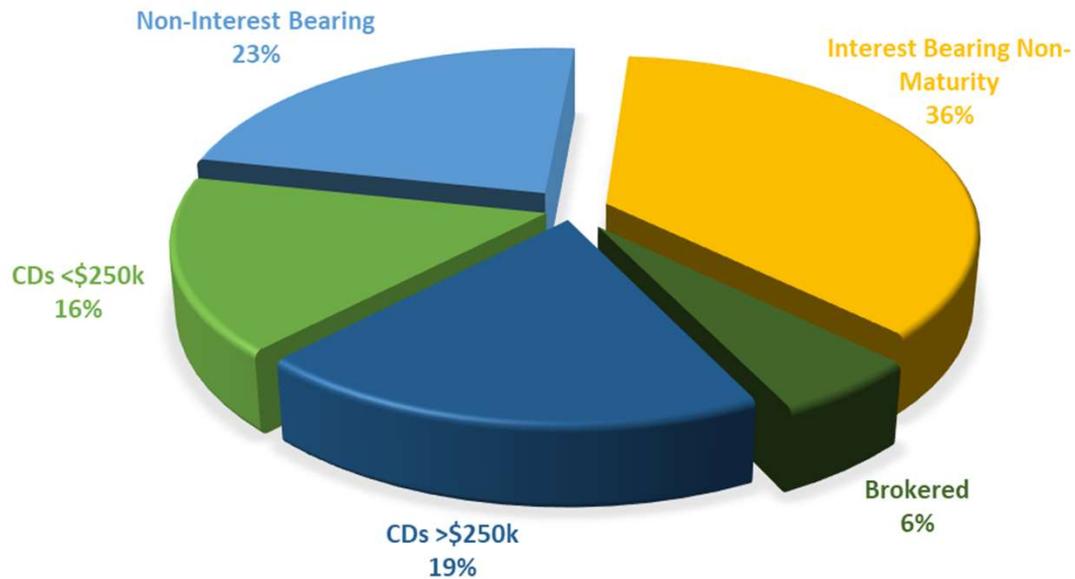
Liabilities Trends

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

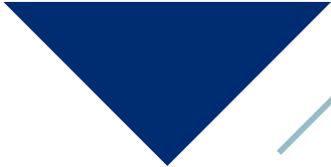


- Focus on Local Deposit Growth and Increasing Market Share
- 1Q2023 Average Cost of Funds at 1.77%
- Deposit growth from 2018 to 1Q2023:
 - Local Non-Maturity Deposits went from 57% to 58% of Total Deposits
 - Total Local Deposits went from 89% to 92% of Total Deposits

Deposit Composition



- Organic Deposit Growth through Strong Relationship Practices
- Focused Local Deposit Growth
- 1Q2023 Average Cost of Deposits at 1.77%



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



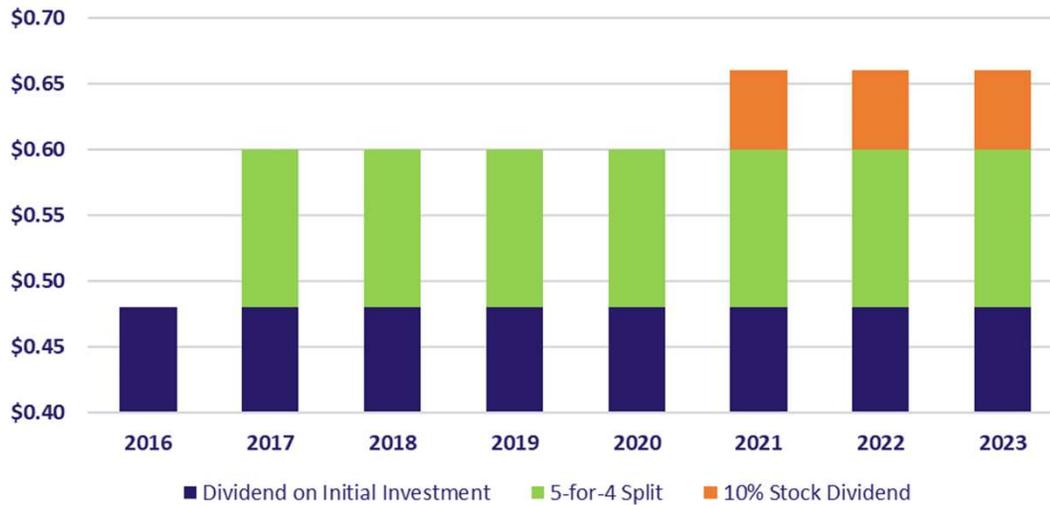
Graph illustrates investment in 1 share of stock beginning in 2016

- 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

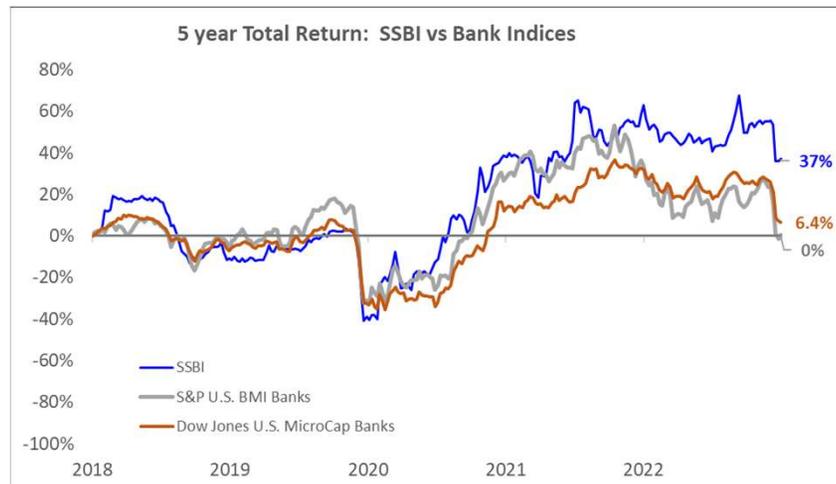
Dividend Paid on 1 share since 2016



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 & Efficiency Ratio**
- ❖ **California Peer Group Leader in Key Performance Metrics**
- ❖ **Strong Total Return to Shareholders Compared to Industry**

Awards and Accolades

Best Places to Work
North Bay Business Journal

Best Business Bank
North Bay biz magazine

Top Performing Banks
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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