

# CCBN Directors Roundtable

June 7, 2024



**FIVE STAR BANCORP**

# Safe Harbor Statement and Disclaimer

## Forward-Looking Statements

In this presentation, “we,” “our,” “us,” “Five Star,” or “the Company” refers to Five Star Bancorp, a California corporation, and our consolidated subsidiaries, including Five Star Bank, a California state-chartered bank, unless the context indicates that we refer only to the parent company, Five Star Bancorp. This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent plans, estimates, objectives, goals, guidelines, expectations, intentions, projections, and statements of the Company’s 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. The Company cautions that the forward-looking statements are based largely on the Company’s 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 the Company’s control. Such forward-looking statements are based on various assumptions (some of which may be beyond the Company’s 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 the Company to predict their occurrence or how they will affect the Company. If one or more of the factors affecting the Company’s forward-looking information and statements proves incorrect, then the Company’s actual results, performance, or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements contained in this press release. Therefore, the Company cautions you not to place undue reliance on the Company’s forward-looking information and statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 under the section entitled “Risk Factors,” and other documents filed by the Company with the Securities and Exchange Commission from time to time.

The Company disclaims 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.

## 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.

## Unaudited Financial Data

Numbers contained in this presentation for the quarter ended March 31, 2024 and for other quarterly periods are unaudited. Additionally, all figures presented as year-to-date, except for periods that represent a full fiscal year ended December 31, represent unaudited results. As a result, subsequent information may cause a change in certain accounting estimates and other financial information, including the Company’s allowance for credit losses, fair values, and income taxes.

## Non-GAAP Financial Measures

The Company uses financial information in its analysis of the Company’s performance that is not in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Company believes that these non-GAAP financial measures provide useful information to management and investors that is supplementary to the Company’s financial condition, results of operations, and cash flows computed in accordance with GAAP. However, the Company acknowledges that its non-GAAP financial measures have a number of limitations. See the appendix to this presentation for a reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures.



Five Star Bank chartered and organized as a Subchapter-S Corporation, operations begin with a \$12,500,000 capital raise, and first office opens in Rocklin, CA

1999

James Beckwith joins company as President & CEO; capital raise of \$12,500,000

2003

Capital raise of \$12,000,000

2007

Capital raise of \$8,000,000

2009

Fifth office opens in Elk Grove, CA

2011

2002 Holding company, Five Star Bancorp, Incorporated

2004 Second office opens in Sacramento, CA

2006 Third office opens in Rancho Cordova, CA

2008 Fourth office opens in Redding, CA

2014 Sixth office opens in Chico, CA and capital raise of \$12,500,000

2016 Capital raise of \$12,500,000

1999 - 2024





Subordinated debt of \$25,000,000 secured **2017**

Capital raise of \$22,500,000 and subordinated debt of \$3,750,000 secured **2019**

Initial Public Offering May 5, 2021  
Nasdaq: FSBC **2021**

Expansion into San Francisco Bay Area **2023**

**2020** Capital raise of \$12,500,000, seventh office opens in Yuba City, CA and non-depository office opens in Downtown Sacramento, CA

**2022** Subordinated debt of \$75,000,000 secured

**2024** Successful secondary offering of \$81,000,000

# The Five Star Journey

## 1999: In-Organization

- Amazing Consultants
- Founders Set the Tone
- S-Corporation
- Strong Insider Ownership

## 2021: Exceptional Growth & Performance

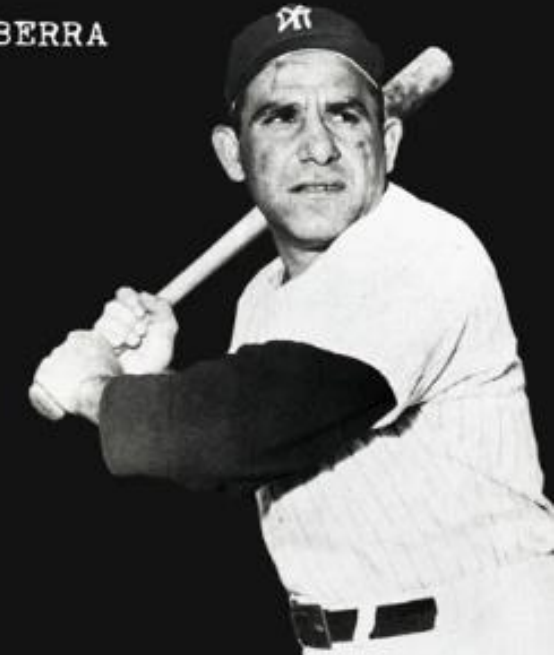
- Converted to a C-Corporation
- Successful Public Offering
- Director Ownership Significant
- Organic Growth Story

## 2024: The Strategic Plan

- Secondary Offering
- Fortress Balance Sheet
- Geographical Expansion
- The Team is Extraordinary

You've got to be very careful if you don't know where you are going, because you might not get there.

YOGI BERRA



# An Extraordinary Team

## The Board: Founders Legacy

- Commitment
- Fiduciary Responsibilities
- Business Acumen
- Learning Imperative
- Strategic Planning
- Accountability

## Executives: Embrace the Legacy

- Committed to the Plan
- Leadership
- Learning Imperative
- Focused on Execution

## Team Members: Understand the Legacy

- Best of the Best
- Learning Imperative
- Committed to Execution

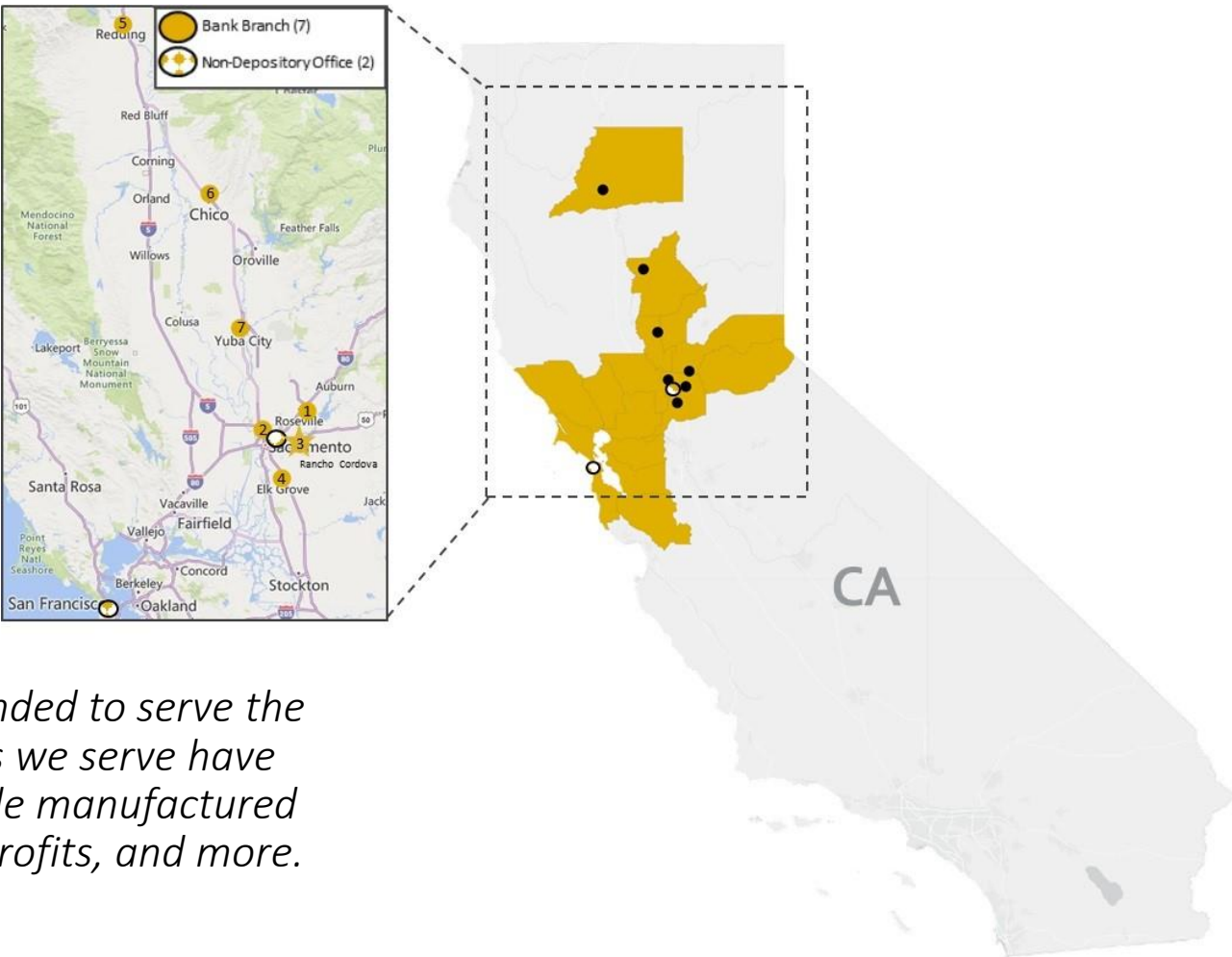


“The quality of your effort to realize your potential counts first and foremost.”

John Wooden

# Company Overview

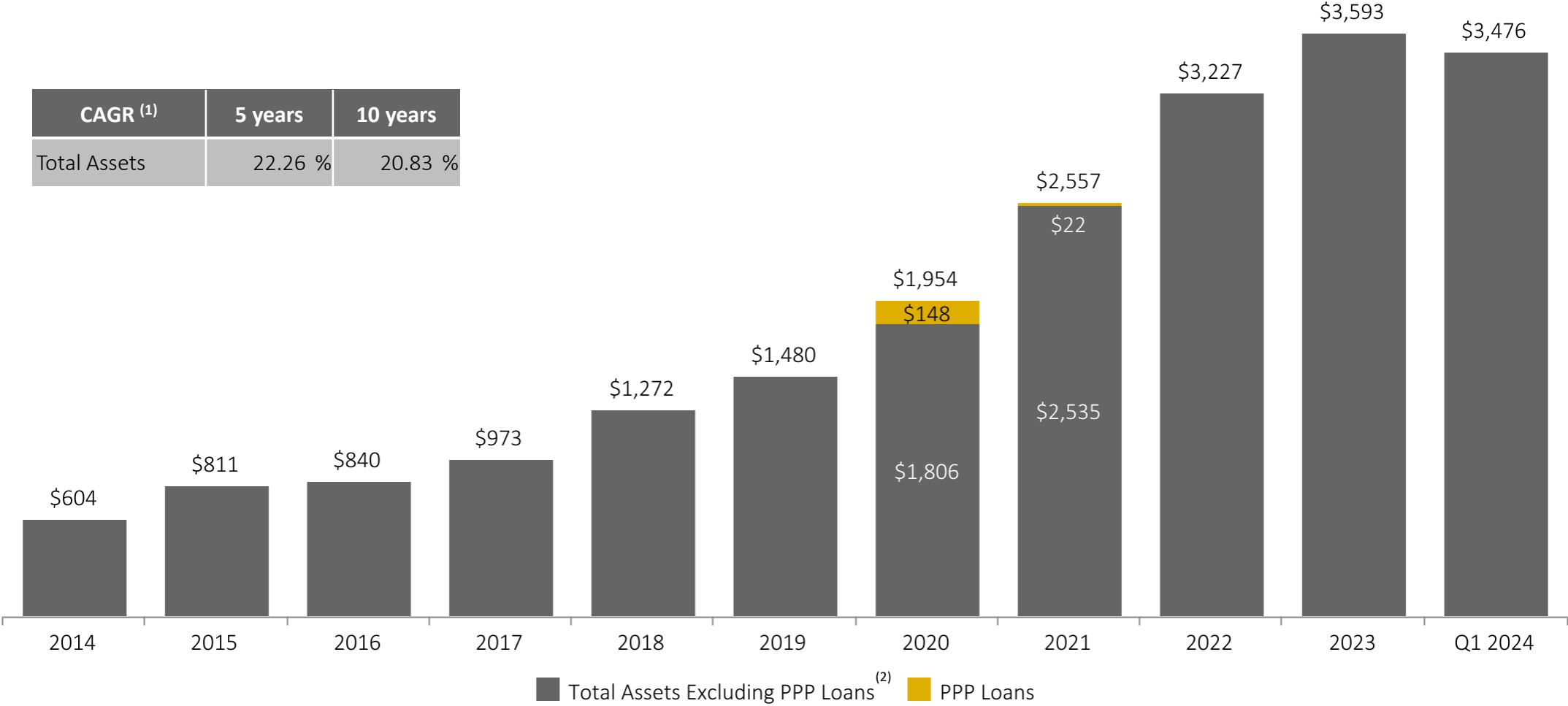
Nasdaq: FSBC  
Headquarters: Rancho Cordova, CA  
Asset Size: \$3.5 billion  
Loans HFI: \$3.1 billion  
Deposits: \$3.0 billion  
Bank Branches: 7



*Five Star is a community business bank that was founded to serve the commercial real estate industry. Today, the markets we serve have expanded to meet customer demand and now include manufactured housing and storage, faith-based, government, nonprofits, and more.*

# Consistent and Organic Asset Growth

CAGR <sup>(1)</sup>	5 years	10 years
Total Assets	22.26 %	20.83 %



Note: Dollars are in millions. Balances are end of period. References to PPP are the Paycheck Protection Program.

1. CAGR is based upon balances as of March 31, 2024.
2. A reconciliation of this non-GAAP measure is set forth in the appendix.



# Financial Highlights

		For the three months ended		
		3/31/2024	12/31/2023	3/31/2023
<i>(in thousands, except per share data)</i>				
<b>Profitability</b>	Net income	\$ 10,631	\$ 10,799	\$ 13,161
	Return on average assets ("ROAA")	1.22 %	1.26 %	1.65 %
	Return on average equity ("ROAE")	14.84 %	15.45 %	20.94 %
	Earnings per share (basic and diluted)	\$ 0.62	\$ 0.63	\$ 0.77
<b>Net Interest Margin</b>	Net interest margin	3.14 %	3.19 %	3.75 %
	Average loan yield	5.71 %	5.64 %	5.36 %
	Average cost of interest-bearing deposits	3.46 %	3.29 %	1.98 %
	Average cost of total deposits	2.53 %	2.39 %	1.35 %
	Total cost of funds	2.62 %	2.50 %	1.53 %
<b>Deposits and Securities</b>		<b>3/31/2024</b>	<b>12/31/2023</b>	
	Non-interest-bearing deposits	\$ 817,388	\$ 831,101	
	Interest-bearing deposits	2,138,384	2,195,795	
	Total deposits	2,955,772	3,026,896	
	Total securities	108,006	111,160	
	Total securities to interest-earning assets	3.19 %	3.17 %	
<b>Asset Quality</b>	Nonperforming loans to loans held for investment	0.06 %	0.06 %	
	Allowance for credit losses to loans held for investment	1.12 %	1.12 %	



“ The relationship between TMC Financing and **Five Star Bank** exemplifies the importance of collaboration and trust. Their dedication to small business growth aligns with our company mission – and that is invaluable in a banking partner.

**BARBARA MORRISON**  
*President & CEO, TMC Financing*

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