



# 7<sup>th</sup> Annual Gateway Investor Conference

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Sept 2018

**Mr. Ciaran McMullan**  
President & CEO

**Mr. Peter Nutz**  
Chief Credit Officer





# Forward Looking Statements

Except for the historical information in this presentation, the matters described herein contain forward- looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties include: the credit risks of lending activities, including changes in the level and trend of loan delinquencies and charge-offs, results of examinations by our banking regulators, our ability to maintain adequate levels of capital and liquidity, our ability to manage loan delinquency rates, our ability to price deposits to retain existing customers and achieve low-cost deposit growth, manage expenses and lower the efficiency ratio, expand or maintain the net interest margin, mitigate interest rate risk for changes in the interest rate environment, competitive pressures in the banking industry, access to available sources of credit to manage liquidity, the local and national economic environment, and other risks and uncertainties. Accordingly, undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this release. Suncrest Bank undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date of this release or to reflect the occurrence of unanticipated events. Investors are encouraged to read the Suncrest Bank annual reports which are available on our website.



# Suncrest Bank Overview

- 10 years old and ~\$900M in assets
- Young Management Team and Board with insider ownership of ~17%
- Locations throughout Central California and Sacramento MSA
- Focus on commercial lending - small business, agribusiness and SBA
- Low cost core deposit funded – consumer & business
- Excellent credit quality
- Outstanding growth
  - 784% asset growth since Apr '13
  - 1<sup>st</sup> in California
  - 1<sup>st</sup> publically traded in the US
- Numerous awards:
  - Rated 5 Stars “Superior” by Bauer Financial
  - OTCQX Top 50 for 2017 & 2018
  - Top 200 Deposits.com





# Our Leadership Team

Executive / Director	Relevant Work Experience
<p><b>Ciaran McMullan</b> <i>Chief Executive Officer</i> Age: 49</p>	<ul style="list-style-type: none"><li>▶ Suncrest President &amp; CEO since April 2013</li><li>▶ Previously CEO of ~\$6 billion National Australia Bank (NAB) Americas Group operating in Midwest &amp; Brazil (including the ~\$4 billion Great Western Bank)</li><li>▶ Previously served as Chairman of Great Western Bancorp (GWB)</li><li>▶ Banking Partner with Ernst &amp; Young / Cap Gemini EY</li><li>▶ 25 years of industry experience</li></ul>
<p><b>Peter Nutz</b> <i>Chief Credit Officer</i> Age: 54</p>	<ul style="list-style-type: none"><li>▶ Suncrest CCO since Jan 2015</li><li>▶ Previously EVP / Executive Credit Risk Director with Rabobank Group</li><li>▶ Head of Ag Credit for the US</li><li>▶ Prior to Rabobank, Mr. Nutz held various senior credit officer positions at other institutions</li><li>▶ 27 years of experience in credit risk management</li></ul>
<p><b>Jean Carandang</b> <i>Chief Financial Officer</i> Age: 52</p>	<ul style="list-style-type: none"><li>▶ Suncrest CFO since March 2016</li><li>▶ Previously CFO of ~\$1bn NASDAQ listed Simplicity Bank</li><li>▶ Held multiple senior finance and risk roles including with Quaker City Bank, PFF Bank &amp; Trust</li><li>▶ Formerly Audit Manager with KPMG in Los Angeles</li><li>▶ 25 years of industry experience</li></ul>
<p><b>Steve Jones</b> <i>Chief Operating Officer</i> Age: 55</p>	<ul style="list-style-type: none"><li>▶ Suncrest COO since Dec 2016</li><li>▶ Previously CEO &amp; CFO of Security First Bank, Fresno</li><li>▶ Also President and CFO at The Grange Bank, OH and multiple roles with JP Morgan Chase/Banc One including oversight of Bank Consolidation &amp; Acquisition</li><li>▶ 28 years of industry experience</li></ul>



# Strategic Emphasis Shifted From Growth to Profitability

*Previous focus on “\$500 million in assets in five years”*



*New increased focus on profitable growth*

## Key Markets

- Greater Sacramento
- Fresno
- Central Valley

## Key Sectors

- Agriculture
- Government Guaranteed
- SBA, USDA, FSA

**Organic Growth**

**Sector Specialization**

**Local Market Business Model**

**Focus on Profitability**

**Targeted M&A**

## Key Targets

- EPS growth
- Building TBV
- ROA improvement
- Operating Leverage

## Key Questions

- Right Bank?
- Right Location?
- Right Deal?



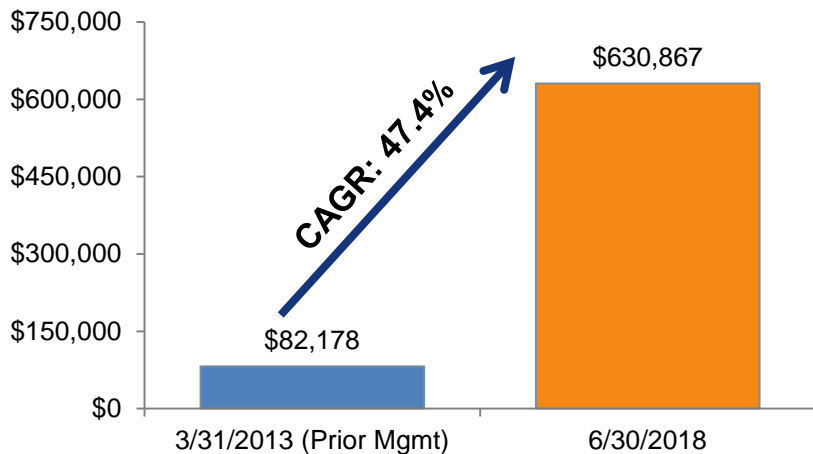
# Demonstrated Ability to Grow Organically & via M&A

- Suncrest has proven ability to successfully integrate acquisitions-AND-grow organically
  - Sutter Community Bank acquired Dec '15
  - Security First Bank acquired Dec '16
  - Community Business Bank acquired May '18
- While maintaining healthy asset quality and operational efficiency

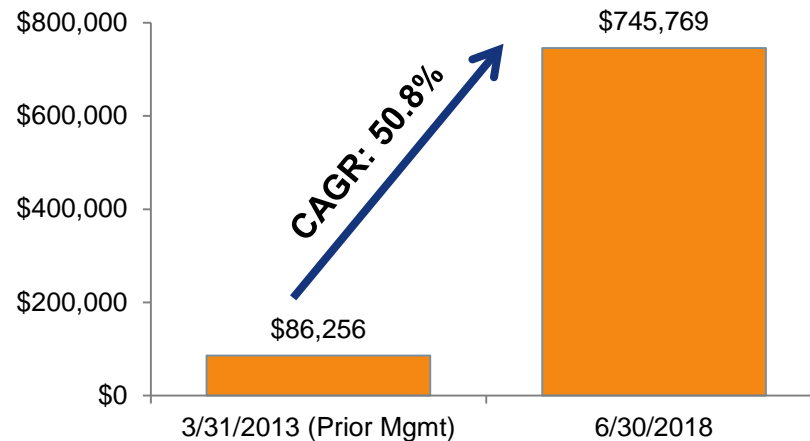
(1) NPAs include all nonaccrual loans, loans 90+ days past due, restructured loans and OREO.  
 (2) Excluding non-recurring items such as deferred tax asset write-down, merger expenses, discount accretion on acquired loans and recovery of interest on non-accrual loans.

Quarter-End Financials (\$000)	2018 Q2
Total Assets	\$883,022
<b>Organic Asset Growth (Q4'16 – Q1'18)</b>	<b>21.9%</b>
Total Deposits	\$745,769
<b>Organic Deposit Growth (Q4'16 – Q1'18)</b>	<b>24.3%</b>
Total Loans	\$630,867
<b>Organic Loan Growth (Q4'16 – Q1'18)</b>	<b>18.0%</b>
NPAs / Assets <sup>(1)</sup>	0.24%
ROAA <sup>(2)</sup>	1.32%
Efficiency Ratio <sup>(2)</sup>	50.6%

### Total Loans (\$000)



### Total Deposits (\$000)



Suncrest has grown by 784% since new management took over in April 2013, making it the fastest growing bank in California, and the 5<sup>th</sup> fastest in the U.S. over that period



# Suncrest Is the Fastest Growing Public Bank in the U.S.

## New management took over in April 2013

### Top 20 Fastest Growing Banks in California<sup>(1)</sup>

(\$ in Millions)

#### Asset Growth

Institution	Ticker	City, State	Asset Growth	
			Q1'13 - Q2'18 Asset Growth	Q2'18 Assets
1 Suncrest Bank	SBKK	Visalia, CA	783.5%	\$883
2 First Foundation Inc.	FFWM	Irvine, CA	586.5	5,972
3 Pacific Premier Bancorp, Inc.	PPBI	Irvine, CA	480.0	8,158
4 Banc of California, Inc.	BANC	Santa Ana, CA	403.1	10,319
5 PacWest Bancorp	PACW	Beverly Hills, CA	362.8	24,530
6 Commercial Bank of California	-	Irvine, CA	346.5	903
7 Seacoast Commerce Bank	SCBH	San Diego, CA	344.5	999
8 Open Bank	OPBK	Los Angeles, CA	344.3	979
9 CalPrivate Bank	PBAM	La Jolla, CA	321.6	711
10 US Metro Bank	USMT	Garden Grove, CA	297.4	347
11 Beneficial State Bank	-	Oakland, CA	252.0	1,034
12 Pacific Commerce Bank	FCBP	Los Angeles, CA	246.3	552
13 American Riviera Bank	ARBV	Santa Barbara, CA	237.6	591
14 Bofl Holding, Inc.	BOFI	San Diego, CA	222.1	9,540
15 RBB Bancorp	RBB	Los Angeles, CA	215.5	1,817
16 Golden State Bank	GSBX	Glendale, CA	199.2	257
17 Bank of Southern California, NA	BCAL	San Diego, CA	179.3	521
18 Big Poppy Holdings, Inc.	-	Santa Rosa, CA	171.4	1,762
19 First Choice Bank	FCBP	Cerritos, CA	170.8	963
20 Silvergate Bank	-	La Jolla, CA	169.5	1,721

<b>Average</b>	<b>316.7%</b>	<b>\$3,628</b>
<b>Median</b>	<b>274.7%</b>	<b>\$989</b>

### Top 20 Fastest Growing Banks in the U.S.<sup>(1)</sup>

(\$ in Millions)

#### Asset Growth

Institution	Ticker	City, State	Asset Growth	
			Q1'13 - Q2'18 Asset Growth	Q2'18 Assets
1 Oakwood Bank	-	Dallas, TX	4,356.5%	\$189
2 Bank3	-	Memphis, TN	1,218.2	154
3 NexBank Capital, Inc.	-	Dallas, TX	824.3	8,019
4 Peoples State Bank	-	Manhattan, KS	787.3	228
5 Suncrest Bank	SBKK	Visalia, CA	783.5	883
6 Texas Exchange Bank, SSB	-	Crowley, TX	774.8	1,158
7 Sterling Bancorp	STL	Montebello, NY	748.1	31,468
8 Hanover Community Bank	-	Garden City Park, NY	728.6	603
9 Vintage Bank Kansas	-	Leon, KS	710.8	128
10 Banco Do Brasil Americas	BBAS3	Miami, FL	704.9	661
11 Comenity Capital Bank	ADS	Salt Lake City, UT	679.7	8,625
12 Auto Club Trust, FSB	-	Dearborn, MI	606.8	506
13 First Foundation Inc.	FFWM	Irvine, CA	586.5	5,972
14 Franklin Financial Network, Inc.	FSB	Franklin, TN	583.7	4,165
15 Core Bank	-	Omaha, NE	514.1	527
16 Pacific Premier Bancorp, Inc.	PPBI	Irvine, CA	480.0	8,158
17 Bank of the Ozarks	OZK	Little Rock, AR	462.7	22,220
18 South Porte Bank	-	Marion, IL	455.2	103
19 Texas Regional Bank	-	Harlingen, TX	418.0	857
20 Cross River Bank	-	Fort Lee, NJ	387.2	1,069

<b>Average</b>	<b>840.5%</b>	<b>\$4,785</b>
<b>Median</b>	<b>692.3%</b>	<b>\$870</b>

Source: SNL Financial.

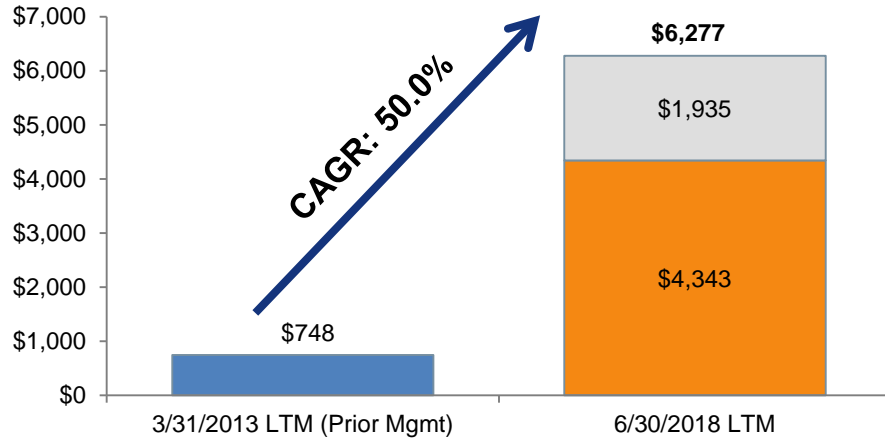
(1) Asset growth is calculated from 3/31/2013 to 6/30/2018.

Note: 3/31/2018 financials were used when 6/30/2018 was not available.

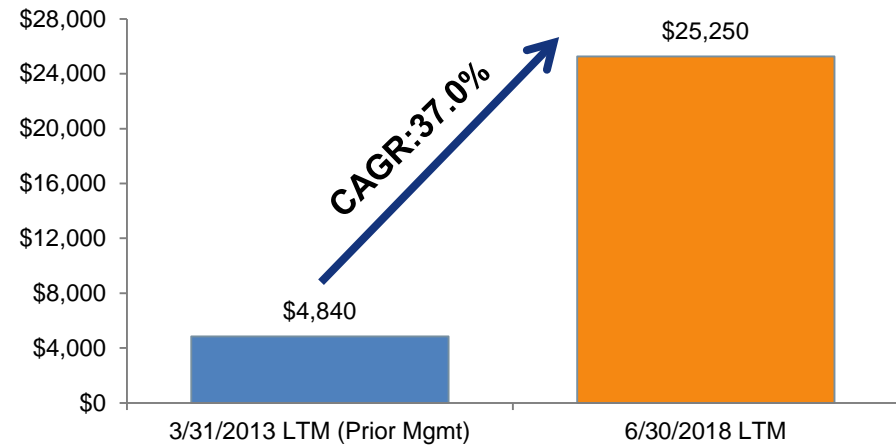


# Significantly Improved Profitability Going Forward

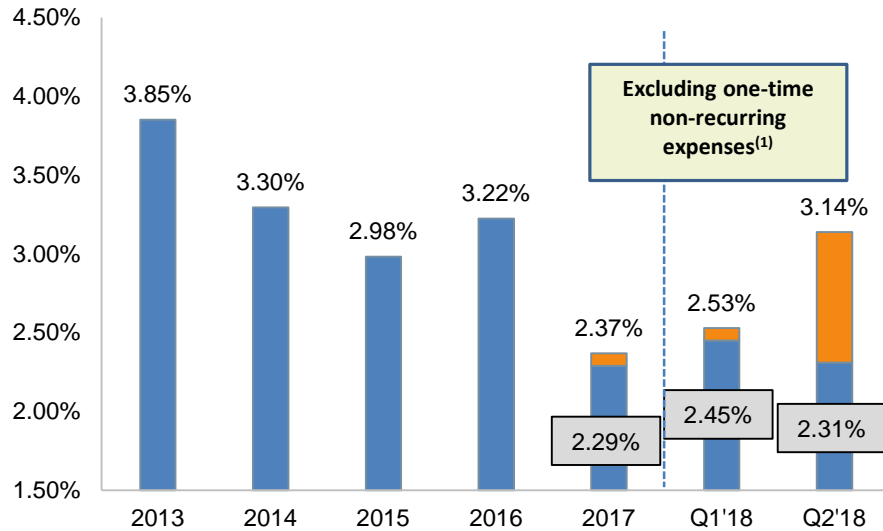
## Net Income (Excluding One Time Expenses)



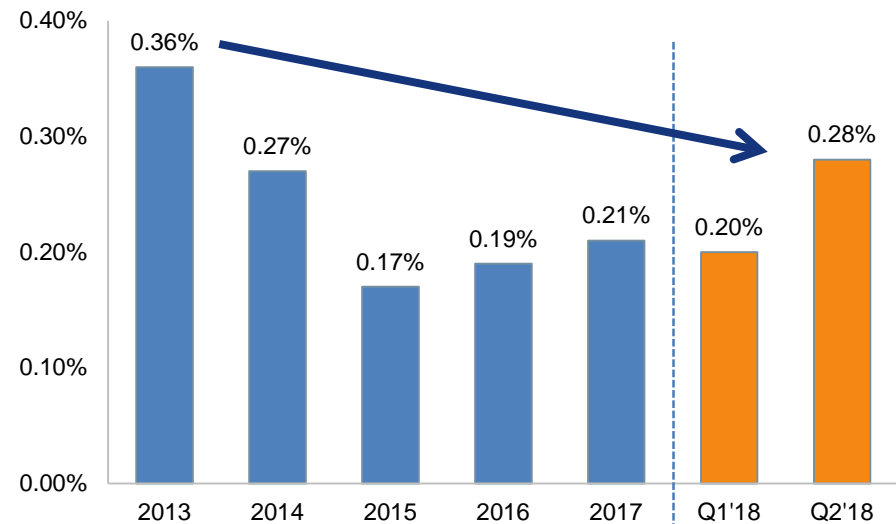
## Operating Revenue



## Noninterest Expense / Avg. Assets



## Interest Expense / Avg. Assets



Source: SNL Financial, Company Management.

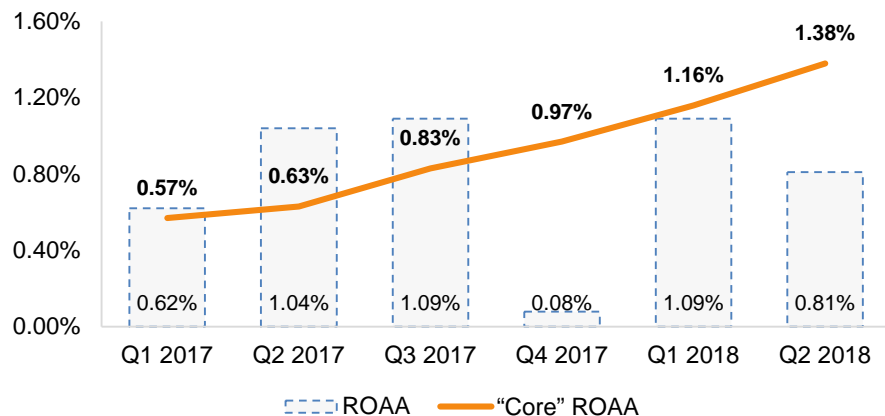
(1) Non-recurring expenses include deferred tax asset write-down and one-time merger expenses.



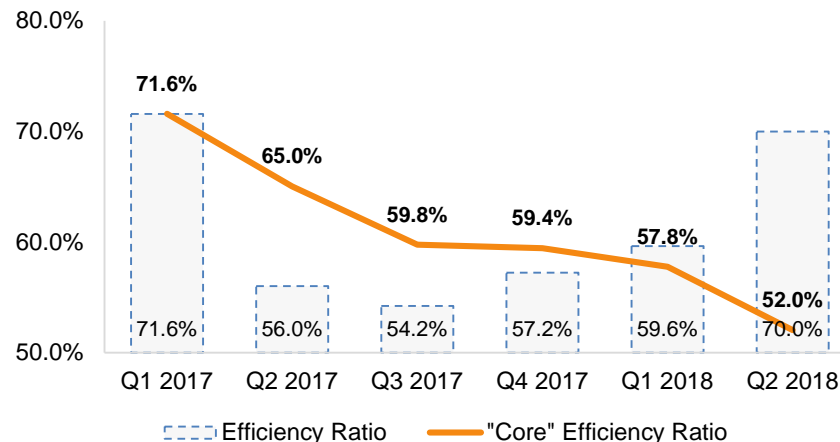


# Core Earnings Significantly Improved

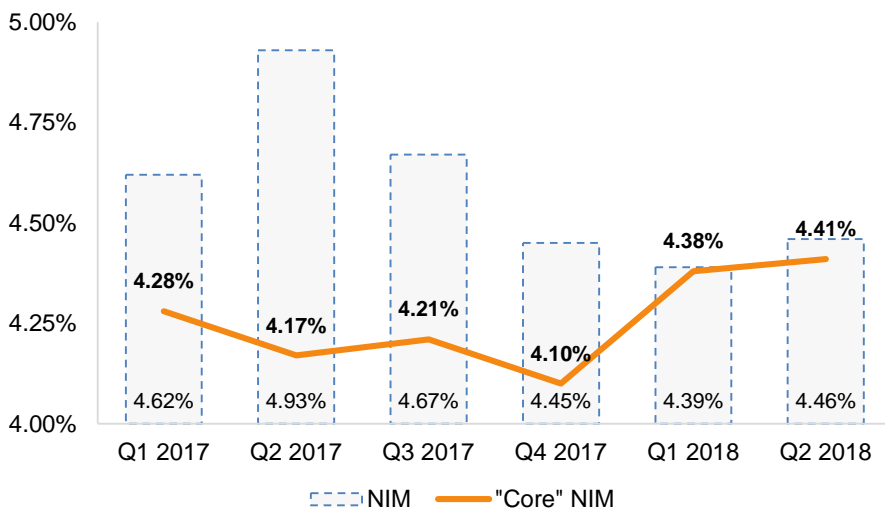
## “Core” ROAA



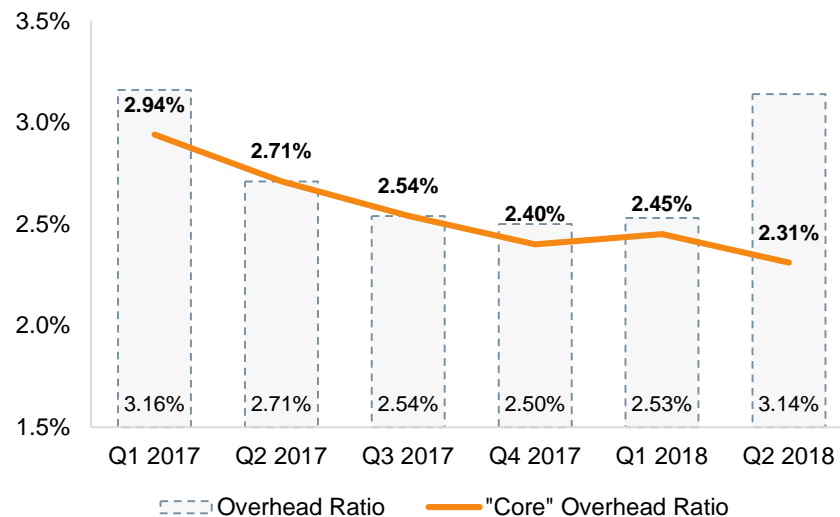
## “Core” Efficiency Ratio



## “Core” NIM



## “Core” Overhead Ratio<sup>(1)</sup>



Source: Company Management.

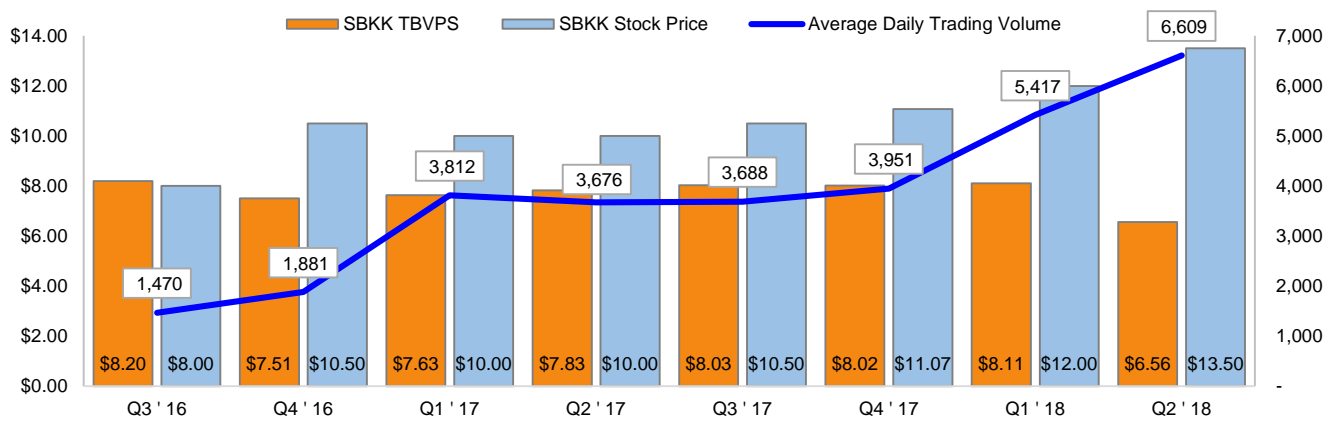
(1) Overhead Ratio is Total Noninterest Expense/Average Assets.



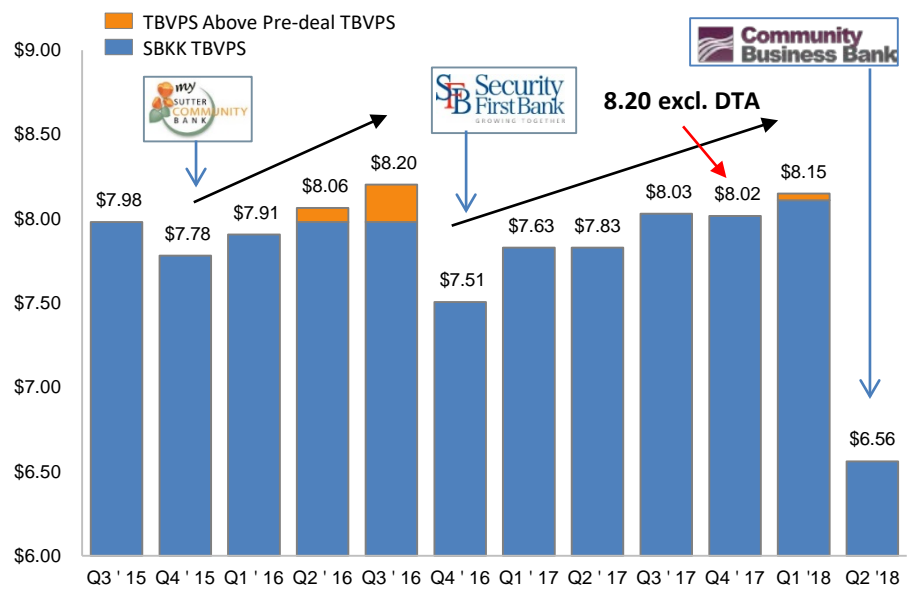
# How We Execute on M&A

- Our first two deals were structured to minimize dilution for existing shareholders
- TBV Dilution earned back in:
- **4 months for Sutter**
- **12 months for Security First**
- Significant value accretion for acquired shareholders:
- **SFRK shareholders up 99%<sup>1</sup>**
- **SUTB shareholders up 148%<sup>1</sup>**

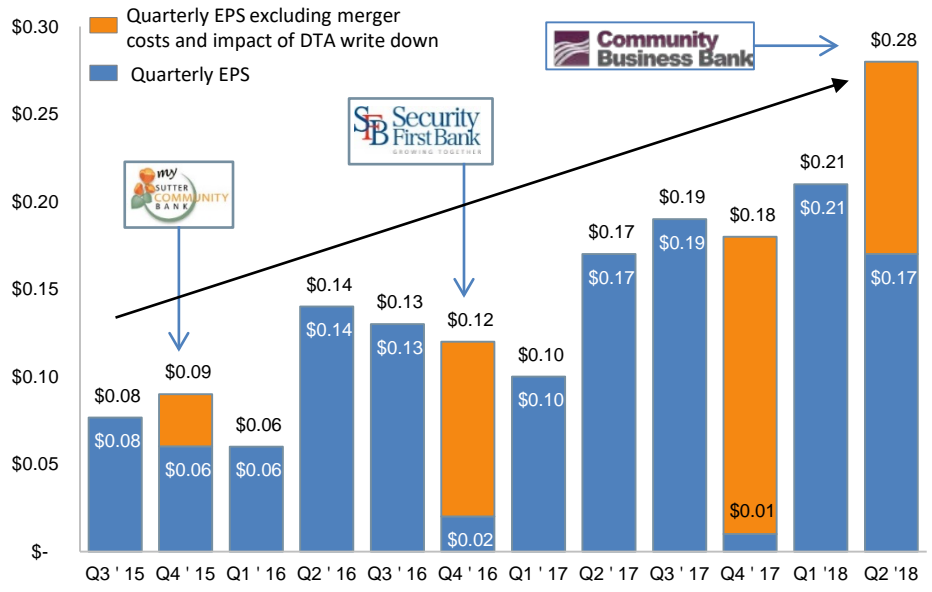
## Market Performance



## TBV Earnback



## Earnings Per Share Accretion



Source: SNL Financial, Company Management.

(1) Based on acquired bank's closing share price on the day before deal announcement; AND the exchange ratio applied. SBKK stock price as of 8/30/2018.



# Our Third Acquisition Was Transformational

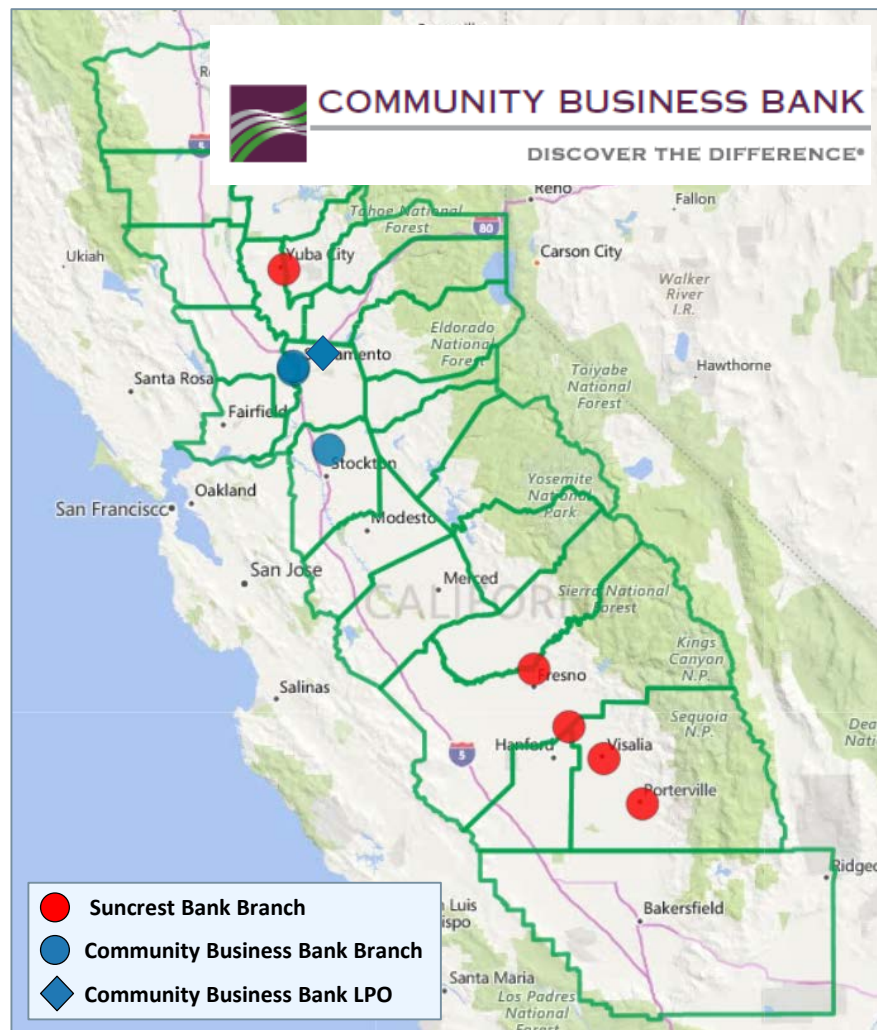
## Merger Highlights

- Nearly doubled the size of the organization
- Represented an 80%+ increase in assets
- Immediately accretive to earnings in year one<sup>(2)</sup> by over 40%
- Expands Suncrest's footprint into the Sacramento MSA
- Market capitalization increased from ~\$75 to \$150+ million
- Trading multiple increased from ~1.3x to ~2.0x
- Doubled average daily trading volume

## CBBC Key Financials

Total Assets (\$mm)	\$321.4
Gross Loans (\$mm)	\$242.4
Total Deposits (\$mm)	\$249.7
Loans / Deposits	97.1%
NIB Deposits / Total Deposits	40.3%
TCE / TA	10.4%
Total Capital Ratio	14.6%
NPAs / Assets	0.63%
NPLs / Loans	0.84%
LLRs / Gross Loans	1.04%
Net Interest Margin	4.03%
ROAA	1.23%
ROAE	12.5%
Efficiency Ratio	53.8%

## Central Valley California by County<sup>(1)</sup>



Source: SNL Financial. GAAP Financials as of March 31, 2018

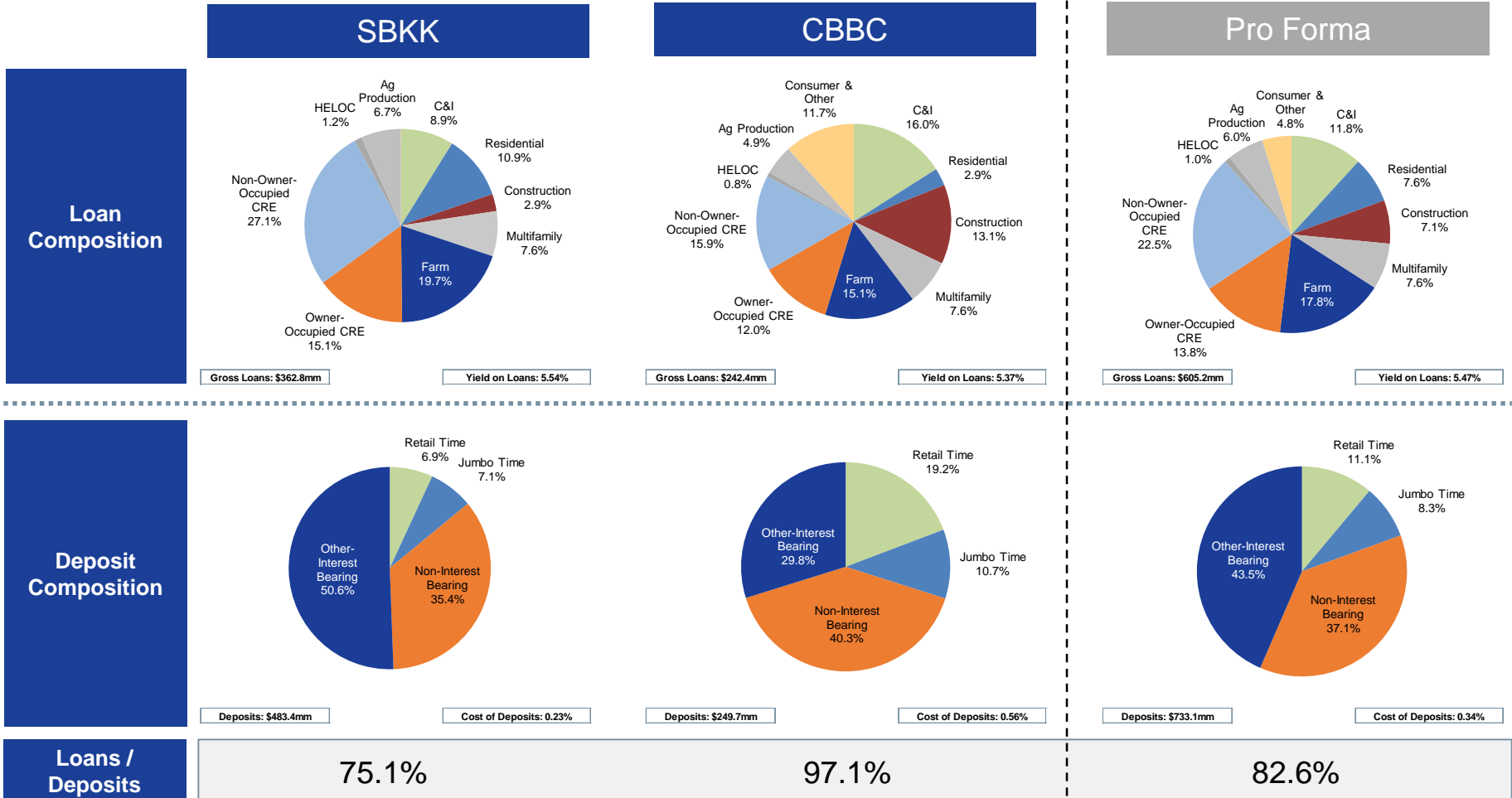
(1) Counties included in the "Central Valley" are Amador, Butte, Calaveras, Colusa, El Dorado, Fresno, Glenn, Kern, Kings, Madera, Mariposa, Merced, Nevada, Placer, Sacramento, San Joaquin, Solano, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Yolo, and Yuba County

(2) First full year following deal close



# Ideal Combined Balance Sheet (Q1'18 Financials)

- SBKK and CBBC have similar lending philosophies that will create a pro-forma portfolio with minimal integration risks, strong weighted-average loan yield, and will result in larger lending limit that will better serve customer lending needs
- Suncrest continues to be successful at attracting and retaining core deposits that could potentially lead to further margin expansion when combined with Community Business Bank's high loan growth track record

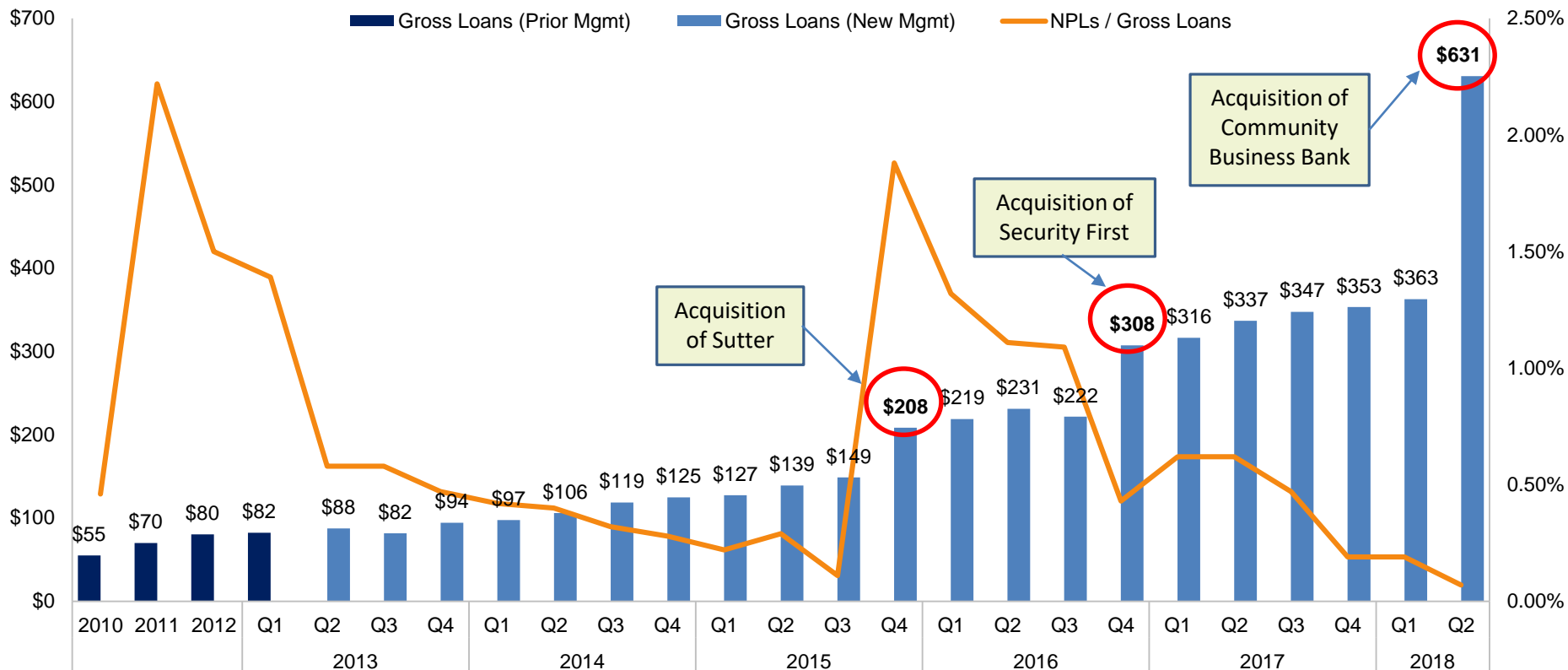


Source: SNL Financial. Bank Level Regulatory Financials.  
 Note: Regulatory financial data as of or for the quarter ended March 31, 2018.  
 No purchase accounting adjustments assumed.



# Prudent & Responsible Organic and M&A Growth

## High Quality Loan Growth has been a Focus for the Management Team

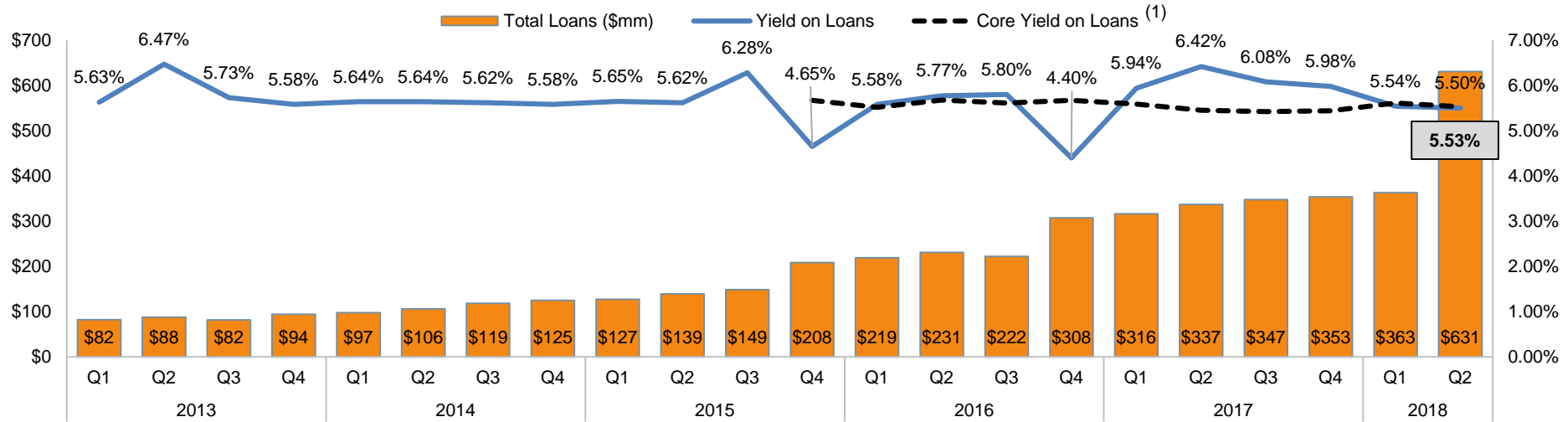


- Legacy Suncrest less than \$500,000 in charge-offs since inception.
- *Sutter Acquisition in 2015*: Acquired \$3.8M in non-accrual loans and \$0.6M in OREO
- Significant write down of Sutter of NPLs and OREO
- *Security First Acquisition in 2016*: Less than \$150,000 in OREO and small NPL portfolio
- Maintaining prudent reserves of ~1.20% (excluding acquired portfolios)
- *Community Business Bank Acquisition in 2018*: Maintained clean asset quality with minimal acquired NPAs

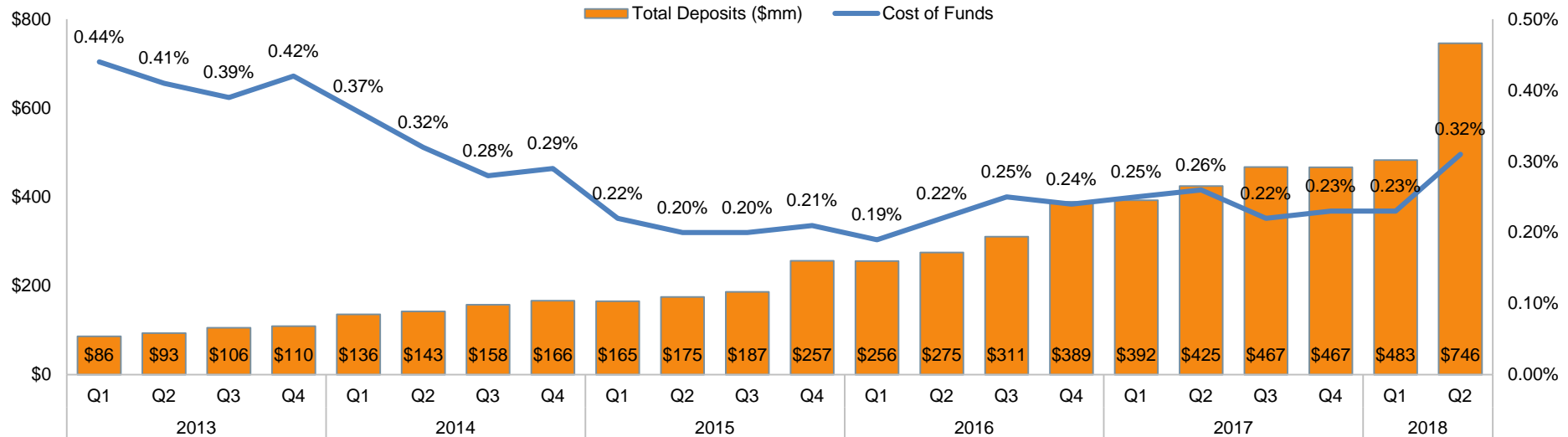


# High Spread Maintained Through Rapid Growth

## Loan Trends



## Deposit Trends



(1) Core yield on loans excludes discount accretion and recoveries.



# Significant Core Growth & Highly Successful Acquisitions Over Last Three Years

(\$ in Millions except for per share data)

## Strong Balance Sheet Growth

Total Assets	\$296.9	\$447.7	\$528.9		\$883.0
Total Loans	\$208.4	\$307.5	\$353.4		\$630.9
<b>Annualized Loan Growth Rate</b>		<b>47.6%</b>	<b>14.9%</b>		<b>295.5%</b>
Total Deposits	\$256.7	\$389.0	\$466.9		\$745.8
<b>Annualized Deposit Growth Rate</b>		<b>51.5%</b>	<b>20.0%</b>		<b>217.1%</b>
Core Deposits / Total Deposits	89.9%	89.8%	92.7%		92.1%
Loans / Deposits	81.2%	79.1%	75.7%		84.6%
Securities / Assets	18.3%	12.0%	17.1%		13.9%

## Well Capitalized Balance Sheet

TCE / TA	13.1%	11.8%	10.7%		9.7%
Leverage Ratio	13.2%	11.7%	10.6%		12.7%
Tier 1 Ratio	16.1%	13.9%	13.6%		11.7%
Risk-based Capital Ratio	17.0%	14.5%	14.5%		12.2%

## Improving Asset Quality

NPAs / Assets <sup>(1)</sup>	1.54%	0.47%	0.18%		0.24%
NPLs / Loans	1.88%	0.43%	0.19%		0.07%
Reserves / Gross Loans	1.08%	0.81%	0.97%		0.58%
OREO	\$0.6	\$0.8	\$0.3		\$1.7
Total NPAs	\$4.6	\$2.1	\$1.0		\$2.1

## Earnings & Efficiency Continue to Improve

Net Income	\$0.91	\$1.73	\$3.39		\$2.39
<b>Annualized Net Income Growth Rate</b>		<b>90.6%</b>	<b>95.4%</b>		<b>177.9%</b>
Operating Revenue <sup>(2)</sup>	\$9.41	\$14.55	\$22.29		\$7.75
Net Interest Margin	4.08%	4.13%	4.65%		4.41%
<b>ROAA</b>	<b>0.41%</b>	<b>0.50%</b>	<b>0.69%</b>		<b>1.32%</b>
<b>ROAE</b>	<b>3.0%</b>	<b>4.1%</b>	<b>5.7%</b>		<b>10.0%</b>
<b>Efficiency Ratio</b>	<b>77.1%</b>	<b>76.7%</b>	<b>58.4%</b>		<b>50.6%</b>

	Fiscal Year End				Quarter End
	2015Y	2016Y	2017Y	2017Y *	2018Q2
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\*  
Adjusted for non-recurring income/costs

Source: SNL Financial, Company Management.

(1) NPAs include all nonaccrual loans, loans 90+ days past due, restructured loans and OREO.

(2) Pre provision net interest income + recurring noninterest income.

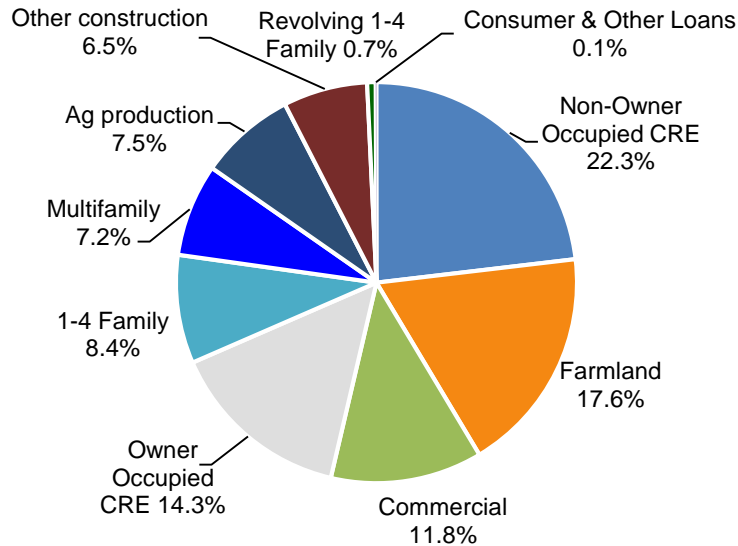
(3) Excluding impact of deferred tax asset write-down – AND - merger expenses.

(4) Excluding impact of deferred tax asset write-down ONLY



# Well Diversified Loan Portfolio and Deposit Composition

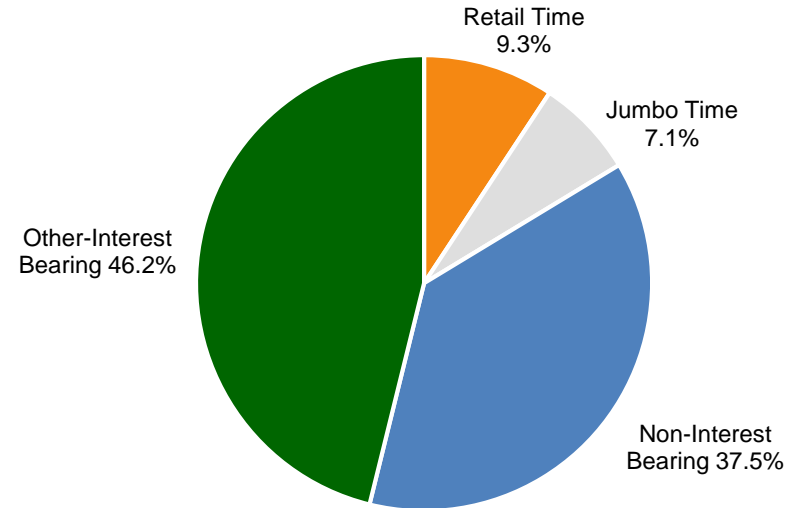
### 2018Q2 Loan Composition



**LTM Yield on Total Loans & Leases** **5.50%**

Loan Composition	(\$000)	Weight (%)
Non-Owner Occupied CRE	140,368	22.3%
Farmland	111,033	17.6%
Commercial	74,316	11.8%
Owner Occupied CRE	89,899	14.3%
1-4 Family	53,119	8.4%
Multifamily	45,296	7.2%
Ag production	47,126	7.5%
Other construction	41,259	6.5%
Revolving 1-4 Family	4,164	0.7%
Consumer & Other Loans	379	0.1%
<b>Total Loans</b>	<b>630,867</b>	<b>100.0%</b>

### 2018Q2 Deposit Composition



**LTM Cost of Int-bearing Deposits** **0.47%**

Deposit Type	(\$000)	Weight (%)
Retail Time	69,207	9.3%
Jumbo Time	52,577	7.1%
Non-Interest Bearing	279,813	37.5%
Other-Interest Bearing	344,172	46.2%
<b>Total Deposits</b>	<b>745,769</b>	<b>100.0%</b>





# Investment Summary

## 1. Premier Management Team With Equity

- Strong organic growth track record
  - International and major bank experience
  - Management & Board hold significant equity through personal investment
- 

## 2. High Growth Bank with opportunity to leverage asset base

- Balance sheet growth focused for last three years
  - Emphasis shifted to earnings / operating leverage
  - Simple capital structure, solid credit quality, diversified & high yielding portfolio
  - Asset sensitive: positioned to take advantage of rising rates
- 

## 3. Attractive Market for Community Banking

- Less Big Bank competition. Central CA markets are non-core for them
  - Less Community Bank competition. Seven sold in our footprint since 2012
  - Niche Differentiation: SBKK is one of only eight ag-banks<sup>(1)</sup> in CA
  - New markets recently opened up in Sacramento ('18) and Fresno ('17)
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## 4. Positioned for Stock Value Accretion

- One of only 9 companies to make OTCQX Top 50 list in '17 & '18
- Potential Nasdaq up-listing<sup>(2)</sup> - already trading above Russell threshold
- Reduced regulation and continued EPS accretion
- Board & Management focused on unlocking maximum value

(1) Ag loans > 20% of total loans

(2) Currently reviewing the costs / benefits of uplisting and in what time period