

Local Matters

The Quarterly Newsletter & Financial Report of Suncrest Bank

FEBRUARY 2021

EXECUTIVE UPDATE

Dear Shareholders, Customers and Friends,

Despite the challenges of 2020, Suncrest Bank was able to deliver a very strong full year performance. Net income for the year was just over \$13 million an increase of over 10% from 2019 and total assets grew by \$207 million or 24.98%. Earnings per share was \$1.06 for the year while our efficiency ratio was below 52%. As the year ended our momentum continued to build with fourth quarter earnings of \$4.35 million and new loan originations of almost \$60 million, a single quarter record for the bank. We are optimistic that this momentum will continue into 2021 as the economy reopens, the impact of the pandemic start to lessen, and our Central California region sees the hugely positive impact of the influx of new residents from the higher cost coastal cities and Bay Area. More on this below!

[Click here to Read the complete Earnings Report.](#)

On January 28, 2021 Suncrest Bank's executive team held an earnings webcast discussing a few of the highlights from bank's performance for the fourth quarter as well as the year in full.

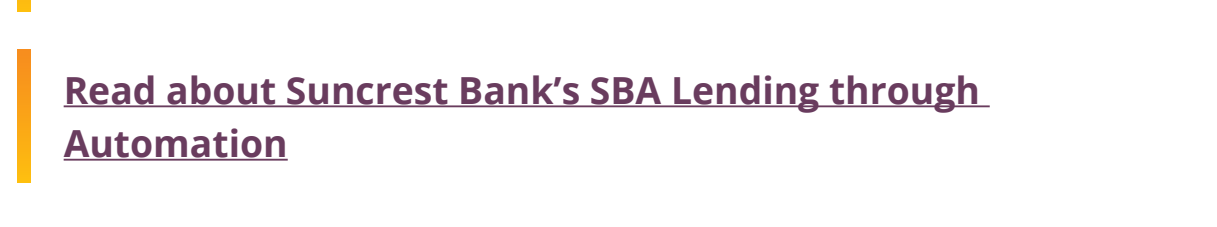
[Click here to view an audio-visual recording of our Q4 2020 Earnings Webcast.](#)

FINTECH PARTNERSHIPS

Over the past several quarters, Suncrest Bank has been developing partnerships with innovative financial technology firms in order to offer customers the solutions they need to navigate these uncertain times. One such partnership, with fintech company, **Numerated**, is helping clients efficiently respond to the filing requirements for the Paycheck Protection Program. Through this partnership, small businesses working through PPP 1 Forgiveness and PPP Round 2 have had access to an automated platform to file applications and submit documentations. As our COO, Steve Jones likes to say, "It's like the Turbo Tax of PPP."

In a second partnership with **SmartBiz**, Suncrest is rolling out a new online lending platform for businesses looking to access working capital through the SBA 7(a) program. This platform is Aimed at delivering the right solutions at the right time by making the application process faster and more transparent, with approved borrowers accessing funds in as little as 7 days, in most cases.

You can read more about these partnerships and platforms in the linked articles below.



[Read about How Suncrest Bank Adapted for Round 2 of PPP](#)

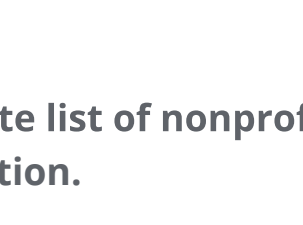
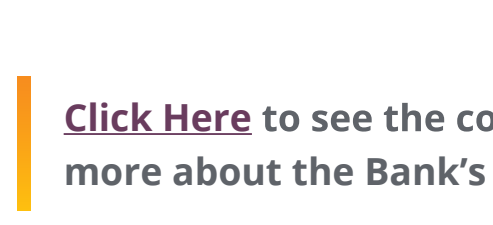
[Read about How PPP Loans have Influenced Online Lending](#)

[Read about Suncrest Bank's SBA Lending through Automation](#)

SUPPORTING SMALL BUSINESSES AND NONPROFITS

During the Fourth Quarter, Suncrest Bank ran its second Kickstart Grant Program in partnership with the Sacramento FC and the Sacramento Hispanic Chamber of Commerce. We were pleased to award over \$10,000 to five Hispanic owned-small businesses including our grand prize winner, Custom Fitness, owned by Hugo Bramblia. Round 3 will kick off later this month...stay tuned for more details coming soon.

[Click Here for a full list of winners and more about the program](#)



Also during the fourth quarter, the Bank partnered with the Federal Home Loan Bank in San Francisco to award \$60,000 in donations to nine valley nonprofits who have been supporting relief efforts from last year's destructive wildfires and the pandemic. The donations were directed to organizations who stepped in to address hunger, shelter and social services - the most basic and immediate needs of the communities the bank serves.

[Click Here to see the complete list of nonprofits and read more about the Bank's donation.](#)

Finally, in November, the Bank was proud to be recognized by its partner, Kasasa, for its unique culture. Frequent readers of our newsletter know that Suncrest has prioritized the development of a high-performing culture for the past couple of years. We were honored to be one of only three banks singled out for our culture programs. This recognition is due to the amazing work our employees have put into creating a culture of caring, collaboration and celebration at Suncrest Bank!

ECONOMIC GROWTH IN THE CENTRAL VALLEY:

Central California is experiencing significant economic growth growth as a direct result of the emerging work-from-home model becoming permanent. We are seeing increasing intra-state migration away from the high cost coastal cities, Silicon Valley and the Bay Area and into central California and greater Sacramento. This unique phenomenon is creating both immediate and long term economic benefits for our region. Recent studies by **Realtor.com** and **LinkedIn** point to the Sacramento region as a top destination for new homebuyers and tech workers on the move and the Greater Sacramento Economic Council (GSEC) estimates that more than 300 Facebook employees now live in the region having permanently relocated. Through the efforts of GSEC and it's counterparts in other central valley cities such as the Fresno Economic Development Council, the Bank is well-positioned to take advantage of this substantial economic opportunity.

As a reminder, Suncrest Bank is publicly traded and offers stock on the OTC Market. If you are interested in supporting your local community bank by become a shareholder, please reach out to our Market Makers listed below.

In closing, we want to thank you for your support and encourage you to reach out to either of us anytime you would like to learn more about your bank.

William A. Benneyan
Chairman of the Board of Directors

Ciaran McMullan
President and CEO

BOARD OF DIRECTORS

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BUSINESS HIGHLIGHTS

FULL YEAR 2020

Net income of \$13.1 million, up 10.3% over the prior year

Diluted EPS of \$1.06, an increase of \$0.11 or 11.6% over the prior year

Total deposits increased by \$207.0 million or 24.98%

New originations (excluding PPP) of \$190.0 million compared to \$143.7 for 2019

Efficiency ratio of 51.73%

FOURTH QUARTER 2020

Net income of \$4.35 million, an increase of 35.6% over the linked quarter

Diluted EPS of \$0.35 compared to \$0.26 for the linked quarter

Total organic loan growth (excluding PPP) of \$23.4 million

Efficiency ratio of 48.98%

Tangible book value per share of \$10.41, an increase of 45 cents during the quarter

MARKET MAKERS

Shares of Suncrest Bank trade publicly on the OTCQX® Best Market under the ticker symbol SBKK.

For stock purchase information, please contact:

Michael Natzic
Senior Vice President, Branch Manager
Community Bank & Wealth Management Group
D.A. Davidson & Co.
P (909) 584-4500 • E mnatzic@dadco.com

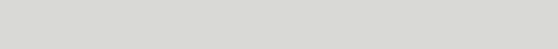
Jacob Forney
Vice President, Financial Institutions Sales
Raymond James
P (800) 800-4693 • E Jacob.Forney@Raymondjames.com

Stock purchases are not FDIC insured.

ABOUT US

Suncrest Bank, member FDIC, is majority locally owned and locally operated, and offers a full range of commercial, small business and agribusiness loans, cash management services and personal deposit products throughout the Greater Sacramento MSA and Central Valley of California. It is regularly rated Five Stars by BauerFinancial as one of the nation's strongest financial institutions, and in 2017 and 2018 was named to the OTCQX® Best 50, a ranking of top-performing companies traded on the OTCQX Best Market. It is a Preferred Lender with the Small Business Administration and its stock can be purchased on the open market, trading on the OTCQX under the ticker symbol SBKK.

Follow us on LinkedIn for informational articles, industry news and exclusive promotions to save you money and maximize your budget.



Learn more about Suncrest Bank by visiting [SuncrestBank.com](#).

**3RD FASTEST-GROWING COMPANY
IN THE CENTRAL SAN JOAQUIN VALLEY.**
The Business Journal, 2020

A+ HEALTH & STABILITY RATING
DepositAccounts.com, 2020

A- Excellent Rating
Weiss Ratings, 2020

**FASTEST-GROWING PUBLICALLY TRADED
BANK IN THE U.S.**
SNL Financial 2018

TOP 200 HEALTHIEST BANKS
DepositAccounts.com 2019

#1 Agricultural Community Bank in CA
American Banker, 2019

★★★★★
BauerFinancial

BEST 50 COMPANIES
OTCOX 2018

SUPER PREMIER PERFORMER
The Findley Reports

Corporate Citizenship Award
Sacramento Business Journal, 2020

**6TH BEST-PERFORMING COMMUNITY
BANK IN CALIFORNIA** S&P Global 2018

BEST PLACES TO WORK
Sacramento Business Journal, 2020

Reader's Choice Award 2020
Porterville Recorder, 2020

TOP 10% OF ALL U.S. BANKS
CB Top Ten, 2017

★★★★★
Bankrate Safe & Sound



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