

Five Star
Bank



2022
Community
Report

the point
is you.

Our purpose: By keeping the people of Five Star's well-being at the heart of everything we do, our team, our customers and our communities will thrive and realize their dreams.

About Five Star Bank and Financial Institutions, Inc.

Financial Institutions, Inc. (the "Company") provides diversified financial services through its subsidiaries Five Star Bank ("Five Star" or the "Bank"), SDN Insurance Agency, LLC, Courier Capital, LLC, and HNP Capital, LLC.

The Bank provides a wide range of consumer and commercial banking and lending services to individuals, municipalities and businesses through a network of more than 45 offices throughout Western and Central New York State and a commercial loan production office in Ellicott City (Baltimore), Maryland.

SDN Insurance Agency, LLC provides a broad range of insurance services to personal and business clients.

Courier Capital, LLC and HNP Capital, LLC provide customized investment management, investment consulting and retirement plan services to individuals, businesses, institutions, foundations and retirement plans.

Financial Institutions, Inc. and its subsidiaries employ approximately 650 individuals. The Company's stock is listed on the Nasdaq Global Select Market under the symbol FISL. Additional information is available at www.fiiwarsaw.com.

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To our community partners, customers, associates and neighbors,

At Five Star Bank, we understand that by keeping people at the heart of everything we do, our team, our customers and our communities will thrive and realize their dreams. Simply put—we ensure the point is you.

For the fifth consecutive year, our Community Report highlights the ways in which we are fulfilling our purpose and promoting sustainable business practices that deliver long-term value to the communities we serve.

Grounded in the legacy of our community-oriented traditions representing rural Western New York State for more than 200 years, environmental, social and governance, or ESG, pillars are embedded in our business. We believe that our steadfast commitment to environmentally conscious activity, socially responsible behavior, and sound and transparent governance practices is not only the right thing to do, but also our corporate responsibility. Further, we believe it will also benefit our stakeholders in multiple ways, including through increasing revenue, reducing costs, improving efficiency, reducing risk, strengthening our communities and maintaining our reputation as a responsible community leader.

Five Star Bank has grown to more than \$5.5 billion in assets, operating 49 banking locations¹ in 14 counties across Western New York, the Finger Lakes region and the Southern Tier. As a community bank, we provide local leadership and decision-making, as well as a wide range of consumer and commercial banking and lending services that support individuals, municipalities and businesses large and small. Our robust offering of products and services is designed to meet and exceed the needs of all segments of the communities that we serve—while delivering education, advice and solutions to help them improve their financial well-being.

We are committed to making a measurable impact in neighborhoods across our operating area through charitable giving and volunteering. Our grant program provides funding to support affordable housing, economic development, neighborhood revitalization and stabilization and community services targeted to low- and moderate-income individuals and communities.

Our associates are encouraged to donate their time and talent through our STAR Program, which provides a full day of paid time off for our team to volunteer with local nonprofits near their home or office. This is just one of the ways we are empowering our associates to be their best. We are committed to continually building an environment where everyone feels welcomed, valued, respected and appreciated. From engagement surveys that provide our leadership with actionable feedback to our Diversity and Inclusion Advisory Council that helps drive sustainable and impactful change, our associates play an active role in evolving our culture.

By acting on our purpose to keep people at the heart of everything we do, we are realizing our vision of being an independent, high-performing community bank, offering bold and innovative products to the markets we serve today, and for years to come.

On behalf of myself, our executive leadership and our Board of Directors, I thank you for your interest in Five Star Bank and your work to make our communities better places to live, work and play.

Cordially,

Martin K. Birmingham
President & CEO

¹ 48 branches and 1 motor branch in Olean, NY

Our core values

HUMBLE

Take genuine interest.
Listen. Value diverse perspectives.

EMPOWERED

Develop expertise.
Share your knowledge.
Take action.

AMBITIOUS

Aim for excellence.
Bring others with you.
Celebrate our successes.

RESILIENT

Embrace change.
Learn from experiences.
Be part of the solution.

TRANSPARENT

Do the right thing.
Communicate clearly and often. Welcome feedback.

Local banking for more than 200 years.

Five Star Bank has grown and evolved in its more than 200-year history, but our focus on taking care of our customers and communities has never wavered. We have long supported traditionally underserved markets throughout rural Western New York State and as we expand into new and more urban markets like Rochester and Buffalo, we will do so with the same community-oriented approach you have come to trust.

community

Rooted in our History

Our history dates back to 1817, when National Bank of Geneva was established. Over the decades that followed, four more community banks were created that would eventually join forces: Wyoming County Bank (est. 1851), First Tier Bank & Trust (est. 1902 as Salamanca Trust Company), Bath National Bank (est. 1912) and Pavilion State Bank (est. 1928). In 2005, our parent company, Financial Institutions, Inc., merged these subsidiary banks into Five Star Bank.

Looking to the Future

Since 2005, we have opened or acquired new branches and businesses throughout our footprint, expanding into markets like Buffalo and Rochester, where we see excellent opportunity for continued growth over the long-term. As a result of strategic acquisitions, Five Star Bank is now able to offer insurance services to personal and business clients through affiliate SDN Insurance Agency, LLC, as well as customized investment management, investment consulting and retirement plan services through additional affiliates, Courier Capital, LLC and HNP Capital, LLC. As we look to the future, we are focused on growing our banking, insurance and wealth management businesses.



2005

Several rural community banks consolidated to create Five Star Bank.

2008

Branches opened in the Rochester suburbs of Greece and Henrietta.

2015

CityGate branch, our first financial solution center, opened in a moderate-income census tract in Rochester, with a 40% minority population and contiguous to a majority-minority census tract.

2016

Two additional financial solution centers opened in the Greater Rochester region, one in Brighton and another in downtown Rochester.

2017

We relocated our Rochester regional administrative center to Five Star Bank Plaza in the heart of downtown. We also expanded our presence in Western New York, opening our fourth Erie County location—the first in the City of Buffalo.

2020

The final phases of Five Star Bank Digital Banking were completed in 2020. This platform offers a single dashboard for customers to make payments and deposits, transfer and send money, create budgets, set financial goals and easily integrate external investment, loan and other transactional accounts.

2021

Two new financial solution centers opened in vibrant commercial corridors in the City of Buffalo, on Elmwood Avenue and on Seneca Street. We also relocated a branch in downtown Elmira to an area undergoing revitalization.

2022

Five Star expanded into the Baltimore/Washington, D.C. region this year with a commercial loan production office located in Ellicott City, Maryland. We also established our Western New York regional administrative office, Five Star Bank Centre, in the Buffalo suburb of Amherst.



Five Star Bank Centre

In September 2022, we celebrated the grand opening of Five Star Bank Centre, the new home of our Western New York regional administrative office and SDN Insurance Agency, LLC.

Located at 6215 Sheridan Drive, Five Star Bank Centre embodies our Five Star Fulfilled working philosophy, creating a space that promotes collaboration among our in-office, hybrid and remote associates and business partners so we can continue to provide our customers with both best-in-class service and bold and innovative products.

The building features an open-office setting with ample conference rooms and undesignated offices to strike the right balance between collaboration and privacy. In line with its strong focus on associate well-being, the Centre is equipped with sit-stand desks throughout, videoconferencing technology in every conference room and a wellness room for new mothers and others needing privacy.

Renovations were done in an environmentally conscious manner, featuring an intentional design that fosters a greater connection to nature by maximizing natural light and utilizing live plants to naturally enhance air quality. In addition, the Bank installed lighting sensors to promote energy conservation and implemented a recycling program. Electric vehicle charging stations are available to employees free of charge.

Five Star Bank Centre is an investment both in the Buffalo region, and in our future there as well. By creating a destination for our associates to connect with their teams, collaborate, network and innovate in flexible and meaningful ways, we are better positioning ourselves to succeed over the long-term.



In conjunction with the grand opening of Five Star Bank Centre, we were pleased to announce a \$5,000 donation to People, Inc., a nonprofit serving the Western New York and Greater Rochester regions. People, Inc. is committed to ensuring that individuals with disabling conditions or other special needs have the supports they need to participate and succeed in an accepting society.

“Five Star Bank Centre underscores our commitment to Western New York and our valued local associates and sets the stage for our continued growth in the Buffalo market.”

Martin K. Birmingham, President and CEO
Five Star Bank and Financial Institutions, Inc.

Responding to the needs of our communities.

Community Development

We continue to invest in people resources to address the needs of the communities we serve. Our Community Development Director has cultivated strong relationships with community leaders, businesses, nonprofits and local governments to address and advocate for the needs of the community especially in low- and moderate-income (LMI) neighborhoods. This work also includes identifying qualified community development activities throughout the Community Reinvestment Act (CRA) Assessment Area. The Community Development Director also manages the CRA grant intake process and oversees the Bank's participation in the Federal Home Loan Bank of New York (FHLB NY) Affordable Housing Program (AHP).

Community Development Mortgage Loan Officers play important roles in the execution of the Bank's CRA program to promote home ownership education and increase access to residential loans and low-cost deposit product opportunities in LMI neighborhoods. They are responsible for community outreach and partnering with local nonprofit organizations and government agencies. Community Development Mortgage Loan Officers develop relationships with neighborhood groups, realtors, homebuyer counseling agencies and others to identify and accept applications for residential loans. They also refer small business loans and low-cost deposit product opportunities in LMI areas. In addition, they are active in local charitable and civic efforts to enhance access to credit and address poverty issues. Our five Community Development Mortgage Loan Officers are focused on Rochester, Batavia, Buffalo/Niagara and Elmira.

Granting Opportunities

Five Star is dedicated to empowering individuals and neighborhoods by investing in areas that support affordable housing, economic development, neighborhood revitalization and stabilization and community services targeted to LMI individuals and communities. Learn more about our grant program and how to apply by visiting [five-starbank.com/about/corporate-responsibility](https://www.fivestarbank.com/about/corporate-responsibility).



FeedMore WNY

BUFFALO

FeedMore WNY's mission is to offer dignity, hope and a brighter future by providing nutritious food, friendship and skills training to Western New York neighbors in need. As the Erie County Food Partner in the Emergency Response Plan, FeedMore WNY responded to the urgent and sustained needs of the Buffalo and East Side communities in the wake of the tragic mass shooting on May 14, 2022 to maintain food access and food equity for individuals and households.

Five Star Bank's \$50,000 grant to FeedMore WNY was the largest in our Company's history. We were proud to help support costs associated with the nonprofit's Mobile Pantry Program in the affected neighborhoods of Buffalo's East Side. This innovative program supplements FeedMore WNY's partner agencies by bringing fresh, perishable food to neighborhoods where the need may exceed the capacity of those food relief organizations and affiliated partners.

"FeedMore WNY exists to provide nutritious food and vital support to our Western New York neighbors of all ages and backgrounds. In the wake of the tragic mass shooting in Buffalo on May 14, 2022, FeedMore WNY mobilized alongside other nonprofits and community organizations to maintain food access and food equity for individuals and households. Thanks to the partnership and compassion of Five Star Bank, FeedMore WNY was able to sustain its emergency food distribution to the East Buffalo community. Through Five Star Bank's generous \$50,000 grant, FeedMore WNY was able to purchase fresh produce and shelf-stable food items to nourish affected community members. The grant also enabled FeedMore WNY to maintain and increase the presence of its Mobile Food Pantry in and around East Buffalo. We are grateful for Five Star Bank's commitment to our mission and their help in providing a brighter future to our neighbors in need."

Catherine Shick, Public Relations Manager
FeedMore WNY



Bivona Child Advocacy Center

ROCHESTER

Bivona Child Advocacy Center delivers excellence in child abuse response, healing and prevention through collaborative service, awareness, education and leadership. Our grant supported the organization’s Child Safety Matters Prevention Education Program, through which Bivona partners with Monroe County school districts to provide classroom education to students in grades K–12 regarding safety strategies to prevent various forms of interpersonal violence.

“The important work we do at Bivona Child Advocacy Center is only possible because of the partnerships we have. We are grateful to Five Star Bank and their employees for caring about children and their safety.”

Jaime L. Anderson, MA, CFRE,
Director of Development
Bivona Child Advocacy Center

Community Action for Wyoming County

PERRY

Community Action for Wyoming County is dedicated to fighting the causes of poverty and providing support through programs and services designed to help individuals overcome life’s challenges. Five Star Bank’s grant supported scholarships specifically for individuals participating in the Wyoming County Community Health System’s Certified Nursing Assistant training program, which helps to develop future nursing talent.

“The workforce investment funding that Five Star provided this year is supporting a number of individuals in Wyoming County who are advancing in healthcare careers. Our rural community has a crisis-level need for healthcare workers, and this funding has allowed us to increase our enrollment for training and certification programs to meet the demand.”

Rosemary Shader, Executive Director
Community Action of Wyoming County

EforAll Buffalo

BUFFALO

Entrepreneurship for All, or EforAll, is accelerating economic and social impact in communities nationwide through inclusive entrepreneurship. Five Star Bank provided a grant to help the organization expand operations to Buffalo. EforAll Buffalo offers intensive business training, mentorship and an extended professional support network to help underrepresented entrepreneurs start and grow successful businesses and nonprofits.

“This generous grant will enable EforAll Buffalo to reach even more local residents—particularly women, immigrants, and people of color—and provide them with the tools and support needed to build a successful business and create jobs right here in Western New York. We are thrilled to have the support of an esteemed organization such as Five Star Bank, which shares our dedication to the Buffalo community.”

Juweria Dahir, Executive Director
EforAll Buffalo

House of Mercy, Inc.

ROCHESTER

House of Mercy is a homeless shelter that provides hope, healing, compassionate care, unconditional love and a sense of community to those it serves. Five Star Bank’s grant funding helped House of Mercy provide nutritious meals to hundreds of individuals, supporting its fight against food insecurity.

Literacy Volunteers of Cayuga County

AUBURN

Literacy Volunteers of Cayuga County’s mission is to promote and advocate literacy in the community and to offer literacy services to adults using trained volunteer tutors. We were proud to provide funding to the organization’s new Digital Literacy Program, which teaches adults basic computer and internet skills with the long-term goal of narrowing the digital divide.

Native American Community Services of Erie & Niagara Counties, Inc. (NACS)

BUFFALO

The mission of NACS is to advocate for changes that result in increased opportunities and tangible improvements in the lives and circumstances of Native American children and families. Our grant bolstered the Supporting Asset Growth and Economics, or SAGE, program, which is dedicated to enhancing quality of life for the elderly population and empowering individuals through financial education.

“The funding from Five Star Bank will provide economic development services for up to 100 individuals aged 55 years and over in the community. They will be able to attend fixed-income budgeting sessions as well as estate planning sessions. One thing society has learned from the current pandemic is that we are never prepared for a family loss. The sessions will not only bring these topics to light but will also take into consideration the Native American cultural process as well. Thank you, Five Star Bank!”

Colleen Casali,
Economic Empowerment Director
Native American Community Services
of Erie and Niagara Counties, Inc.

Rural Housing Coalition of New York

STATEWIDE

The Rural Housing Coalition of New York is a statewide organization dedicated to revitalizing rural New York by strengthening housing and community development providers. Through a network of nonprofit rural preservation companies, the Coalition provides housing counseling services. It also builds, repairs and restores affordable housing.

“The Rural Housing Coalition greatly appreciates Five Star Bank’s support for our leadership training and capacity-building efforts for nonprofit affordable housing organizations in rural communities throughout the state. Strong and effective leadership is critical at the local level in order to make a positive impact in rural New York.”

Michael J. Borges, Executive Director
Rural Housing Coalition

Veterans Outreach Center, Inc.

ROCHESTER

Veterans Outreach Center, or VOC, is dedicated to providing high-quality, individualized services to the men and women who served our country.

“If it wasn’t for the VOC, my family would have been struggling with food, especially during COVID. It has also helped me personally because it has brought me up mentally when life was trying to bring me down. It gives me a reason to smile when it’s hard to.”

Rachel M., Client
Veterans Outreach Center

Western New York Rural Area Health Education Center, Inc.

WARSAW

Western New York Rural Area Health Education Center, Inc.’s mission is to improve health and healthcare through education. Five Star Bank’s grant supported the AHEC Scholars Program, which provides internship opportunities in the healthcare field to students in rural and underserved communities.

Sponsorships

We underwrite events that enrich the lives of the residents of our communities. We also provide sponsorship funding to local nonprofit organizations and community events. Examples of support provided over the past year include:

- BISON Children’s Scholarship Fund
- Buffalo Niagara Partnership
- Buffalo Zoo
- Canalside
- Elmira Jazz Festival
- Flower City Habitat for Humanity
- Greater Rochester Chamber of Commerce
- Greentopia
- Livingston County United Way
- NAACP
- Northland Workforce Training Center
- Outer Harbor
- Pathstone Corporation
- ROC Holiday Village
- Rochester Business Charitable Organization
- Rochester Celebrate City Living
- Rochester Red Wings
- SCORE Buffalo Niagara
- Seneca Park Zoo Society
- The Strong National Museum of Play
- SUNY Genesee Community College
- Tee It Up for the Troops Wanakah
- Wyoming County Business Center

Helping build strong foundations.

Affordable Housing

Five Star Bank recognizes the need for affordable and special needs housing across our geographic footprint and offers debt and equity financing for these types of projects.

We also actively participate in the Federal Home Loan Bank of New York (FHLB NY) Affordable Housing Program (AHP). Through this program, the FHLB NY sets aside 10% of its private earnings to support the creation and preservation of housing for lower-income families and individuals. AHP funds are awarded to members who submit applications on behalf of project sponsors who are planning to purchase, rehabilitate or construct affordable homes or apartments.



Flower City Habitat for Humanity Flower City Habitat Homes

ROCHESTER

Flower City Habitat for Humanity is working to create a world where everyone has a decent place to live. Five Star Bank acted as FHLB NY member bank for the nonprofit's 2021 AHP project, which led to the creation of four new homes. Working closely with Flower City Habitat for Humanity, Five Star Bank reviewed the AHP application materials in-depth, provided feedback and developed internal deadlines to better manage the application workload. As a result of this collaboration, Flower City Habitat Homes was awarded \$120,000 in AHP funds.

"It was clear throughout the process that the Five Star team had a deep understanding of FHLB NY and its application process, and also the mission of our organization. They were invested in making sure we were successful and, as a result, we were! This year we served four additional families by building four new homes thanks to the support from Five Star Bank and FHLB NY."

Tim Guillemette, Chief Operating Officer
Flower City Habitat for Humanity

Ibero-American Development Corporation Pueblo Nuevo II

ROCHESTER

The mission of the Ibero-American Development Corporation (IADC) is to provide quality affordable housing and opportunities for the economic advancement of Hispanic and other minority groups, as well as offer social and recreational facilities to individuals and families of low- and moderate-income.

Five Star Bank provided \$4.1 million in construction financing to IADC and helped it secure \$300,000 in AHP funds for Pueblo Nuevo II, a transformational development in the Northeast side of the City of Rochester. The project created 29 units, including five apartments for families that are homeless or at risk of homelessness, as well as a community center for local businesses and organizations.

People Inc. Folwell Apartments

BUFFALO

Five Star Bank provided \$10 million in construction financing, along with approximately \$9.5 million in low-income housing and historic tax credit equity, to People, Inc. for Folwell Apartments. This historic restoration and adaptive reuse project is transforming a building on the former Women and Children's Hospital campus into 44 senior affordable apartment units. These units will serve households with income at or below 30%, 50% or 60% of area median income, or AMI. In addition, several apartments are specifically designated for seniors facing homelessness, as well as households with mobility, hearing or visual impairments.

Savarino Companies, LLC Ellicott Station

BATAVIA

Five Star Bank provided \$19.6 million in construction financing for Ellicott Station in Batavia. This mixed-use project will include new construction of 55 affordable housing units and the rehabilitation and adaptive reuse of an abandoned industrial building into commercial space. The residential component of the project will serve a combination of 50% and 60% AMI households.

Urban League of Rochester L2P Westside

ROCHESTER

In August 2022, construction on the Urban League of Rochester's newest lease-to-purchase affordable housing program, L2P Westside, was completed. Through this community renewal and revitalization project, 41 new single-family homes were built on previously vacant lots in qualified census tracts in the City of Rochester, designed to complement and stabilize the surrounding neighborhood. The homes have been rented to families with incomes at or below 50% and 60% of AMI. Five Star Bank provided \$6.2 million of construction loan financing for the development and served as FHLB NY sponsor for L2P Westside, securing \$600,000 in AHP funds.

WinnCompanies Whitney Apartments

BUFFALO

WinnCompanies received approximately \$8.7 million in acquisition financing from Five Star for the Whitney Neighborhood Apartments, a 135-unit affordable housing project. The project, which is made up of ten buildings, was originally constructed in 1900 and renovated for affordable housing in the 1970s. It operates under the Project Based Section 8 Housing Assistance Program. WinnCompanies is the nation's largest operator of affordable housing.

Dedicated to our customers' financial well-being.

Consumer Products and Programs

We understand that access to a bank account provides individuals and households with the opportunity to conduct financial transactions, save for emergency and long-term security needs, build credit history and access credit on fair and affordable terms. Our focus remains helping customers to build financial security and financial wellness by offering bold and innovative tools.

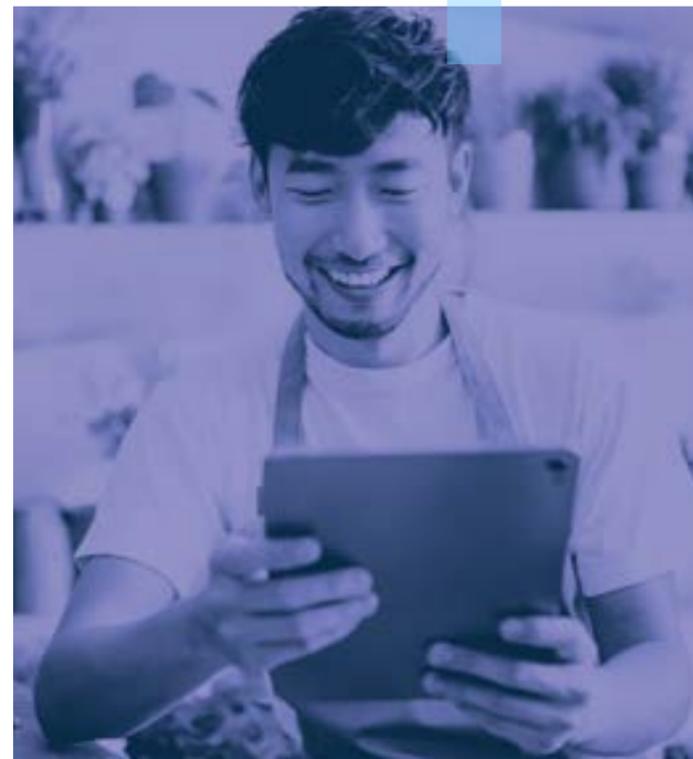
Five Star Bank has invested in products and people to ensure the availability of safe, transparent and fair financial products. Offerings include a suite of deposit and lending products tailored to meet the needs of unbanked, under-banked and low- and moderate-income (LMI) individuals in the communities we serve. Additionally, we offer programs to assist homebuyers with grants and savings programs.

Allpoint ATM Partnership

We partner with Allpoint Network to provide our customers with access to more than 43,000 surcharge-free ATMs nationwide and more than 55,000 worldwide. This partnership serves as a valuable expansion of our ATM network, making cash access quick, easy and surcharge-free to our customers.

Progress Checking

Designed for customers who want a low-cost account, this is an electronic checking account with no monthly fee, no minimum monthly deposit and no overdraft charges. Digital Banking is included with mobile check deposit, bill pay and person-to-person payments. It also includes access to more than 43,000 surcharge-free ATMs nationwide.



Statement Savings

A Statement Savings account is a simple and affordable way to save for the future and earn interest while doing it. The low monthly maintenance fee is waived if an average daily balance of at least \$300 is maintained or if the primary account holder is less than 18 years old.

Home for You

This loan program is designed to provide easier access to home ownership for borrowers whose income is less than 80% of the area median income. The program features a low down payment, no private mortgage insurance and down payment and/or closing cost assistance for qualified applicants.

State of New York Mortgage Agency

We participate in State of New York Mortgage Agency, or SONYMA, loan programs, which are designed to help first-time LMI borrowers obtain financing.

Neighborhood Mortgage Loan

The Neighborhood Mortgage Loan is an option for borrowers purchasing a home in LMI geographies without any income limit restrictions. The program features a small down payment and no private mortgage insurance.

Homebuyer Dream Program™

Five Star Bank participates in the Homebuyer Dream Program™, a grant program sponsored by the Federal Home Loan Bank of New York (FHLBNY). The Homebuyer Dream Program™ is administered on a first-come, first-served basis to first-time homebuyers.

Federal Government Loan Programs

The Five Star Bank menu of product offerings includes FHA, VA and USDA loan programs, all of which provide borrowers with low down payment options for purchase or refinance transactions.

Financial Literacy

In addition to offering products and services that support our customers' financial well-being, we understand the vital importance of financial literacy for all members of the communities we serve. We partner with several local nonprofit organizations to provide grant funding for financial education, including:

- Boys & Girls Clubs of Buffalo
- Consumer Credit Counseling Service of Buffalo
- Consumer Credit Counseling Service of Rochester
- Economic Opportunity Program
- Literacy Volunteers of Cayuga County
- Native American Community Services of Erie & Niagara Counties
- Urban League of Rochester

Building a diverse and inclusive culture.

Diversity, Equity & Inclusion

At all levels of our company, we are united in our commitment to fostering a diverse and inclusive culture that helps to build a more equitable tomorrow. That means creating an environment where everyone feels welcomed, valued and respected. It also means actively working to ensure our company reflects the communities we serve. As we continue to make progress, we remain focused on the following key priorities:

Identifying strategies to meet current and future workforce needs

Providing employee learning opportunities that encourage positive behaviors

Establishing channels for employee discussions on equity and inclusion

Supporting our corporate duty to provide fair and responsible financial solutions

As part of Five Star's DEI journey, the Diversity and Inclusion Advisory Council was established in 2020. This team consists of associate volunteers from Five Star Bank, SDN Insurance Agency, LLC, Courier Capital, LLC, and HNP Capital, LLC. Since its formation, the Council has created opportunities for the Bank and our employees to listen, learn and celebrate people from all backgrounds. With the Diversity and Inclusion Advisory Council's guidance, during the past year our organization:

- Welcomed Dan Butler from the Urban League of Rochester, who led an educational session at Five Star Bank Plaza on the "Five Levels of Racism and Unconscious Bias" as part of the Urban League's "Interrupt Racism" program
- Coordinated the offering of American Sign Language Introductory Courses for associates
- Conducted company-wide survey to understand and measure internal opportunities for growth
- Continued its partnership with the M.K. Gandhi Institute for Nonviolence to conduct training sessions on unconscious bias and conflict without contempt
- Encouraged employee participation in the sharing and celebration of cultures and traditions during the 2021 holiday season



Volunteering is a Work of HEART

In 2022, the Diversity and Inclusion Advisory Council led Volunteering is a Work of HEART Day. As part of this company-wide community service event, most of our branches and offices closed early to allow our team to spend an afternoon supporting over 30 organizations in communities throughout our footprint. More than 350 associates participated in Volunteering is a Work of HEART Day, working a total of over 720 hours.

STAR Volunteers

Five Star Bank associates support local nonprofit organizations through volunteer efforts across our geographic footprint. Our STAR Program provides all associates with eight hours of paid time off to volunteer for events and nonprofits in the communities where they live and work. Among the organizations supported by Five Star associates over the past 12 months are:

- Batavia Rotary Club
- Brighton Central Schools
- Buffalo Marathon
- Camp STAR
- Canandaigua City School District
- Champion Academy
- ConnectLife
- Corning Sparkle
- Cystic Fibrosis Foundation
- Dansville Central School District
- Flower City Habitat for Humanity
- House of Mercy
- Junior Achievement
- Lifespan
- Perry Chalk Art Festival
- Ride for Roswell
- Rooted in Love, Inc.
- Salvation Army
- Seneca Park Zoo Society
- Sgt. Devin A. Snyder Memorial Foundation
- United Way
- U.S. Army Fort Drum
- Wood Library

Invested in our community's future.

Environmentally Conscious & Committed

Five Star believes that a successful future for our business and the customers and communities we serve is dependent on the sustainability of our environment. Through our dynamic strategic planning and robust risk and governance frameworks, we strive to seize upon prudent new business opportunities arising from the transition to a low-carbon society while incorporating environmental risks and managing them appropriately. Sustainability matters and other material ESG risks and opportunities are overseen by our Board's Risk Oversight Committee.

- In 2022, we published an Environmental Responsibility Policy outlining our commitment to environmentally conscious activity
- Five Star Bank Plaza and Five Star Bank Centre have electric vehicle charging stations available free of charge for employees and customers
- Five Star securely shredded and recycled more than 444,850 pounds of paper over a two-year period through January 2022

Making the Right Investments

Five Star Bank's investment program includes the purchase of mortgage-backed securities, supporting low- and moderate-income homebuying and housing opportunities throughout our communities. The Bank invested more than \$28 million in mortgage-backed securities over the past four years.

We support local municipal activity in low- and moderate-income areas with the issuance of bond anticipation notes and statutory installment bonds. The Bank issued more than \$24 million in local municipal debt over the past four years.

Our investment portfolio also includes ESG bonds with a total par value of approximately \$49 million, the majority of which are green bonds.

Supporting Small Business

Five Star Bank a proud and active partner of the Small Business Administration (SBA). For the SBA fiscal year ended September 30, 2022, the Bank originated 30 SBA 7(a) loans totaling \$5.2 million. In recent years, we were an active participant in the SBA's Paycheck Protection Program, or PPP, providing a total of approximately 1,700 small businesses with \$270 million in loans, preserving an estimated 18,000 jobs in our markets.

Progress

Corporate Headquarters

220 Liberty Street
Warsaw, NY 14569
1.877.226.5578

Five Star Bank Centre

Western New York Regional Administrative Office
6215 Sheridan Avenue
Amherst, NY 14221

Five Star Bank Plaza

Rochester Regional Administrative Office
100 Chestnut Street
Rochester, NY 14604

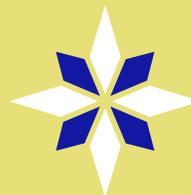
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**Five Star
Bank**



Member FDIC
NMLS#408838

Insurance and investment products and services are not FDIC insured, are not a deposit and are not bank guaranteed, are not insured by any Federal governmental agency, and are subject to investment risks, including possible loss of principal invested. Insurance products may be provided by SDN Insurance Agency, LLC, an affiliate of Five Star Bank. Investment products may be provided by Courier Capital, LLC or HNP Capital, LLC, affiliates of Five Star Bank.