SUMMIT
STATE BANK
Member FDIC

2025 ANNUAL REPORT

A Foundation for the Future

Member FDIC

Mission Statement

Summit State Bank provides customized credit and deposit services by partnering with businesses, nonprofits and individuals who fuel growth and strengthen the communities we serve.

ESTABLISHED

Summit State Bank, then called Summit Savings and Loan, was established.

1982

NEW NAME

Became FDIC-insured and renamed to Summit State Bank, expanding services.

1999

LISTED ON NASDAQ

Listed on NASDAQ as SSBI, marking the Bank's public debut.

2006

$500M IN ASSETS

The Bank reached $500M in assets, reflecting strong community growth.

2016

BRAND REFRESH

The Bank updated its logo and completed a brand refresh. Established our SBA Lending Group and assisted with Fire Relief Efforts.

2017

PPP LOANS

Between 2020/21, the Bank funded $135M in Paycheck Protection Loans. During the Pandemic, we made loan modifications of $206M.

2020

40 YEARS

The Bank celebrated its 40th Anniversary and reached $1B in assets.

2022

DONATED MORE THAN $6.5M

Since 2009, the Bank has donated more than $6.5M to local nonprofits.

2025

Letter to our Shareholders

In 2025, we focused on building a strong foundation for the future at Summit State Bank. After reporting a net loss in 2024, we returned to profitability and made meaningful progress in strengthening our balance sheet, improving core earnings, and reinforcing our long-term strategic direction.

Throughout the year, performance steadily improved. We achieved four consecutive profitable quarters, culminating in fourth quarter net income of $1.07 million, or $0.16 per diluted share. Net interest margin expanded to 3.62% in the fourth quarter, an increase of 74 basis points over the prior year, driven by a favorable shift in our funding mix and continued asset repricing within the loan portfolio. At the same time, disciplined expense management and operational efficiencies enhanced our overall financial performance.

We also made progress in addressing credit risk. While a limited number of relationships represent the majority of non-performing loans, broader portfolio trends improved year over year. Past due loans remained low at 0.11% of total loans, and our allowance for credit losses stands at 1.71%, reflecting our prudent and conservative approach.

Our capital and liquidity positions strengthened meaningfully during the year. The Tier 1 Leverage Ratio improved to 10.37% compared to 8.87% at the prior year end, and total liquidity remained solid at $459 million, representing more than 46% of total assets.

As we enter 2026, we do so from a position of greater strength and stability. The work completed this year has reinforced our foundation and sharpened our focus. We remain committed to disciplined growth, thoughtful risk management, and delivering long-term value to our shareholders and the communities we serve.

Douglas V. Reynolds
Chairperson of the Board

Brian J. Reed
President and CEO

Executive Leadership

Michael Floyd, Brian Reed, Genie Del Secco, Brandy Seppi and Camille Kazarian pose at the company holiday breakfast.

Summit State Bank's Executive Leadership Team provides experienced, thoughtful leadership focused on long-term growth, strong governance, and delivering value for customers, communities, and shareholders. With more than 170 years of combined industry experience, the team brings deep expertise and practical insight to guiding the Bank's strategy and day-to-day operations.

As a locally managed community bank, decisions are made close to the people and businesses we serve. The Executive Leadership Team is guided by the Bank's core values - Integrity, Collaboration, Respect, Adaptability, and a Can-Do Attitude - which shape how we lead, work together, and support our customers.

Through a hands-on leadership style and clear, open communication, the team works closely with employees across the organization to advance strategic priorities and execute key initiatives. Beyond the Bank, our executives remain actively involved in the community through volunteer service, nonprofit board leadership, and financial expertise, reinforcing Summit State Bank's commitment to responsible growth, community partnership, and long-term shareholder value.

Executive Leadership

Brian Reed
President and Chief Executive Officer

Brian has over 40 years of industry experience.
9 years at Summit State Bank.

Brian serves on the Board of Directors of Free to Be, Children & Family Circle and is a Rotarian.

Genie Del Secco
Executive Vice President and Chief Operating Officer

Genie has over 35 years of industry experience.
10 years at Summit State Bank.

Genie serves on the Board of Directors of Our Village Closet.

Camille Kazarian
Executive Vice President and Chief Financial Officer

Camille has over 26 years of industry experience.
7 years at Summit State Bank.

Camille serves on the Board of Directors for Committee on the Shelterless (COTS).

Michael Floyd
Executive Vice President and Chief Credit Officer

Michael has over 40 years of industry experience.
2 years at Summit State Bank.

Michael served on the Loan Committee of California Community Reinvestment Corporation and the Housing Trust for Santa Barbara County.

Brandy Seppi
Executive Vice President and Chief Banking Officer

Brandy has over 30 years of industry experience.
11 years at Summit State Bank.

Brandy serves on the Finance Committee for St. John the Baptist Catholic School, and is a member of St. John the Baptist Catholic Church and the Italian Catholic Federation.

Board of Directors

Our board members are selected not only for their expertise and business acumen but also for their unwavering ethical standards and integrity. These core values shape our decision-making processes and ensure that our actions align with the Bank's mission statement.

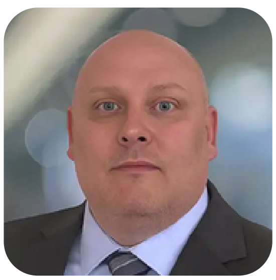
Each member contributes a unique perspective, valuable insight, and distinct skillset, all of which play a vital role in achieving our business objectives. Their diverse viewpoints and collective commitment are fundamental to the continued success of our organization.

Douglas V. Reynolds
Chairperson of the Board
President and CEO
Energy Services of America

Brian J. Reed
President and CEO
Summit State Bank

Jeffrey B. Allen
President and Founder
Allen Land Design

Frank Chong, Ed. D.
Past Superintendent/President
of Santa Rosa Junior College



James A. Finley
Owner and President of
Treasure Creek Minerals, LLC
and Regional Finance Manager
at Clean Harbors

Todd R. Fry
Chief Accounting Officer
Installed Building Products, Inc.

Nick J. Rado
President
Rado Consulting

Marshall T. Reynolds
Chairman and Chief Executive
Officer, Champion Industries, Inc.

Dawn M. Ross
Vice Chair of the Board
Former Managing Partner
Carle, Mackie, Power & Ross LLP

Sharon S. Wright
Governmental Affairs and
Public Relations Consultant

John W. Wright
Business Consultant

Community Commitment

Community service is a priority at Summit State Bank, and all employees are encouraged to give back to the community through volunteering. Employees engage in hands-on involvement by participating in community events and activities that they are passionate about. The Bank provides financial support and offers financial education as part of our commitment as a community bank. Below are some highlights from this year's giving.

Summit Day of Service

Employees are granted a paid day off to serve in community activities of their choosing. Activities include volunteering at a local community kitchen, watering redwood saplings, preparing tax returns for low-income individuals or reading to a classroom of students.

Community Involvement

Collectively, a total of 714 volunteer hours were served during 2025. In addition, we have 10 officers and employees serving on community boards and committees for the betterment of our community.

Our team can be found participating in community events such as the Santa Rosa Metro Chamber Business Expo, volunteering in a community kitchen, or attending fundraising events that support our local nonprofits.

Women in Conversation

For nine consecutive years, the Bank has been the Presenting and Founding Sponsor of the Women in Conversation speaker series in collaboration with The Press Democrat, a local media company.

The 2025 event featured comedian and actor Molly Shannon, who shared candid reflections on her life and career, bringing humor, heart, and inspiration to the audience.

The program strives to build a strong community of women who support each other and spark important conversations: connecting, empowering, and supporting women of all ages.

Community Commitment

Nonprofit Partner Program

Summit State Bank's Nonprofit Partner Program provides an annual cash contribution to its nonprofit customers based on average annual account balances. In 2025, the Bank delivered 245 donation checks for a total of $531,138. Since 2009, the Bank has contributed over $6.5 million to local nonprofits in our community through 2025.

North Bay Business Journal's Best Places to Work

This annual award is based on an employee survey which provides feedback and comments on how the Bank appreciated and recognized them throughout the year. For 16 consecutive years, our employees have voted us as one of the Best Places to Work in the North Bay. We were among 15 other companies that share this 16-year designation.

NORTH BAY Business Journal 2025 BEST PLACES to Work

16th TIME WINNER

NorthBay Biz Magazine's Hall of Fame

Summit State Bank was awarded the Best of the North Bay Hall of Fame for the second year. This designation was bestowed to 15 local businesses and organizations that have consistently garnered one of the top two recognitions of either "*Best Of*" or "Gold" award at least 15 times. We were honored to be among three local financial institutions to receive the Hall of Fame Business Bank award.

2025 HALL OF FAME NORTHBAY BIZ

MARIN • NAPA • SONOMA

San Francisco Business Times' Corporate Philanthropy Award

Summit State Bank ranked #42 among the Bay Area's Top 100 Corporate Philanthropists, alongside companies such as Google and Salesforce.

SAN FRANCISCO BUSINESS TIMES
CORPORATE PHILANTHROPY
AWARDS & SUMMIT
Top Corporate Philanthropists in the Bay Area
Summit State Bank
Ranked #42
2025

North Bay Nonprofit Event

In 2025, Summit State Bank proudly hosted our North Bay Nonprofit Event, welcoming more than 100 nonprofit leaders from across the region for a day focused on connection, learning, and shared impact. Offered at no cost as part of the Bank's ongoing commitment to community support, the event featured expert-led presentations, practical fundraising and advocacy insights, and a panel of respected local nonprofit executives who shared real-world experience and perspective. Attendees highlighted the event's relevance, quality, and accessibility, underscoring the value of convening the nonprofit community in a meaningful, inclusive setting.

The day also included $1,000 donation giveaways to five local organizations, further reinforcing the Bank's role as a long-standing partner to nonprofits working to strengthen Sonoma County and the North Bay.

NBNE
North Bay Nonprofit Event

Selected Financial Data

(in thousands except per share data)

	2025	2024	2023	2022
Statement of Income Data:				
Net interest income	$ 34,947	$ 29,476	$ 35,462	$ 42,427
Provision for credit losses	2,531	7,915	332	2,541
Non-interest income	392	3,459	5,201	7,495
Non-interest expense	23,845	29,408	25,050	23,511
Provision for income tax expense (benefit)	2,167	(195)	4,459	6,902
Net income (loss)	$ 6,796	$ (4,193)	$ 10,822	$ 16,968
Balance sheet data:				
Assets	$ 1,004,586	$ 1,067,094	$ 1,122,508	$ 1,115,343
Loans, net	831,793	905,075	938,626	913,707
Deposits	891,111	962,562	1,009,693	962,655
Average earning assets	1,000,630	1,058,766	1,110,801	978,169
Average shareholders' equity	98,127	99,080	93,621	86,038
Nonperforming assets	34,133	32,191	44,206	3,756
Selected per Common Share Data:				
Basic earnings (losses) per common share	$ 1.01	$ (0.62)	$ 1.62	$ 2.54
Diluted earnings (losses) per common share	$ 1.01	$ (0.62)	$ 1.62	$ 2.54
Common shares outstanding at year end	6,772	6,777	6,784	6,733
Dividend per share	$ -	$ 0.28	$ 0.48	$ 0.48
Book value per common share (1)	$ 14.94	$ 13.53	$ 14.40	$ 13.15
Selected ratios:				
Return (loss) on average assets (2)	0.66%	(0.38%)	0.95%	1.69%
Return (loss) on average common shareholders' equity (2)	6.93%	(4.23%)	11.56%	19.72%
Efficiency ratio (3)	67.45%	89.31%	61.60%	47.10%
Net interest margin (2)	3.49%	2.78%	3.19%	4.34%
Common dividend payout ratio (4)	0.00%	(45.20%)	30.05%	19.01%
Tier 1 leverage ratio	10.37%	8.87%	8.85%	8.53%
Nonperforming loans to total loans	3.76%	3.02%	4.63%	0.40%
Allowance for credit losses to total loans	1.71%	1.49%	1.60%	1.60%

(1) Total shareholders' equity divided by total common shares outstanding.

(2) Annualized.

(3) Non-interest expenses to net interest and non-interest income, net of securities gains.

(4) Common dividends divided by net income available for common shareholders.

Information about Summit State Bank

Summit State Bank (the “Bank”) is an award-winning community bank operating within our primary service area of Sonoma County, California. We operate through five depository offices located in Santa Rosa, Rohnert Park, Healdsburg and Petaluma. The Bank also has a loan production office in Roseville, California. The Bank was incorporated on December 20, 1982 and commenced operation as a California state-chartered saving and loan. On January 15, 1999, the Bank received authority to convert its charter to a California state-chartered Bank. On July 13, 2006, the Bank completed an underwritten initial public offering and listed its stock on the Nasdaq Global Market under the symbol SSBI. The Bank’s deposits are insured by the FDIC in accordance with the Federal Deposit Insurance Act and related regulations of the FDIC.

We provide a broad array of financial services to small to medium-size businesses and their owners and employees, entrepreneurs, families, foundations, estates, and individual consumers. We believe that our principal competitive advantages are personal service, flexibility, and responsiveness to customers’ needs. Our lending activities are primarily focused on commercial real estate, construction, and business loans to our targeted clientele. We emphasize relationship banking, and believe we offer our customers many of the management capabilities of a larger financial institution, together with the resourcefulness and superior customer service of a community bank. Through our branches and the use of technology, we offer a broad array of deposit products and services for both commercial and consumer customers, including digital banking, cash management services and bill payment.

The Bank is committed to embracing the diverse backgrounds, cultures, and talents of its employees to create high performance and support the evolving needs of its customers and community it serves. Through the engagement of its team, the Bank has received many esteemed awards including: Top Performing Community Bank by American Banker, Best Places to Work in the North Bay and Diversity in Business by the North Bay Business Journal, Corporate Philanthropy Award by the San Francisco Business Times, and the Hall of Fame by the Northbay Biz Magazine.

Strong relationships are the foundation of everything we build.

Company Contact Information
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Barbara Gradman

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Investor Information:
See "Investors" on our website:
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SUMMIT STATE BANK

A Better Sonoma County.
That's Our Business.
Member FDIC