FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 12 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 29, 2025

Summit State Bank

(Exact Name of Registrant as Specified in Charter)

California	32203	94-2878925
(State of Other Jurisdiction Of Incorporation)	(FDIC Certificate Number)	(I.R. S. Employer Identification No.)

500 Bicentennial Way Santa Rosa, CA (Address of Principal Executive Offices)	95403 (Zip Code)

Registrant's Telephone Number, Including Area Code, 707-568-6000

_____
(Former Name or Former Address, if Changes Since Last Report)

Check the Appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13d-4 (c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging Growth Company ☐

If an emerging growth company, indicate my check mark if the registrant has elected not to use the extended transition period for complying with any ne or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SSBI	NASDAQ Global Market

Item 2.02. Results of Operations and Financial Condition.

On July 29, 2025, the registrant issued the press release attached hereto as Exhibit 99.1 and incorporated herein by reference regarding the results of operations for the three and six months ended June 30, 2025.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits:

The exhibit list called for by this item is incorporated by reference to the Exhibit Index filed as part of this report.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Dated: July 29, 2025

SUMMIT STATE BANK

By: /S/ Camille Kazarian
Camille Kazarian
Executive Vice President and Chief Financial Officer (Duly Authorized Officer)

Exhibit Index

Exhibit Number	Description
99.1	Press release of Summit State Bank dated July 29, 2025, announcing results of operation for the three and six months ended June 30, 2025.

News Release

For Immediate Release

Contact: Brian Reed, President and CEO, Summit State Bank (707) 568-4908

Summit State Bank Earns $2.4 Million, or $0.36 Per Diluted Share, in Second Quarter 2025

SANTA ROSA, CA – (July 29, 2025) – Summit State Bank (the "Bank") (Nasdaq: SSBI) today reported net income of $2,417,000, or $0.36 per diluted share for the second quarter ended June 30, 2025, compared to net income of $928,000, or $0.14 per diluted share for the second quarter ended June 30, 2024.

"We delivered strong operating results in the second quarter of 2025 – our second consecutive quarter of solid earnings - driven by robust net interest income and meaningful margin expansion," said Brian Reed, President and CEO. "With notable progress made in addressing problem loans that weighed on 2024 results, we are encouraged by the momentum in our earnings outlook. Despite ongoing market volatility in the broader financial sector, we remain disciplined in our balance sheet strategy and operational execution. As deposits and loans continue to reprice, we anticipate further upside to our net interest margin."

"Maintaining a strong capital position remains a top priority as we navigate the current environment," said Reed. "To support this objective, we are actively managing our balance sheet and have made the strategic decision to suspend cash dividends for the third quarter of 2025. This action allows us to further strengthen capital, enhance liquidity, and position the Bank to deliver long-term value to shareholders."

"A key highlight in the second quarter was the notable reduction in non-performing assets, reflecting our proactive approach to resolving problem loans," said Reed. "Non-performing assets declined by $8,122,000 quarter-over-quarter and by $27,232,000 year-over-year, demonstrating the effectiveness of our credit management strategies. Looking ahead, we expect continued improvement in credit quality as our portfolio remains well-positioned and asset resolution efforts progress."

Second Quarter 2025 Financial Highlights (at or for the three months ended June 30, 2025)

- Net income was $2,417,000, or $0.36 per diluted share, compared to $928,000, or $0.14 per diluted share, in the second quarter of 2024 and $2,494,000, or $0.37 per diluted share for the first quarter ended March 31, 2025.
- Net interest margin was 3.66% in the second quarter of 2025 compared to 2.71% in the second quarter of 2024 and 3.19% in the first quarter of 2025.
- Non-performing assets decreased to $13,762,000 at June 30, 2025 compared to $40,994,000 in non-performing assets at June 30, 2024 and $21,884,000 at March 31, 2025.
- The Bank's Tier 1 Leverage ratio increased to 9.84% at June 30, 2025 compared to 9.31% at June 30, 2024.
- Annualized return on average assets and annualized return on average equity for the second quarter of 2025 was 0.93% and 9.98%, respectively. This compared to annualized return on average assets and annualized return on average equity for the second quarter of 2024 of 0.35% and 3.82%, respectively.
- The allowance for credit losses to total loans held for investment was 1.52% at June 30, 2025 compared to 1.52% one year earlier and 1.53% in the preceding quarter.
- The Bank maintained strong total liquidity of $453,328,000, or 43.9% of total assets as of June 30, 2025. This includes on balance sheet liquidity (cash and equivalents and unpledged available-for-sale securities) of $133,788,000 or 13.0% of total assets, plus available borrowing capacity of $319,540,000 or 30.9% of total assets.
- The Bank has been strategically managing its loan and deposit portfolios to *reduce risk in the balance sheet and improve capital ratios.* The Bank has been successful in reducing the size of its balance sheet as noted below:
    - Net loans held for investment decreased 7% to $851,309,000 at June 30, 2025, compared to $913,514,000 one year earlier and decreased 3% compared to $877,354,000 in the first quarter of 2025.
    - Total deposits decreased 5% to $922,609,000 at June 30, 2025, compared to $966,587,000 at June 30, 2024, and decreased 4% when compared to the first quarter of 2025, at $957,065,000.
- Book value was $14.49 per share, compared to $14.44 per share a year ago and $14.07 in the first quarter of 2025.

Operating Results

For the second quarter of 2025, the annualized return on average assets was 0.93% and the annualized return on average equity was 9.98%. This compared to an annualized return on average assets of 0.35% and an annualized return on average equity of 3.82%, respectively, for the second quarter of 2024.

"In the second quarter of 2025, our net interest margin expanded by 47 basis points quarter-over-quarter, driven by a favorable shift in funding costs, continued repricing of our loan portfolio at higher yields and prepayment fees," said Reed.

The Bank's net interest margin was 3.66% in the second quarter of 2025 compared to 2.71% in the second quarter of 2024 and 3.19% in the first quarter of 2025.

Interest and dividend income increased 6.0% to $15,230,000 in the second quarter of 2025 compared to $14,371,000 in the second quarter of 2024. The increase in interest income is attributable to a $876,000 increase in interest and fees on loans from existing loans repricing to higher yields and one-time prepayment fees collected, an increase of $189,000 in interest on deposits with banks offset by a $206,000 decrease in interest on investment securities due to lower volume of investments held.

Interest expense decreased 18% to $6,001,000 in the second quarter of 2025 compared to $7,277,000 in the second quarter of 2024. The decrease in interest expense is primarily attributable to a $1,171,000 decrease in interest expense on deposits resulting from lower cost of funds and a $137,000 decrease in interest expense on Federal Home Loan Bank advances due to decreased borrowing volume.

Noninterest income decreased in the second quarter of 2025 to $263,000 compared to $801,000 in the second quarter of 2024. The decrease is primarily attributed to the Bank recognizing $29,000 in gains on sales of SBA guaranteed loan balances in the second quarter of 2025 compared to $270,000 in gains on sales of SBA guaranteed loan balances in the second quarter of 2024 and a $288,000 decrease in other income related to the accelerated amortization of originated servicing rights for the early payoff on sold SBA loans. .

"We remain committed to enhancing operational efficiency and driving cost savings across the Bank. Through targeted expense management initiatives and process improvements, we are reducing our cost structure while maintaining the quality of service our clients expect," said Reed.

Operating expenses decreased in the second quarter of 2025 to $6,305,000 compared to $6,627,000 in the second quarter of 2024. The savings were primarily due to a decrease of $137,000 in salaries and employee benefits resulting from an 8% reduction in force due to a cost savings initiative in the fourth quarter of 2024 and $193,000 insurance claim reimbursement for branch losses recorded in 2024.

Balance Sheet Review

During the second quarter of 2025, the Bank strategically managed its loan and deposit portfolios to reduce balance sheet risk and improve liquidity and capital ratios. As a result, net loans held for investment decreased 7% to $851,309,000, and total deposits decreased 5% to $922,609,000 as of June 30, 2025 compared to June 30, 2024.

Net loans held for investment were $851,309,000 at June 30, 2025 compared to $913,514,000 at June 30, 2024, and decreased 3% compared to March 31, 2025. The Bank's largest loan types are commercial real estate loans which make up 80% of the portfolio and loans secured by farmland totaling 7% of the portfolio. Of the commercial real estate total, approximately 32% or $218,209,000 is owner occupied, and the remaining 68% or $470,880,000 is non-owner occupied. The Bank's entire loan portfolio

is well diversified between industries and product type. The office space product type totals $153,034,000 or 18% of the total loan portfolio; of this total owner occupied is $59,346,000 or 39% and non-owner occupied is $93,688,000 or 61%.

Total deposits were $922,609,000 at June 30, 2025 compared to $966,587,000 at June 30, 2024, and decreased 4% compared to the prior quarter end. At June 30, 2025, noninterest bearing demand deposit accounts increased 6% compared to a year ago and represented 21% of total deposits; savings, NOW and money market accounts decreased 6% compared to a year ago and represented 48% of total deposits, and CDs decreased 9% compared to a year ago and comprised 31% of total deposits.

Shareholders' equity was $98,108,000 at June 30, 2025, compared to $97,949,000 one year earlier and $95,341,000 three months earlier. The slight increase in shareholders' equity compared to a year ago was due to a decrease in accumulated other comprehensive losses offset by an increase in retained earnings. The increase in shareholders' equity compared to three months earlier was primarily due to an increase in retained. At June 30, 2025 book value was $14.49 per share, compared to $14.07 three months earlier, and $14.44 at June 30, 2024.

The Bank's Tier 1 Leverage ratio continues to exceed the minimum of 5% necessary to be categorized as "well-capitalized" for regulatory capital purposes. The Tier-1 leverage ratio for the second quarter of 2025 was 9.84%, an increase compared to 9.31% for the second quarter of 2024.

Credit Quality

Non-performing assets were $13,762,000, or 1.33% of total assets, at June 30, 2025. This compared to $21,884,000 in non-performing assets at March 31, 2025, and $40,994,000 in non-performing assets at June 30, 2024. The decrease was related to the payoff of several non-accrual loans secured by one agriculture property, which was sold by the borrower during the quarter. Non-performing assets include $4,437,000 for one other real estate owned property at June 30, 2025 and March 31, 2025, compared to $5,130,000 for one other real estate owned property at June 30, 2024.

"We are pleased with the progress in credit quality and our main priority continues to be vigilant management of asset quality and risk reduction within the portfolio," said Reed. "As of June 30, 2025, three loans to a single borrower, totaling $8,031,000 and representing 86% of our non-performing loans, are secured by farmland—a sector currently facing economic challenges. Beyond these exposures, the Bank's total loan portfolio includes a modest $53,118,000, or 6%, in the farmland industry, which we closely monitor to ensure continued performance."

There was $492,000 in net charge-offs during the three months ended June 30, 2025, compared to $509,000 in net recoveries during the three months ended March 31, 2025 and net charge-offs of $1,067,000 during the three months ended June 30, 2024.

For the second quarter of 2025, the Bank recorded no provision for credit loss on loans, a $55,000 reversal of credit losses for unfunded loan commitments and no provision for

credit losses on investments. This compared to a $6,000 provision for credit loss expense on loans, a $26,000 reversal of credit losses on unfunded loan commitments and a $4,000 provision for credit losses on investments in the second quarter of 2024. The allowance for credit losses to total loans held for investment was 1.52% on June 30, 2025 and June 30, 2024.

About Summit State Bank

Founded in 1982 and headquartered in Sonoma County, Summit State Bank is an award-winning community bank serving the North Bay. The Bank serves small businesses, nonprofits and the community, with total assets of $1.0 billion and total equity of $98 million as of June 30, 2025. The Bank has built its reputation over the past 40 years by specializing in providing exceptional customer service and customized financial solutions to aid in the success of its customers.

Summit State 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, Summit State 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 North Bay Business Journal, Corporate Philanthropy Award by the San Francisco Business Times, and Hall of Fame by North Bay Biz Magazine. Summit State Bank's stock is traded on the Nasdaq Global Market under the symbol SSBI. Further information can be found at www.summitstatebank.com.

Cautionary Note Regarding Preliminary Financial Results and Forward-looking Statements

The financial results in this release are preliminary and unaudited. Final audited financial results and other disclosures will be reported in Summit State Bank's annual report on Form 10-Q for the period ended June 30, 2025, and may differ materially from the results and disclosures in this release due to, among other things, the completion of final review procedures, the occurrence of subsequent events or the discovery of additional information.

Except for historical information, the statements contained in this release, are forward-looking statements within the meaning of the "safe harbor" provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are non-historical statements regarding management's expectations and beliefs about the Bank's future financial performance and financial condition and trends in its business and markets. Words such as "expects," "anticipates," "believes," "estimates" and similar expressions or future or conditional verbs such as "will," "should," "would" and "could" are intended to identify such forward-looking statements. Examples of forward-looking statements include but are not limited to statements regarding future operating results, operating improvements, loans sales and resolutions, cost savings, insurance recoveries and dividends. The forward-looking statements in this release are based on current information and on assumptions about future events and circumstances that are subject

to a number of risks and uncertainties that are often difficult to predict and beyond the Bank's control. As a result of those risks and uncertainties, the Bank's actual future results and outcomes could differ, possibly materially, from those expressed in or implied by the forward-looking statements contained in this release. Those risks and uncertainties include, but are not limited to, the risk of incurring credit losses; the quality and quantity of deposits; the market for deposits, adverse developments in the financial services industry and any related impact on depositor behavior or investor sentiment; risks related to the sufficiency of the Bank's liquidity; fluctuations in interest rates; governmental regulation and supervision; the risk that the Bank will not maintain growth at historic rates or at all; general economic conditions, either nationally or locally in the areas in which the Bank conducts its business; risks associated with changes in interest rates, which could adversely affect future operating results; the risk that customers or counterparties may not performance in accordance with the terms of credit documents or other agreements due a decline in credit worthiness, business conditions or other reasons;; adverse conditions in real estate markets; and the inherent uncertainty of expectations regarding litigation, insurance claims and the performance or resolution of loans. Additional information regarding these and other risks and uncertainties to which the Bank's business and future financial performance are subject is contained in the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and other documents the Bank files with the FDIC from time to time. Readers should not place undue reliance on the forward-looking statements, which reflect management's views only as of the date of this release. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

SUMMIT STATE BANK
STATEMENTS OF INCOME
(In thousands except earnings per share data)

	Three Months Ended		
	June 30, 2025 (Unaudited)	March 31, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Interest and dividend income:			
Interest and fees on loans	$ 13,959	$ 13,420	$ 13,083
Interest on deposits with banks	640	477	451
Interest on investment securities	503	515	709
Dividends on FHLB stock	128	130	128
Total interest and dividend income	15,230	14,542	14,371
Interest expense:			
Deposits	5,875	6,288	7,046
Federal Home Loan Bank advances	-	40	137
Junior subordinated debt	126	136	94
Total interest expense	6,001	6,464	7,277
Net interest income before provision for (reversal of) credit losses	9,229	8,078	7,094
(Reversal of) provision for credit losses on loans	-	(577)	6
Reversal of credit losses on unfunded loan commitments	(55)	(38)	(26)
(Reversal of) provision for credit losses on investments	-	(13)	4
Net interest income after (reversal of) provision for credit losses on loans, unfunded loan commitments and investments	9,284	8,706	7,110
Non-interest income:			
Service charges on deposit accounts	218	225	227
Rental income	57	57	60
Net gain on loan sales	29	22	270
Net loss on securities	(5)	-	-
Other (loss) income	(36)	342	244
Total non-interest income	263	646	801
Non-interest expense:			
Salaries and employee benefits	3,902	3,727	4,039
Occupancy and equipment	467	421	443
Other expenses	1,936	2,105	2,145
Total non-interest expense	6,305	6,253	6,627
Income before provision for income taxes	3,242	3,099	1,284
Provision for income tax expense	825	605	356
Net income	$ 2,417	$ 2,494	$ 928
Basic earnings per common share	$ 0.36	$ 0.37	$ 0.14
Diluted earnings per common share	$ 0.36	$ 0.37	$ 0.14
Basic weighted average shares of common stock outstanding	6,733,823	6,719,127	6,718,614
Diluted weighted average shares of common stock outstanding	6,733,823	6,719,127	6,718,614

SUMMIT STATE BANK
STATEMENTS OF INCOME
(In thousands except earnings per share data)

	Six Months Ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Interest and dividend income:		
Interest and fees on loans	$ 27,379	$ 26,358
Interest on deposits with banks	1,117	813
Interest on investment securities	1,018	1,421
Dividends on FHLB stock	258	258
Total interest and dividend income	29,772	28,850
Interest expense:		
Deposits	12,163	13,832
Federal Home Loan Bank advances	40	328
Junior Subordinated Debt	262	188
Total interest expense	12,465	14,348
Net interest income before (reversal of) credit losses	17,307	14,502
(Reversal of) credit losses on loans	(577)	(9)
(Reversal of) credit losses on unfunded loan commitments	(93)	(91)
(Reversal of) credit losses on investments	(13)	(1)
Net interest income after (reversal of) credit losses on loans, unfunded loan commitments and investments	17,990	14,603
Non-interest income:		
Service charges on deposit accounts	443	460
Rental income	114	120
Net gain on loan sales	51	784
Net loss on securities	(5)	-
Other income	306	385
Total non-interest income	909	1,749
Non-interest expense:		
Salaries and employee benefits	7,629	8,221
Occupancy and equipment	888	928
Other expenses	4,040	3,879
Total non-interest expense	12,557	13,028
Income before provision for income taxes	6,342	3,324
Provision for income tax expense	1,430	1,001
Net income	$ 4,912	$ 2,323
Basic earnings per common share	$ 0.73	$ 0.35
Diluted earnings per common share	$ 0.73	$ 0.35
Basic weighted average shares of common stock outstanding	6,726,516	6,708,100
Diluted weighted average shares of common stock outstanding	6,726,516	6,708,100

SUMMIT STATE BANK
BALANCE SHEETS
(In thousands except share data)

	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)	June 30, 2024 (Unaudited)
ASSETS			
Cash and due from banks	$ 66,410	$ 72,408	$ 40,142
Total cash and cash equivalents	66,410	72,408	40,142
Investment securities:			
Available-for-sale, less allowance for credit losses of $23, $23 and $56 (at fair value; amortized cost of $78,015, $79,827 and $96,407)	67,378	68,737	83,105
Loans held for sale	3,760	-	-
Loans held for investment, less allowance for credit losses of $13,133, $13,625 and $14,145	851,309	877,354	913,514
Bank premises and equipment, net	4,974	5,057	5,306
Investment in Federal Home Loan Bank stock (FHLB), at cost	5,889	5,889	5,889
Goodwill	-	-	4,119
Other Real Estate Owned	4,437	4,437	5,130
Affordable housing tax credit investments	6,925	7,202	7,942
Accrued interest receivable and other assets	21,390	22,279	16,898
Total assets	$ 1,032,472	$ 1,063,363	$ 1,082,045
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Demand - non interest-bearing	$ 193,390	$ 198,736	$ 183,181
Demand - interest-bearing	207,176	192,764	218,124
Savings	39,875	39,000	42,974
Money market	200,320	212,900	212,750
Time deposits that meet or exceed the FDIC insurance limit	93,325	93,154	74,744
Other time deposits	188,523	220,511	234,814
Total deposits	922,609	957,065	966,587
Federal Home Loan Bank advances	-	-	3,500
Junior subordinated debt	5,942	5,938	5,927
Affordable housing commitment	511	511	4,061
Accrued interest payable and other liabilities	5,302	4,508	4,021
Total liabilities	934,364	968,022	984,096
Shareholders' equity			
Preferred stock, no par value; 20,000,000 shares authorized; no shares issued and outstanding	-	-	-
Common stock, no par value; shares authorized - 30,000,000 shares; issued and outstanding 6,771,526, 6,776,563 and 6,784,099	37,843	37,803	37,623
Retained earnings	67,782	65,364	69,651
Accumulated other comprehensive loss, net	(7,517)	(7,826)	(9,325)
Total shareholders' equity	98,108	95,341	97,949
Total liabilities and shareholders' equity	$ 1,032,472	$ 1,063,363	$ 1,082,045

Financial Summary
(Dollars in thousands except per share data)

	As of and for the Three Months Ended		
	June 30, 2025	March 31, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)
Statement of Income Data:			
Net interest income	$ 9,229	$ 8,078	$ 7,094
(Reversal of) provision for credit losses on loans	-	(577)	6
Reversal of credit losses on unfunded loan commitments	(55)	(38)	(26)
Reversal of credit losses on investments	-	(13)	4
Non-interest income	263	646	801
Non-interest expense	6,305	6,253	6,627
Provision for income tax expense	825	605	356
Net income	$ 2,417	$ 2,494	$ 928
Selected per Common Share Data:			
Basic earnings per common share	$ 0.36	$ 0.37	$ 0.14
Diluted earnings per common share	$ 0.36	$ 0.37	$ 0.14
Dividend per share	$ -	$ -	$ 0.12
Book value per common share (1)	$ 14.49	$ 14.07	$ 14.44
Selected Balance Sheet Data:			
Assets	$ 1,032,472	$ 1,063,363	$ 1,082,045
Loans held for sale	3,760	-	-
Loans held for investment, net	851,309	877,354	913,514
Deposits	922,609	957,065	966,587
Average assets	1,046,914	1,059,902	1,078,700
Average earning assets	1,012,346	1,028,563	1,049,254
Average shareholders' equity	97,139	93,620	97,548
Nonperforming loans	9,325	17,447	35,864
Net loans (charged-off) recovered	(492)	509	(1,067)
Other real estate owned	4,437	4,437	5,130
Total nonperforming assets	13,762	21,884	40,994
Selected Ratios:			
Return on average assets (2)	0.93%	0.95%	0.35%
Return on average common shareholders' equity (2)	9.98%	10.80%	3.82%
Efficiency ratio (3)	66.39%	71.68%	83.94%
Net interest margin (2)	3.66%	3.19%	2.71%
Common equity tier 1 capital ratio	11.15%	10.67%	10.22%
Tier 1 capital ratio	11.15%	10.67%	10.22%
Total capital ratio	12.92%	12.43%	12.08%
Tier 1 leverage ratio	9.84%	9.45%	9.31%
Common dividend payout ratio (4)	0.00%	0.00%	87.96%
Average shareholders' equity to average assets	9.28%	8.83%	9.04%
Nonperforming loans to total loans held for investment	1.08%	1.96%	3.87%
Nonperforming assets to total assets	1.33%	2.06%	3.79%
Allowance for credit losses to total loans held for investment	1.52%	1.53%	1.52%
Allowance for credit losses to nonperforming loans	140.84%	78.09%	39.44%

(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.

Financial Summary
(Dollars in thousands except per share data)

	As of and for the Six Months Ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Statement of Income Data:		
Net interest income	$ 17,307	$ 14,502
Reversal of credit losses on loans	(577)	(9)
Reversal of credit losses on unfunded loan commitments	(93)	(91)
Reversal of credit losses on investments	(13)	(1)
Non-interest income	909	1,749
Non-interest expense	12,557	13,028
Provision for income tax expense	1,430	1,001
Net income	$ 4,912	$ 2,323
Selected per Common Share Data:		
Basic earnings per common share	$ 0.73	$ 0.35
Diluted earnings per common share	$ 0.73	$ 0.35
Dividend per share	$ -	$ 0.24
Book value per common share (1)	$ 14.49	$ 14.44
Selected Balance Sheet Data:		
Assets	$ 1,032,472	$ 1,082,045
Loans held for sale	3,760	-
Loans held for investment, net	851,309	913,514
Deposits	922,609	966,587
Average assets	1,053,372	1,083,330
Average earning assets	1,020,410	1,053,296
Average shareholders' equity	95,389	97,509
Nonperforming loans	9,325	35,864
Net loans recovered (charged-off)	17	(1,067)
Other real estate owned	4,437	5,130
Total nonperforming assets	13,762	40,994
Selected Ratios:		
Return on average assets (2)	0.94%	0.43%
Return on average common shareholders' equity (2)	10.38%	4.78%
Efficiency ratio (3)	68.91%	80.17%
Net interest margin (2)	3.42%	2.76%
Common equity tier 1 capital ratio	11.15%	10.22%
Tier 1 capital ratio	11.15%	10.22%
Total capital ratio	12.92%	12.08%
Tier 1 leverage ratio	9.84%	9.31%
Common dividend payout ratio (4)	0.00%	70.12%
Average shareholders' equity to average assets	9.06%	9.00%
Nonperforming loans to total loans held for investment	1.08%	3.87%
Nonperforming assets to total assets	1.33%	3.79%
Allowance for credit losses to total loans held for investment	1.52%	1.52%
Allowance for credit losses to nonperforming loans	140.84%	39.44%

(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.