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): October 27, 2026

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 October 27, 2026, 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 months ended September 30, 2026.

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: October 27, 2026

SUMMIT STATE BANK

By: /S/ Jason Hipkiss
Jason Hipkiss
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer)

Exhibit Index

Exhibit Number	Description
99.1	Press release of Summit State Bank dated October 27, 2026, announcing results of operation for the three months ended September 30, 2026.

News Release

For Immediate Release

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

Summit State Bank Reports Third Quarter 2026 Financial Results

SANTA ROSA, CA – (October 27, 2026) – Summit State Bank (the "Bank") (Nasdaq: SSBI) today reported a net loss of $1,098,000, or $0.16 loss per diluted share for the third quarter ended September 30, 2026, compared to net income of $818,000, or $0.12 earnings per diluted share for the third quarter ended September 30, 2025. The current quarter's results were impacted by a $5,688,000 provision for credit losses on loans. During the third quarter of 2026, the Bank also recognized $507,000 in gross charge-offs as part of a comprehensive review of certain higher-risk credits and obtaining new information pertaining to collateral values. These actions reflect the Board's and management's ongoing efforts to address identified credit risks and pursue appropriate resolution strategies.

Pre-tax, pre-provision income[1] was $4,031,000 for the quarter ended September 30, 2026, compared to $4,008,000 for the quarter ended September 30, 2025, and $3,957,000 for the quarter ended June 30, 2026. This trend of increasing pre-tax, pre-provision income is driven by improvement in net interest margin and management of expenses which offset declining asset balances.

"Our third quarter core operating profitability has remained strong as demonstrated by an improved net interest margin and continuing to manage operating expense levels." said Brian Reed, President and Chief Executive Officer. "We did recognize charge-offs and increased provisions during the quarter as we worked to resolve several higher risk credits. These actions reflect our commitment to addressing problem assets decisively and strengthening the balance sheet. Based on our demonstrated strong net operating income coupled with our growth plans, makes us confident in our long-term strategy and intend to build on the core operating results, while reducing the level of problem assets."

Third Quarter 2026 Financial Highlights (at or for the three months ended September 30, 2026)

- Net loss was $1,098,000, or $0.16 loss per diluted share, compared to net income of $818,000, or $0.12 earnings per diluted share, for the quarter ended September 30, 2025, and a net loss of $1,307,000, or $0.19 loss per diluted share for the quarter ended June 30, 2026.

- Pre-tax, pre-provision income was $4,031,000 for the quarter ended September 30, 2026, compared to $4,008,000 for the quarter ended September 30, 2025, and $3,957,000 for the quarter ended June 30, 2026.
- Net interest margin was 3.87% in the third quarter of 2026 compared to 3.51% in the third quarter of 2025 and 3.95% in the second quarter of 2026.
- Nonperforming assets were $20,676,000 at September 30, 2026, compared to $27,978,000 at September 30, 2025, and $20,757,000 at June 30, 2026.
- The Bank's Tier 1 Leverage ratio increased to 11.03% at September 30, 2026, compared to 10.24% at September 30, 2025, and 10.84% at June 30, 2026.
- Annualized loss on average assets and annualized loss on average equity for the third quarter of 2026 were 0.46% and 4.24%, respectively. These compared to annualized return on average assets and annualized return on average equity for the third quarter of 2025 of 0.32% and 3.25%, respectively.
- The allowance for credit losses to total loans held for investment was 2.36% at September 30, 2026, compared to 1.65% at September 30, 2025, and 1.69% at June 30, 2026.
- The Bank maintained total liquidity of $427,221,000, or 45.6% of total assets as of September 30, 2026. This includes on balance sheet liquidity (cash and equivalents and unpledged available-for-sale securities) of $150,416,000 or 16.0% of total assets, plus available borrowing capacity of $276,805,000 or 29.5% of total assets.
- The Bank has been strategically managing its loan and deposit portfolios to reduce balance sheet risk and improve capital ratios, successfully reducing the overall size of its balance sheet as detailed below:
    - Net loans held for investment decreased 11% to $745,351,000 at September 30, 2026, compared to $838,402,000 at September 30, 2025, and decreased 0.1% compared to $746,099,000 at June 30, 2026.
    - Total deposits decreased 7% to $826,610,000 at September 30, 2026, compared to $888,784,000 at September 30, 2025, and decreased 2% when compared to $846,129,000 at June 30, 2026.
- Book value per share was $14.60 at September 30, 2026, compared to $14.73 at September 30, 2025, and $14.98 at June 30, 2026.

Operating Results

The Bank's net interest margin was 3.87% in the third quarter of 2026 compared to 3.51% in the third quarter of 2025 and 3.95% in the second quarter of 2026. "Our net interest margin expanded 36 basis points compared to the third quarter of last year. This improvement was driven by a lower cost of funds, as we repriced deposits, along with the continued repricing of our loan portfolio at higher yields. A reduction in nonperforming loans also contributed, as fewer nonaccrual balances weighed on our interest income. These increases were partially offset by lower average loan balances during the third quarter. We believe the combination of disciplined funding costs and ongoing loan repricing positions us well to sustain margin performance," said Reed.

Interest and dividend income decreased 6.2% to $13,344,000 in the third quarter of 2026 compared to $14,220,000 in the third quarter of 2025. The decrease in interest income is attributable to lower loan portfolio volume, which reduced interest and fees on loans by

$1,185,000 and lower investment securities holdings, which decreased interest income by $43,000. This was offset by an increase in interest on deposits with banks of $338,000.

Interest expense decreased 21.0% to $4,388,000 in the third quarter of 2026 compared to $5,554,000 in the third quarter of 2025. The cost of deposits also decreased to 2.03% in the third quarter of 2026 compared to 2.38% in the third quarter of 2025. The decrease in interest expense is primarily attributed to a $1,101,000 decrease in interest expense on deposits resulting from lower cost of funds and lower volume of deposits.

Noninterest income decreased in the third quarter of 2026 to $714,000 compared to $887,000 in the third quarter of 2025. The decrease is primarily attributed to the Bank recognizing $230,000 in gains on sales of Small Business Administration ("SBA") guaranteed loan balances in the third quarter of 2026 compared to $308,000 in gains on sales of SBA guaranteed loan balances in the third quarter of 2025 and a $100,000 decrease in service charges on deposit accounts.

Operating expenses increased in the third quarter of 2026 to $5,639,000 compared to $5,545,000 in the third quarter of 2025. "Operating expenses for the third quarter increased modestly compared to the same period last year, even though salaries and employee benefits were lower. On a linked quarter basis, expenses declined, as we began to realize efficiencies from our integration efforts and continued to make deliberate decisions about where we invest. These savings were achieved without compromising the level of service our customers expect from us. We remain committed to disciplined expense management, which we view as a key driver of improved operating leverage and long-term shareholder value," said Reed.

Balance Sheet Review

During the third quarter of 2026, the Bank continued to strategically manage 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 11% to $745,351,000, and total deposits decreased 7% to $826,610,000 as of September 30, 2026, compared to September 30, 2025.

Net loans held for investment were $745,351,000 at September 30, 2026, an 11% decrease compared to $838,402,000 at September 30, 2025, and a 0.1% decrease compared to $746,099,000 at June 30, 2026. The Bank's largest loan types are commercial real estate loans which comprise 79% of the portfolio and loans secured by farmland which make up 7% of the loan portfolio. Of the commercial real estate total, approximately 34% or $202,871,000 are owner occupied, and the remaining 66% or $399,530,000 are non-owner occupied. The Bank's loan portfolio is well diversified between industries and product type. Office space loans total $89,973,000, representing 12% of the total loan portfolio, of which $34,123,000 or 38% are owner occupied and $55,850,000 or 62% are non-owner occupied.

Total deposits were $826,610,000 at September 30, 2026, compared to $888,784,000 at September 30, 2025, and decreased 2% compared to the prior quarter end. At September 30, 2026, noninterest bearing demand deposit accounts increased 3% compared to a year

ago and represented 23% of total deposits; savings, NOW and money market accounts decreased 3% compared to a year ago and represented 54% of total deposits, and time deposits decreased 22% compared to a year ago and comprised 23% of total deposits.

Shareholders' equity was $98,830,000 at September 30, 2026 compared to $99,728,000 at September 30, 2025, and $101,357,000 at June 30, 2026. The decrease in shareholders' equity was primarily due to a $1,427,000 increase in accumulated other comprehensive loss compared to a year ago and the decrease compared to three months earlier was primarily due to a $1,478,000 increase in accumulated other comprehensive loss. At September 30, 2026, book value per share was $14.60 compared to $14.98 three months earlier, and $14.73 at September 30, 2025.

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 at September 30, 2026 was 11.03%, an increase compared to 10.24% at September 30, 2025.

Credit Quality

Nonperforming assets were $20,676,000, or 2.21% of total assets, at September 30, 2026. This compared to $20,757,000 in nonperforming assets at June 30, 2026, and $27,978,000 in nonperforming assets at September 30, 2025. The decrease from the prior quarter was due to gross charge-offs of $507,000 on two relationships offset by the addition of one new commercial relationship totaling $465,000. Nonperforming assets include $2,294,000 for one other real estate owned property at September 30, 2026, and June 30, 2026, compared to $4,437,000 for one other real estate owned property at September 30, 2025.

"We remain proactive in managing these exposures, and the remainder of our loan portfolio continues to demonstrate strong performance. Past due loans stood at 0.13% of total loans at September 30, 2026, compared to 0.12% at September 30, 2025," said Reed.

There was $498,000 in net charge-offs during the three months ended September 30, 2026, compared to $8,655,000 net charge-offs during the three months ended June 30, 2026 and $1,800,000 in net charge-offs during the three months ended September 30, 2025.

For the third quarter of 2026, the Bank recorded a provision for credit losses on loans held for investment of $5,688,000, a $5,000 provision for credit losses for unfunded loan commitments and a $1,000 reversal of credit losses on investments. This compared to a $2,709,000 provision for credit losses on loans, a $49,000 provision for credit losses on unfunded loan commitments and a $21,000 reversal of credit losses on investments in the third quarter of 2025.

The allowance for credit losses to total loans held for investment was 2.36% on September 30, 2026, compared to 1.69% on June 30, 2026, and 1.65% on September 30, 2025. The allowance for credit losses reflects changes in nonperforming loan levels and overall portfolio size. The increase from June 30, 2026 to September 30, 2026 was driven

by a $5,688,000 provision for credit losses on loans partially offset by $498,000 in net charge-offs.

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 $937 million and total equity of $99 million as of September 30, 2026. 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 the 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 financial results and other disclosures will be reported in Summit State Bank's quarterly report on Form 10-Q for the period ended September 30, 2026, 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, loan 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; the impacts of conflict in the Middle East on the national and local economy; risks associated with changes in interest rates, which could adversely affect future operating results; the risk that some or all of the loans under contract for sale may not be sold as or when expected; the risk that customers or counterparties may not perform in accordance with the terms of credit documents or other agreements due to a decline in creditworthiness, 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, 2025 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.

Non-GAAP Financial Measures[1]

This release contains a non-GAAP (Generally Accepted Accounting Principles) financial measure in addition to the results presented in accordance with GAAP. The non-GAAP financial measure is pre-tax, pre-provision income. We believe the presentation of this non-GAAP financial measure provides useful information to assess our financial condition and results of operations and to assist investors in evaluating our financial results relative to our historical results and those of our peers.

Not all companies use identical calculations or the same definitions of pre-tax, pre-provision income, so the presentation of this non-GAAP financial measure may not be comparable to other similarly titled measures used by other companies. This non-GAAP financial measure has inherent limitations, is not required to be uniformly applied, and is not audited. This non-GAAP financial measure should be taken together with the corresponding GAAP measure and should not be considered a substitute for the GAAP measure. A reconciliation of the most directly comparable GAAP measure to this non-GAAP financial measure is presented below.

(In thousands)	Three Months Ended		
	September 30, 2026	June 30, 2026	September 30, 2025
Reconciliation of non-GAAP pre-tax, pre-provision income			
Net (loss) income	$ (1,098)	$ (1,307)	$ 818
Excluding provision for credit losses	5,692	5,902	2,737
Excluding provision for income tax expense (benefit)	(563)	(638)	453
Pre-tax, pre-provision income (non-GAAP)	$ 4,031	$ 3,957	$ 4,008

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

	Three Months Ended		
	September 30, 2026 (Unaudited)	June 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Interest and dividend income:			
Interest and fees on loans	$ 11,882	$ 12,691	$ 13,067
Interest on deposits with banks	877	926	539
Interest on investment securities	441	439	484
Dividends on FHLB stock	144	11	130
Total interest and dividend income	13,344	14,067	14,220
Interest expense:			
Deposits	4,272	4,608	5,373
Federal Home Loan Bank advances	-	-	54
Junior subordinated debt	116	117	127
Total interest expense	4,388	4,725	5,554
Net interest income before provision for (reversal of) credit losses	8,956	9,342	8,666
Provision for credit losses on loans	5,688	5,924	2,709
Provision for (reversal of) credit losses on unfunded loan commitments	5	(20)	49
Reversal of credit losses on investments	(1)	(2)	(21)
Net interest income after provision for (reversal of) credit losses on loans, unfunded loan commitments and investments	3,264	3,440	5,929
Non-interest income:			
Service charges on deposit accounts	138	267	238
Rental income	54	54	45
Net gain on loan sales	230	308	308
Net loss on securities	-	-	(7)
Other income	292	295	303
Total non-interest income	714	924	887
Non-interest expense:			
Salaries and employee benefits	3,449	3,752	3,476
Occupancy and equipment	392	358	435
Other expenses	1,798	2,199	1,634
Total non-interest expense	5,639	6,309	5,545
(Loss) income before provision for income taxes	(1,661)	(1,945)	1,271
Provision for income tax (benefit) expense	(563)	(638)	453
Net (loss) income	$ (1,098)	$ (1,307)	$ 818
Basic (loss) earnings per common share	$ (0.16)	$ (0.19)	$ 0.12
Diluted (loss) earnings per common share	$ (0.16)	$ (0.19)	$ 0.12
Basic weighted average shares of common stock outstanding	6,747,800	6,747,496	6,734,158
Diluted weighted average shares of common stock outstanding	6,747,800	6,747,496	6,734,158

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

	Nine Months Ended	
	September 30, 2026 (Unaudited)	**September 30, 2025 (Unaudited)**
Interest and dividend income:		
Interest and fees on loans	$ 36,953	$ 40,446
Interest on deposits with banks	2,701	1,656
Interest on investment securities	1,349	1,502
Dividends on FHLB stock	453	388
Total interest and dividend income	41,456	43,992
Interest expense:		
Deposits	13,752	17,533
Federal Home Loan Bank advances	5	94
Junior subordinated debt	356	389
Total interest expense	14,113	18,016
Net interest income before provision for (reversal of) credit losses	27,343	25,976
Provision for credit losses on loans	12,669	2,132
Reversal of credit losses on unfunded loan commitments	(24)	(44)
Reversal of credit losses on investments	(3)	(33)
Net interest income after provision for (reversal of) credit losses on loans, unfunded loan commitments and investments	14,701	23,921
Non-interest income:		
Service charges on deposit accounts	660	678
Rental income	162	159
Net gain on loan sales	1,035	360
Net loss on securities	-	(12)
Other income	794	609
Total non-interest income	2,651	1,794
Non-interest expense:		
Salaries and employee benefits	11,443	11,104
Occupancy and equipment	1,105	1,323
Other expenses	6,137	5,676
Total non-interest expense	18,685	18,103
(Loss) income before provision for income taxes	(1,333)	7,612
Provision for income tax (benefit) expense	(602)	1,883
Net (loss) income	$ (731)	$ 5,729
Basic (loss) earnings per common share	$ (0.11)	$ 0.85
Diluted (loss) earnings per common share	$ (0.11)	$ 0.85
Basic weighted average shares of common stock outstanding	6,728,170	6,719,127
Diluted weighted average shares of common stock outstanding	6,728,170	6,719,127

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

	September 30, 2026 (Unaudited)	June 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
ASSETS			
Cash and due from banks	$ 91,340	$ 112,553	$ 57,952
Total cash and cash equivalents	91,340	112,553	57,952
Investment securities:			
Available-for-sale, less allowance for credit losses of $0, $1 and $3 (at fair value; amortized cost of $70,688, $71,989 and $76,211)	59,076	62,543	66,688
Loans held for investment, less allowance for credit losses of $18,003, $12,813 and $14,042	745,351	746,099	838,402
Bank premises and equipment, net	4,864	4,820	4,893
Investment in Federal Home Loan Bank stock (FHLB), at cost	5,889	5,889	5,889
Other Real Estate Owned	2,294	2,294	4,437
Affordable housing tax credit investments	5,846	6,055	6,713
Accrued interest receivable and other assets	22,785	19,530	21,548
Total assets	$ 937,445	$ 959,783	$ 1,006,522
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Demand - non interest-bearing	$ 191,334	$ 186,424	$ 185,258
Demand - interest-bearing	223,622	222,261	215,522
Savings	38,493	41,299	39,659
Money market	181,032	184,116	203,126
Time deposits that meet or exceed the FDIC insurance limit	55,228	65,310	73,162
Other time deposits	136,901	146,719	172,057
Total deposits	826,610	846,129	888,784
Federal Home Loan Bank advances	-	-	5,500
Junior subordinated debt	5,960	5,956	5,945
Affordable housing commitment	458	458	511
Accrued interest payable and other liabilities	5,587	5,883	6,054
Total liabilities	838,615	858,426	906,794
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 6,766,616, 6,766,616 and 6,771,526	38,087	38,039	37,897
Retained earnings	68,941	70,038	68,602
Accumulated other comprehensive loss, net	(8,198)	(6,720)	(6,771)
Total shareholders' equity	98,830	101,357	99,728
Total liabilities and shareholders' equity	$ 937,445	$ 959,783	$ 1,006,522

Financial Summary
(Dollars in thousands except per share data)

	As of and for the Three Months Ended		
	September 30, 2026 (Unaudited)	June 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Statement of Income Data:			
Net interest income	$ 8,956	$ 9,342	$ 8,666
Provision for credit losses on loans	5,688	5,924	2,709
Provision for (reversal of) credit losses on unfunded loan commitments	5	(20)	49
Reversal of credit losses on investments	(1)	(2)	(21)
Non-interest income	714	924	887
Non-interest expense	5,639	6,309	5,545
Provision for income tax (benefit) expense	(563)	(638)	453
Net (loss) income	$ (1,098)	$ (1,307)	$ 818
Selected per Common Share Data:			
Basic (loss) earnings per common share	$ (0.16)	$ (0.19)	$ 0.12
Diluted (loss) earnings per common share	$ (0.16)	$ (0.19)	$ 0.12
Book value per common share (1)	$ 14.60	$ 14.98	$ 14.73
Selected Balance Sheet Data:			
Assets	$ 937,445	$ 959,783	$ 1,006,522
Loans held for investment, net	745,351	746,099	838,402
Deposits	826,610	846,129	888,784
Average assets	948,531	974,347	1,014,576
Average earning assets	918,985	948,059	980,157
Average shareholders' equity	102,651	104,317	99,829
Nonperforming loans	18,382	18,463	23,541
Net loans charged-off	(498)	(8,655)	(1,800)
Other real estate owned	2,294	2,294	4,437
Total nonperforming assets	20,676	20,757	27,978
Selected Ratios:			
(Loss) return on average assets (2)	(0.46)%	(0.54)%	0.32%
(Loss) return on average common shareholders' equity (2)	(4.24)%	(5.03)%	3.25%
Efficiency ratio (3)	58.31%	61.46%	58.00%
Net interest margin (2)	3.87%	3.95%	3.51%
Common equity tier 1 capital ratio	12.99%	13.10%	11.55%
Tier 1 capital ratio	12.99%	13.10%	11.55%
Total capital ratio	14.55%	14.80%	13.20%
Tier 1 leverage ratio	11.03%	10.84%	10.24%
Average shareholders' equity to average assets	10.82%	10.71%	9.84%
Nonperforming loans to total loans held for investment	2.41%	2.43%	2.76%
Nonperforming assets to total assets	2.21%	2.16%	2.78%
Allowance for credit losses to total loans held for investment	2.36%	1.69%	1.65%
Allowance for credit losses to nonperforming loans	97.94%	69.40%	59.65%

(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.

Financial Summary
(Dollars in thousands except per share data)

	As of and for the Nine Months Ended	
	September 30, 2026	**September 30, 2025**
	(Unaudited)	**(Unaudited)**
Statement of Income Data:		
Net interest income	$ 27,343	$ 25,976
Provision for credit losses on loans	12,669	2,132
Reversal of credit losses on unfunded loan commitments	(24)	(44)
Reversal of credit losses on investments	(3)	(33)
Non-interest income	2,651	1,794
Non-interest expense	18,685	18,103
Provision for income tax (benefit) expense	(602)	1,883
Net (loss) income	$ (731)	$ 5,729
Selected per Common Share Data:		
Basic (loss) earnings per common share	$ (0.11)	$ 0.85
Diluted (loss) earnings per common share	$ (0.11)	$ 0.85
Book value per common share (1)	$ 14.60	$ 14.73
Selected Balance Sheet Data:		
Assets	$ 937,445	$ 1,006,522
Loans held for investment, net	745,351	838,402
Deposits	826,610	888,784
Average assets	974,777	1,040,298
Average earning assets	946,743	1,006,845
Average shareholders' equity	103,509	96,885
Nonperforming loans	18,382	23,541
Net loans charged-off	(9,153)	(1,783)
Other real estate owned	2,294	4,437
Total nonperforming assets	20,676	27,978
Selected Ratios:		
(Loss) return on average assets (2)	(0.10)%	0.74%
(Loss) return on average common shareholders' equity (2)	(0.94)%	7.91%
Efficiency ratio (3)	62.30%	65.16%
Net interest margin (2)	3.86%	3.45%
Common equity tier 1 capital ratio	12.99%	11.55%
Tier 1 capital ratio	12.99%	11.55%
Total capital ratio	14.55%	13.20%
Tier 1 leverage ratio	11.03%	10.24%
Average shareholders' equity to average assets	10.62%	9.31%
Nonperforming loans to total loans held for investment	2.41%	2.76%
Nonperforming assets to total assets	2.21%	2.78%
Allowance for credit losses to total loans held for investment	2.36%	1.65%
Allowance for credit losses to nonperforming loans	97.94%	59.65%

(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.