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): January 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 January 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 and year ended December 31, 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: January 27, 2026

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 January 27, 2026, announcing results of operation for the three months and year ended December 31, 2025.

News Release

For Immediate Release

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

Summit State Bank Earns $1,067,000, or $0.16 Per Diluted Share, in Fourth Quarter 2025

SANTA ROSA, CA – (January 27, 2026) – Summit State Bank (the "Bank") (Nasdaq: SSBI) today reported net income of $1,067,000, or $0.16 per diluted share for the fourth quarter ended December 31, 2025, compared to net loss of $7,142,000, or $1.06 loss per diluted share for the fourth quarter ended December 31, 2024.

For the year ended December 31, 2025, the Bank reported net income of $6,796,000, or $1.01 per diluted share compared to a net loss of $4,193,000, or $0.62 loss per diluted share for the year ended December 31, 2024.

"In 2025, our focus was on building a strong foundation for the future, and we made meaningful progress toward that goal," said Brian Reed, President and CEO. "After reporting a net loss in 2024, we returned to profitability and made significant progress on our strategic priorities. Our core banking operations performed well, with improved net interest margin and disciplined expense management driving our results. While we continue to work through some credit challenges in our loan portfolio, the overall trajectory is positive. Our team remains focused on what we do best: serving the financial needs of local businesses and families. That focus is reflected in our earnings for the fourth quarter and for the year. We are encouraged by this progress and committed to building on this momentum in the year ahead.

Fourth quarter 2025 Financial Highlights (at or for the three months ended December 31, 2025)

- Net income was $1,067,000, or $0.16 per diluted share, compared to a net loss of $7,142,000, or $1.06 loss per diluted share, in the fourth quarter of 2024 and net income of $818,000, or $0.12 per diluted share for the third quarter ended September 30, 2025.
- Net interest margin was 3.62% in the fourth quarter of 2025 compared to 2.88% in the fourth quarter of 2024 and 3.51% in the third quarter of 2025.
- Non-performing assets were $27,346,000 at December 31, 2025 compared to $32,191,000 at December 31, 2024 and $27,978,000 at September 30, 2025.
- The Bank's Tier 1 Leverage ratio increased to 10.37% at December 31, 2025 compared to 8.87% at December 31, 2024.

- Annualized return on average assets and annualized return on average equity for the fourth quarter of 2025 was 0.42% and 4.16%, respectively. This compared to annualized loss on average assets and annualized loss on average equity for the fourth quarter of 2024 of 2.59% and 28.05%, respectively.
- The allowance for credit losses to total loans was 1.71% at December 31, 2025 compared to 1.49% one year earlier and 1.65% in the preceding quarter.
- The Bank maintained total liquidity of $459,228,000, or 45.7% of total assets as of December 31, 2025. This includes on balance sheet liquidity (cash and equivalents and unpledged available-for-sale securities) of $131,899,000 or 13.1% of total assets, plus available borrowing capacity of $327,329,000 or 32.6% 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 decreased 8% to $831,793,000 at December 31, 2025, compared to $905,075,000 one year earlier and decreased 1% compared to $838,402,000 in the third quarter of 2025.
    - Total deposits decreased 7% to $891,111,000 at December 31, 2025, compared to $962,562,000 at December 31, 2024, and increased slightly when compared to the third quarter of 2025, at $888,784,000.
- Book value was $14.94 per share, compared to $13.53 per share a year ago and $14.73 in the third quarter of 2025.

Operating Results

For the fourth quarter of 2025, the annualized return on average assets was 0.42% and the annualized return on average equity was 4.16%. This compared to an annualized loss on average assets of 2.59% and an annualized loss on average equity of 28.05%, respectively, for the fourth quarter of 2024.

“During the fourth quarter of 2025, our net interest margin expanded by 74 basis points compared to the fourth quarter of 2024, primarily driven by a favorable shift in the funding mix and continued asset repricing, particularly within the loan portfolio,” said Reed. The Bank’s net interest margin was 3.62% in the fourth quarter of 2025 compared to 2.88% in the fourth quarter of 2024 and 3.51% in the third quarter of 2025.

Interest and dividend income decreased 3.34% to $14,436,000 in the fourth quarter of 2025 compared to $14,935,000 in the fourth quarter of 2024. The decrease in interest income is attributable to lower loan portfolio volume, which reduced interest and fees on loans by $322,000; reduced interest on deposits with banks of $129,000; and lower investment securities holdings, which decreased interest income by $48,000.

Interest expense decreased 24% to $5,464,000 in the fourth quarter of 2025 compared to $7,233,000 in the fourth quarter of 2024. The cost of deposits also decreased to 2.32% in the fourth quarter of 2025 compared to 2.87% in the fourth quarter of 2024. The decrease in interest expense is primarily attributable to a $1,901,000 decrease in interest expense on deposits resulting from lower cost of funds and lower volume of deposits.

Noninterest income decreased in the fourth quarter of 2025 to a loss of $1,402,000 compared to income of $680,000 in the fourth quarter of 2024. The decrease is primarily attributed to the Bank recognizing a loss on valuation of other real estate owned of $2,143,000 in the fourth quarter of 2025 and recognizing $436,000 in gains on sales of SBA guaranteed loan balances in the fourth quarter of 2025 compared to $857,000 in gains on sales of SBA guaranteed loan balances in the fourth quarter of 2024.

Operating expenses decreased in the fourth quarter of 2025 to $5,743,000 compared to $10,200,000 in the fourth quarter of 2024. The decrease was primarily due to a one-time non-cash impairment charge of $4,119,000 to write off the remaining balance of goodwill in the fourth quarter of 2024.

“We are driving operational efficiencies and expense management across every part of the Bank. By finding smarter ways to work and eliminating unnecessary costs, our customers continue to get the same quality banking they've always counted on from us,” said Reed.

Balance Sheet Review

During the fourth 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 decreased 8% to $831,793,000, and total deposits decreased 7% to $891,111,000 as of December 31, 2025 compared to December 31, 2024.

Net loans were $831,793,000 at December 31, 2025 compared to $905,075,000 at December 31, 2024, and decreased 1% compared to September 30, 2025. 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 33% or $217,656,000 is owner occupied, and the remaining 67% or $448,536,000 is non-owner occupied. The Bank’s entire loan portfolio is well diversified between industries and product type. Office space loans represent $141,706,000 or 17% of the total loan portfolio; of this, total owner occupied is $56,152,000 or 40% and non-owner occupied is $85,554,000 or 60%.

Total deposits were $891,111,000 at December 31, 2025 compared to $962,562,000 at December 31, 2024, and increased less than 1% compared to the prior quarter end. At December 31, 2025, noninterest bearing demand deposit accounts decreased 2% compared to a year ago and represented 21% of total deposits; savings, NOW and money market accounts remained flat compared to a year ago and represented 52% of total deposits, and CDs decreased 22% compared to a year ago and comprised 27% of total deposits.

Shareholders’ equity was $101,171,000 at December 31, 2025 compared to $91,723,000 one year earlier and $99,728,000 three months earlier. The increase in shareholders’ equity compared to a year ago was primarily due to an increase in retained earnings, reflecting net income of $6,796,000 over the past twelve months and a $2,435,000 decrease in accumulated other comprehensive loss. The increase in shareholders’ equity compared to three months earlier was primarily due to higher retained earnings resulting

from $1,067,000 in net income earned during the quarter and a $320,000 decrease in accumulated other comprehensive loss. At December 31, 2025, book value was $14.94 per share, compared to $14.73 three months earlier, and $13.53 at December 31, 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 fourth quarter of 2025 was 10.37%, an increase compared to 8.87% for the fourth quarter of 2024.

Credit Quality

Non-performing assets were $27,346,000, or 2.72% of total assets, at December 31, 2025. This compared to $27,978,000 in non-performing assets at September 30, 2025, and $32,191,000 in non-performing assets at December 31, 2024. The decrease from the prior quarter was primarily due to a valuation adjustment on other real estate owned of $2,143,000, offset by the addition of $1,626,000 in non-accrual loans. The decrease compared to last year was primarily driven by the resolution of several non-accrual loans totaling $18,696,000, of which $18,010,000 related to two borrower relationships, and a $2,143,000 valuation adjustment on other real estate owned. These reductions were partially offset by the addition of $16,114,000 in new non-accrual loans during the year, of which $14,488,000 related to two relationships. Non-performing assets include $2,294,000 for one other real estate owned property at December 31, 2025 compared to $4,437,000 for one other real estate owned property at September 30, 2025 and December 31, 2024.

"The progress we've made in credit metrics over the past year is a step in the right direction, though there is still work to do," said Reed. "Quarter-over-quarter reductions in non-performing loans reflect our commitment to reducing risk across the portfolio. As of quarter-end, three relationships represented $23,519,000, or 94% of all non-performing loans. Outside of our non-performing loans, the overall loan portfolio is performing well, with past due loans at 0.11% of total loans at December 31, 2025 compared to 0.40% at December 31, 2024."

There were no net charge-offs during the three months ended December 31, 2025, compared to $1,800,000 in net charge-offs during the three months ended September 30, 2025 and $8,343,000 in net charge-offs during the three months ended December 31, 2024.

For the fourth quarter of 2025, the Bank recorded a provision for credit loss on loans of $445,000, a $30,000 provision for credit losses for unfunded loan commitments and a $1,000 provision for credit losses on investments. This compared to a $6,570,000 provision for credit losses on loans, a $154,000 provision for credit losses on unfunded loan commitments and a $2,000 reversal of credit losses on investments in the fourth quarter of 2024. The provision recorded in the fourth quarter of 2024 reflected a one-time, proactive credit cleanup related to the resolution of a small number of large non-performing loans, including substantial charge-offs and reserve replenishment tied to specific collateral-dependent credits. These actions materially reduced non-performing loan balances entering 2025. As a result, the fourth quarter of 2025 provision reflects

normalized reserve activity driven by portfolio performance and model updates rather than large, relationship-specific credit events.

While non-performing loans declined year-over-year, the allowance for credit losses to total loans increased to 1.71% on December 31, 2025, compared to 1.49% on December 31, 2024. This increase reflects changes in portfolio composition and updates to CECL model assumptions, including qualitative factors and forward-looking economic conditions, rather than deterioration in current credit performance. The reduction in non-performing loans and net charge-offs during the quarter indicate improved asset quality, while the higher allowance level reflects management's continued conservative approach to reserving.

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 $101 million as of December 31, 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 December 31, 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 perform in accordance with the terms of credit documents or other agreements due to 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		
	December 31, 2025 (Unaudited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Interest and dividend income:			
Interest and fees on loans	$ 13,301	$ 13,067	$ 13,623
Interest on deposits with banks	526	539	655
Interest on investment securities	482	484	530
Dividends on FHLB stock	127	130	127
Total interest and dividend income	14,436	14,220	14,935
Interest expense:			
Deposits	5,198	5,373	7,099
Federal Home Loan Bank advances	139	54	6
Junior subordinated debt	127	127	128
Total interest expense	5,464	5,554	7,233
Net interest income before provision for credit losses	8,972	8,666	7,702
Provision for credit losses on loans	445	2,709	6,570
Provision for credit losses on unfunded loan commitments	30	49	154
Provision for (reversal of) credit losses on investments	1	(21)	(2)
Net interest income after provision for (reversal of) credit losses, unfunded loan commitments and investments	8,496	5,929	980
Non-interest income:			
Service charges on deposit accounts	219	238	225
Rental income	57	45	61
Net gain on loan sales	436	308	857
Net (loss) gain on securities	(2)	(7)	6
Loss on valuation of other real estate	(2,143)	-	(693)
Other income	31	303	224
Total non-interest (loss) income	(1,402)	887	680
Non-interest expense:			
Salaries and employee benefits	3,463	3,476	3,429
Occupancy and equipment	370	435	413
Goodwill impairment	-	-	4,119
Other expenses	1,910	1,634	2,239
Total non-interest expense	5,743	5,545	10,200
Income (loss) before provision for income taxes	1,351	1,271	(8,540)
Provision for income tax expense (benefit)	284	453	(1,398)
Net income (loss)	$ 1,067	$ 818	$ (7,142)
Basic (loss) earnings per common share	$ 0.16	$ 0.12	$ (1.06)
Diluted (loss) earnings per common share	$ 0.16	$ 0.12	$ (1.06)
Basic weighted average shares of common stock outstanding	6,734,158	6,734,158	6,719,127
Diluted weighted average shares of common stock outstanding	6,734,158	6,734,158	6,719,127

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

	Year Ended	
	December 31, 2025 (Unaudited)	**December 31, 2024 (Audited)**
Interest and dividend income:		
Interest and fees on loans	$ 53,747	$ 53,574
Interest on deposits with banks	2,182	2,060
Interest on investment securities	1,984	2,614
Dividends on FHLB stock	515	514
Total interest and dividend income	58,428	58,762
Interest expense:		
Deposits	22,732	28,495
Federal Home Loan Bank advances	233	337
Junior subordinated debt	516	454
Total interest expense	23,481	29,286
Net interest income before provision for credit losses	34,947	29,476
Provision for credit losses on loans	2,577	7,882
(Reversal of) provision for credit losses on unfunded loan commitments	(14)	55
Reversal of credit losses on investments	(32)	(22)
Net interest income after provision for (reversal of) credit losses, unfunded loan commitments and investments	32,416	21,561
Non-interest income:		
Service charges on deposit accounts	897	926
Rental income	216	241
Net gain on loan sales	796	2,114
Net (loss) gain on securities	(14)	6
Loss on valuation of other real estate	(2,143)	(693)
Other income	640	865
Total non-interest income	392	3,459
Non-interest expense:		
Salaries and employee benefits	14,567	15,639
Occupancy and equipment	1,693	1,761
Goodwill impairment	-	4,119
Other expenses	7,585	7,889
Total non-interest expense	23,845	29,408
Income (loss) before provision for income taxes	8,963	(4,388)
Provision for income tax expense (benefit)	2,167	(195)
Net income (loss)	$ 6,796	$ (4,193)
Basic (loss) earnings per common share	$ 1.01	$ (0.62)
Diluted (loss) earnings per common share	$ 1.01	$ (0.62)
Basic weighted average shares of common stock outstanding	6,719,127	6,713,644
Diluted weighted average shares of common stock outstanding	6,719,127	6,713,644

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

	December 31, 2025 (Unaudited)	September 30, 2025 (Unaudited)	December 31, 2024 (Unaudited)
ASSETS			
Cash and due from banks	$ 65,524	$ 57,952	$ 51,403
Total cash and cash equivalents	65,524	57,952	51,403
Investment securities:			
Available-for-sale, less allowance for credit losses of $3, $3 and $36 (at fair value; amortized cost of $75,428, $76,211 and $80,887)	66,375	66,688	68,228
Loans, less allowance for credit losses of $14,487, $14,042 and $13,693	831,793	838,402	905,075
Bank premises and equipment, net	4,822	4,893	5,155
Investment in Federal Home Loan Bank (FHLB) stock, at cost	5,889	5,889	5,889
Other real estate owned	2,294	4,437	4,437
Affordable housing tax credit investments	6,479	6,713	7,413
Accrued interest receivable and other assets	21,410	21,548	19,494
Total assets	$ 1,004,586	$ 1,006,522	$ 1,067,094
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Demand - non interest-bearing	$ 182,723	$ 185,258	$ 185,756
Demand - interest-bearing	217,158	215,522	193,355
Savings	46,213	39,659	47,235
Money market	203,897	203,126	226,879
Time deposits that meet or exceed the FDIC insurance limit	70,728	73,162	70,717
Other time deposits	170,392	172,057	238,620
Total deposits	891,111	888,784	962,562
FHLB advances	-	5,500	-
Junior subordinated debt, net	5,949	5,945	5,935
Affordable housing commitment	458	511	511
Accrued interest payable and other liabilities	5,897	6,054	6,363
Total liabilities	903,415	906,794	975,371
Total shareholders' equity	101,171	99,728	91,723
Total liabilities and shareholders' equity	$ 1,004,586	$ 1,006,522	$ 1,067,094

Financial Summary
(In thousands except per share data)

	As of and for the Three Months Ended		
	December 31, 2025	September 30, 2025	December 31, 2024
	(Unaudited)	(Unaudited)	(Audited)
Statement of Income Data:			
Net interest income	$ 8,972	$ 8,666	$ 7,702
Provision for credit losses on loans	445	2,709	6,570
Provision for credit losses on unfunded loan commitments	30	49	154
Provision for (reversal of) credit losses on investments	1	(21)	(2)
Non-interest (loss) income	(1,402)	887	680
Non-interest expense	5,743	5,545	10,200
Provision for income tax expense (benefit)	284	453	(1,398)
Net income (loss)	$ 1,067	$ 818	$ (7,142)
Selected per Common Share Data:			
Basic earnings (loss) per common share	$ 0.16	$ 0.12	$ (1.06)
Diluted earnings (loss) per common share	$ 0.16	$ 0.12	$ (1.06)
Dividend per share	$ -	$ -	$ -
Book value per common share (1)	$ 14.94	$ 14.73	$ 13.53
Selected Balance Sheet Data:			
Assets	$ 1,004,586	$ 1,006,522	$ 1,067,094
Loans, net	831,793	838,402	905,075
Deposits	891,111	888,784	962,562
Average assets	1,014,372	1,014,576	1,098,885
Average earning assets	982,188	980,157	1,064,872
Average shareholders' equity	101,813	99,829	101,307
Net loans charged-off	-	(1,800)	(8,343)
Nonperforming loans	25,052	23,541	27,754
Other real estate owned	2,294	4,437	4,437
Total nonperforming assets	27,346	27,978	32,191
Selected Ratios:			
Return (loss) on average assets (2)	0.42%	0.32%	(3.00%)
Return (loss) on average shareholders' equity (2)	4.16%	3.25%	(28.05%)
Efficiency ratio (3)	75.85%	58.00%	121.78%
Net interest margin (2)	3.62%	3.51%	2.88%
Common equity tier 1 capital ratio	11.71%	11.55%	10.14%
Tier 1 capital ratio	11.71%	11.55%	10.14%
Total capital ratio	13.36%	13.20%	11.89%
Tier 1 leverage ratio	10.37%	10.24%	8.87%
Common dividend payout ratio (4)	0.00%	0.00%	0.00%
Average shareholders' equity to average assets	10.04%	9.84%	9.22%
Nonperforming loans to total loans	2.96%	2.76%	3.02%
Nonperforming assets to total assets	2.72%	2.78%	3.02%
Allowance for credit losses to total loans	1.71%	1.65%	1.49%
Allowance for credit losses to nonperforming loans	57.83%	59.65%	49.34%

(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 (loss) available for common shareholders.

Financial Summary
(In thousands except per share data)

	As of and for the Year Ended	
	December 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
Statement of Income Data:		
Net interest income	$ 34,947	$ 29,476
Provision for credit losses on loans	2,577	7,882
(Reversal of) provision for credit losses on unfunded loan commitments	(14)	55
Reversal of credit losses on investments	(32)	(22)
Non-interest income	392	3,459
Non-interest expense	23,845	29,408
Provision for income tax expense (benefit)	2,167	(195)
Net income (loss)	$ 6,796	$ (4,193)
Selected per Common Share Data:		
Basic earnings (loss) per common share	$ 1.01	$ (0.62)
Diluted earnings (loss) per common share	$ 1.01	$ (0.62)
Dividend per share	$ -	$ 0.28
Book value per common share (1)	$ 14.94	$ 13.53
Selected Balance Sheet Data:		
Assets	$ 1,004,586	$ 1,067,094
Loans, net	831,793	905,075
Deposits	891,111	962,562
Average assets	1,033,763	1,091,045
Average earning assets	1,000,630	1,058,766
Average shareholders' equity	98,127	99,080
Net loans charged-off	(1,783)	(9,410)
Nonperforming loans	25,052	27,754
Other real estate owned	2,294	4,437
Total nonperforming assets	27,346	32,191
Selected Ratios:		
Return (loss) on average assets (2)	0.66%	(0.38%)
Return (loss) on average shareholders' equity (2)	6.93%	(4.23%)
Efficiency ratio (3)	67.45%	89.31%
Net interest margin (2)	3.49%	2.78%
Common equity tier 1 capital ratio	11.71%	10.14%
Tier 1 capital ratio	11.71%	10.14%
Total capital ratio	13.36%	11.89%
Tier 1 leverage ratio	10.37%	8.87%
Common dividend payout ratio (4)	0.00%	(45.20%)
Average shareholders' equity to average assets	9.49%	9.08%
Nonperforming loans to total loans	2.96%	3.02%
Nonperforming assets to total assets	2.72%	3.02%
Allowance for credit losses to total loans	1.71%	1.49%
Allowance for credit losses to nonperforming loans	57.83%	49.34%

(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 (loss) available for common shareholders.