



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



December 18, 2025

To our valued shareholders,

While third quarter results came in below the first two quarters this year, we continue to reflect steady core performance and the resilience of our operating model as we work to deliver consistent results for shareholders. The third quarter of 2025 continued our momentum with net income of \$818 thousand, or \$0.12 per diluted share-our third consecutive quarter of profitability and a 31% increase over the prior year period. This performance reflects the fundamental strength we've built into Summit State Bank's operations and validates our strategic pivot from the challenges of late 2024.

Our net interest margin of 3.51% remains substantially higher than the 2.71% reported in the third quarter a year ago, reflecting our disciplined pricing and the ongoing repricing of assets at improved yields. While margin contracted modestly from the prior quarter due to lower prepayment income, we remain encouraged by the underlying trend in our earnings trajectory.

Credit quality continues to improve year-over-year, though this quarter we experienced a temporary increase in non-performing assets to approximately \$28 million due to three loans from two borrowers that were placed on non-accrual. These exposures are actively managed and appropriately reserved, our allowance for credit losses remains strong at 1.65% of total loans. Importantly, past-due loans outside these credits are minimal at 0.11%, underscoring the overall stability of the portfolio.

Our focus on expense discipline is delivering measurable results. Operating expenses declined 10% when compared to the third quarter of 2025, reflecting the sustained impact of efficiency measures implemented in late 2024. These savings have helped offset lower loan volumes as we continue to realign the balance sheet to reduce risk and support capital growth.

Summit State Bank maintains a strong capital position and ample liquidity to support our operations and strategic priorities. At quarter-end, our Tier 1 Leverage Ratio rose to 10.24%, exceeding both regulatory and internal targets. Total liquidity remained robust at \$426 million, representing over 42% of total assets. To further reinforce our financial strength and position the Bank for long-term value creation, the Board again elected to suspend the quarterly cash dividend for the third quarter of 2025.

In October, we completed the planned closure of our Montgomery Village branch after more than four decades of service. This decision, prompted by a significant rent increase, enables us to allocate resources more strategically while continuing to explore new branch opportunities in Sonoma County that align with customer needs and future growth.

We enter the final quarter of 2025 with a stronger capital base, a sound balance sheet, and a focused strategy. While macroeconomic uncertainty persists, we remain steadfast in our commitment to prudent risk management, disciplined execution, and the delivery of sustainable value for our shareholders and community.

Thank you for your continued confidence and support.

Sincerely,

Brian Reed
President & CEO



707.568.6000



500 Bicentennial Way, Santa Rosa, CA 95403



summitstatebank.com



NASDAQ: SSBI / \$11.13
December 4, 2025

FACT SHEET

3Q 2025 FINANCIAL HIGHLIGHTS

- Net income was \$818,000, or \$0.12 per diluted share, compared to \$626,000, or \$0.09 per diluted share, in the third quarter of 2024 and \$2,417,000, or \$0.36 per diluted share for the second quarter ended June 30, 2025.
- Net interest margin was 3.51% in the third quarter of 2025 compared to 2.71% in the third quarter of 2024 and 3.66% in the second quarter of 2025.
- Non-performing assets were \$27,978,000 at September 30, 2025 compared to \$41,971,000 in non-performing assets at September 30, 2024 and \$13,762,000 at June 30, 2025.
- The Bank's Tier 1 Leverage ratio increased to 10.24% at September 30, 2025 compared to 9.18% at September 30, 2024.
- Annualized return on average assets and annualized return on average equity for the third quarter of 2025 was 0.32% and 3.25%, respectively. This compared to annualized return on average assets and annualized return on average equity for the third quarter of 2024 of 0.23% and 2.48%, respectively.
- The allowance for credit losses to total loans held for investment was 1.65% at September 30, 2025 compared to 1.66% one year earlier and 1.52% in the preceding quarter.
- The Bank maintained strong total liquidity of \$425,706,000, or 42.3% of total assets as of September 30, 2025. This includes on balance sheet liquidity (cash and equivalents and unpledged available-for-sale securities) of \$124,640,000 or 12.4% of total assets, plus available borrowing capacity of \$301,066,000 or 29.9% of total assets.
- Total deposits decreased 11% to \$888,784,000 at September 30, 2025, compared to \$1,002,770,000 at September 30, 2024, and decreased 4% when compared to the second quarter of 2025, at \$922,609,000.
- Book value was \$14.73 per share, compared to \$14.85 per share a year ago and \$14.49 in the second quarter of 2025.

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 \$100 million as of September 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.

Stock Price (12/04/25)	\$11.13
Shares Outstanding	6.772 M
Market Cap	\$75.4 M
TTM EPS	-\$0.21
Price/TTM EPS	-53.00x
Book Value/Share	\$14.73
Price/Book Value	0.76x
NIM (annualized)	3.51%
ROAA (2025Q3)	0.32%
ROAE (2025Q3)	3.25%

Corporate Information

Summit State Bank
500 Bicentennial Way
Santa Rosa, CA 95403
Phone: 707.568.6000

Executive Management

Brian Reed
President & CEO

Camille Kazarian
EVP & Chief Financial Officer

Genie Del Secco
EVP & Chief Operating Officer

Brandy Seppi
EVP & Chief Banking Officer

Mike Floyd
EVP & Chief Credit Officer

NASDAQ: SSBI / \$11.13
December 4, 2025

FINANCIAL HIGHLIGHTS

(\$ in thousands, except share data)

Income Statement

(unaudited)

	30-Sep-25	Three Months Ended 30-Jun-25	30-Sep-24
Total interest income	\$14,220	\$15,230	\$14,977
Total interest expense	5,554	6,001	7,705
Net interest income	8,666	9,229	7,272
Provision for (reversal of) credit losses on loans	2,709	-	1,320
(Reversal of) provision for credit losses on unfunded loan commitments	49	(55)	(8)
Provision for (reversal of) credit losses on investments	(21)	-	(19)
Net interest income after provision	5,929	9,284	5,979
Total non-interest income	887	263	1030
Total non-interest expense	5,545	6,305	6,181
Income before provision for income taxes	1,271	3,242	828
Provision for income taxes	453	825	202
Net income	\$818	\$2,417	\$626

Selected per Common Share Data

Diluted EPS (4)	\$ 0.12	\$ 0.36	\$ 0.09
Dividends per share (4)	\$ -	\$ -	\$ 0.04
Book value per common share (1)(4)	\$ 14.73	\$ 14.49	\$ 14.85

Balance Sheet

	30-Sep-25	30-Jun-25	30-Sep-24
Total assets	\$ 1,006,522	\$ 1,032,472	\$ 1,118,791
Total shareholders' equity	99,728	98,108	100,662
Total deposits	888,784	922,609	1,002,770
Loans receivable, net	838,402	851,309	917,367

Select Financial Ratios

Return on average assets (2)	0.32%	0.93%	0.23%
Return on average common shareholders' equity (2)	3.25%	9.98%	2.48%
Efficiency ratio (3)	58.00%	66.39%	74.45%
Net interest margin (2)	3.51%	3.66%	2.71%

(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 security gains.

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

