Summit Bancshares, Inc.

Summit Bank

FINANCIAL HIGHLIGHTS

For The Year Ended	2014	2013	2012	2011	2010
Net Income	$2,915,310	$1,361,719	$906,092	$905,182	$983,660
Earnings per common share	$2.24	$1.05	$0.70	$0.70	$0.76
Earnings per common share - assuming dilution	$2.24	$1.05	$0.70	$0.70	$0.76

At Year End (in thousands)	2014	2013	2012	2011	2010
Deposits	$188,985	$165,674	$168,549	$163,446	$163,264
Loans (Net)	120,278	113,863	100,957	112,271	123,124
Assets	218,258	191,338	191,957	186,256	184,934
Shareholders' Equity	25,485	22,569	21,208	20,301	19,396
Non-performing Loans to Total Loans	0.00%	5.22%	8.34%	7.68%	6.33%
Allowance to Non-performing Loans	0.00%	52.96%	35.92%	29.72%	34.08%
Tier 1 Capital	16.68%	16.71%	15.97%	14.69%	13.06%
Total Capital	17.94%	18.01%	17.24%	15.94%	14.32%
Leverage Ratio	10.48%	11.41%	10.55%	10.44%	9.96%

Market Price of the Company's Stock and Dividends

The stock of the Company is not listed on any stock exchange but is publicly traded in limited and infrequent transactions in the "over the counter" market. According to information made available to the Company by the Market Maker, American Blue Chip, the range of high and low bids for such common stock for each calendar quarter since January 2013 is contained below. The following prices reflect retail mark-up and may not represent actual transactions.

	High	Low	Dividends Declared
2014			
First Quarter	$14.14	$14.00	$ --
Second Quarter	$15.40	$15.40	--
Third Quarter	$15.97	$15.97	--
Fourth Quarter	$15.59	$15.59	--
Total			$ --
2013	$8.34	$8.31	
First Quarter	$8.89	$8.88	$ --
Second Quarter	$10.42	$10.39	--
Third Quarter	$10.78	$10.78	--
Fourth Quarter	7.26	7.25	--
Total			$ --

The Company presently intends to continue the policy of not paying regular semi-annual cash dividends. Future dividends will depend upon the earnings of the Company, management's assessment of the future needs for funds, and the regulatory limitations outlined in Footnote #12.

SUMMIT BANCSHARES, INC.

Dear Fellow Shareholders,

The year of 2014 was an extremely successful one for Summit Bank. We posted results which represent an increase of 114.10% over 2013 and continued our legacy of continuous annual and monthly profitability since we opened the doors in 1982.

We experienced growth in deposits of 14.15% from $165,674,000 to $189,115,000 while our loans grew 5.09% from $117,101,000 to $123,057,225. Our returns are quite impressive with an ROA of 1.44% compared to 0.72% last year and Return on Equity was 12.79% compared to 6.49% in 2014.

We continue to be a strong and healthy institution with a Risk Based Capital Ratio of 17.94% which is well in excess of the Regulatory standard of 10% for a Well Capitalized Bank.

It appears that interest rates will not increase significantly in the near future as expected and the prolonged squeeze on margins and profitability will continue to be a reality impacting and hindering both our lending demand and loan margins. We will continue to apply our conservative views to all aspects of banking fundamentals with a strong focus on prudent lending.

Summit Bank has been built on a strong foundation of quality people. Our clients, our employees, our board members are the basis of our Foundation of strength and our history of quality performance and our ability to deliver quality service will continue to provide will position us well for the future.

Summit Bank continues to receive recognition from the prestigious Findley Reports. We were named a Super Premier Performing Bank in 2014 for the 12th time following 31 years of continuous recognition. The Bank was also recognized in 2014 by SNL National Financial Consultants, as a top performing bank with assets less than $500 million, ranking #17 on a national level.

The Bank CEO was also recognized as National Community Banker of the Year by the Independent Community Bankers of America based in Washington, D.C

We will continue to stay true to our mission by providing quality service to our local businesses, individuals and the communities we serve with integrity and sound business decisions and expect to perform in 2015 as we have in the past with another profitable year.

Shirley Nelson

SHIRLEY W. NELSON
Chairman and CEO

STEVEN P. NELSON
President and COO

BOARD OF DIRECTORS

Mary Warren, John Nohr, Bob Dillon, Jason Hill, John Protopappas, Shirley Nelson, George Hollidge, Kikuo Nakahara

SHIRLEY NELSON
Summit Bank

Chairman: *Loan Committee, 401(k) Profit Sharing Committee* Member: *Directors' Personnel Committee, Strategic Planning Committee, Investment & Funds Management*

JASON HILL
R.G. Hill and Company

Member: *Audit & Compliance Committee, Loan Committee, E-Technology & Security Committee, Strategic Planning Committee, Investment & Funds Management Committee, 401(k) Profit Sharing Committee*

MARY WARREN
HMS Associates

Member: *Audit & Compliance Committee, Investment & Funds Management Committee, Summit Bank Foundation Board of Directors*

BOB DILLON
Brooker & Co., CPAs

Member: *Audit & Complianc Committee, Investment & Funds Management Committee, E-Technology & Security Committee, Strategic Planning & Budgeting Committee, 401(k) Profit Sharing Plan Committee*

JOHN PROTOPAPPAS
Madison Park Financial Corporation

Chairman: *Directors' Personnel Committee*
Member: *Loan Committee, Investment & Funds Committee, Strategic Planning Committee*

JOHN NOHR
Chairman: *Investment and Funds Management Committee* Member: *Directors' Personnel Committee, Audit and Compliance Committee, 401(k) Profit Sharing Committee, Loan Committee, E-Technology & Security Committee, Strategic Planning Committee*

GEORGE HOLLIDGE
Chairman: *Strategic Planning Committee, E-Technology & Security Committee*
Member: *Audit and Compliance Committee, Loan Committee, 401(k) Profit Sharing Committee, Director's Personnel Committee, Investment & Funds Management Committee*

KIKUO NAKAHARA
Chairman: *Audit & Compliance Committee*
Member: *401(k) Profit Sharing Committee, Investment & Funds Management Committee, Loan Committee*

ADMINISTRATIVE OFFICERS

SHIRLEY W. NELSON
Chairman and CEO

STEVEN P. NELSON
President and COO

DENISE DODINI
Executive Vice President and Chief Credit Officer

MANI GANESAMURTHY
Vice President and Chief Financial Officer

YONG BAI
Senior Vice President, Major Relationship Manager

MARCIA GERG
Vice President, Senior Relationship Manager

RICH HILDEBRAND
Vice President, Senior Relationship Manager

GEORGE YANG
Assistant Vice President, Relationship Manager

KRYSTLE JOHNSON
Assistant Vice President, Compliance Officer and Operations Administrator

LEAH JOHNSON
Assistant Vice President, Note Department Manager

SHANDRELLE STANSBERRY
Branch Services Manager

KELLY CODAY
Assistant Vice President, BSA Officer and Branch Services Manager

ZACK NOMAN
Branch Services Manager

Our Clients Say it Best

Heather Travers, Dave Travers, Judy Travers

Per Diem Staffing
Delta Personnel Services

“Being part of the Summit Bank family is a totally new and comfortable banking experience. At Summit you are not simply evaluated by a computer and made to fit into a pre-structured program. The Summit banking team seeks to learn about your business and create a structure for what you need, rather than what you think you may want. As a small, closely held community bank, Summit is able to think outside the box and has a can do attitude approach to banking relationships. The staff and management at Summit treat you like family, not like another account number. This attitude extends not just towards us as the owners, but also to our staff that interacts with the bank regularly. The customer service shown by Summit employees is unparalleled in our over thirty years of being in business. Summit consistently meets our needs and gives us confidence in our banking relationship. We are so grateful we discovered Summit Bank and cannot imagine trusting our companies’ future to anyone else.”

— Dave Travers, President

Black Tie Transportation

"For over 20 years, Black Tie Transportation has trusted in Summit Bank to help grow our business. As our primary Bank, we rely on them to handle our entire payroll, credit card processing, deposits and loans. I can honestly say that without the financial guidance of Summit Bank, Black Tie Transportation would not have been able to achieve such success with 100+ vehicles and 150+ employees."

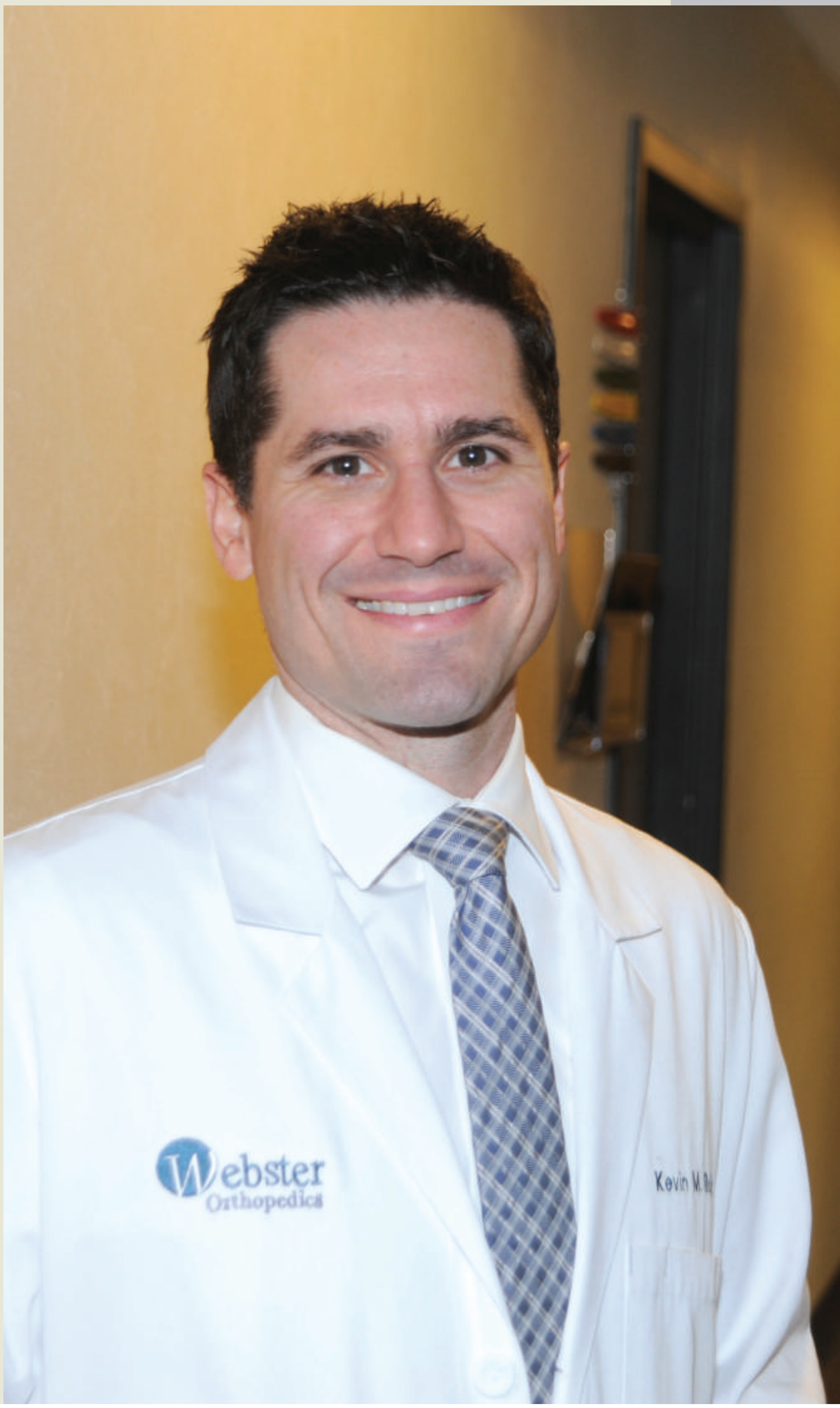
— Bill Wheeler, President and CEO

CLIENTS

Dr. Kevin Roth
Orthopedic Surgeon

"I was referred to Summit Bank by one of our partners at Webster Orthopedics, Dr. Jerrald Goldman when I was looking for a business loan. Other doctors in the practice had told me that Summit had a great reputation for working with physicians and that the bank's primary market has been the medical professionals since the bank was founded in 1982. I have had a great personal experience working with Yong Bai and she is always available when I have any questions or concerns about anything. I know who is taking care of my business needs and more importantly, Summit Bank knows me and my medical practice. I always recommend Summit Bank to my friends and colleagues and will continue to do so. I want them to have the same personal and trusted relationship that I have experienced."

—Dr. Kevin Roth



Matt Lamborn, Mike Lamborn, Brian Lamborn

Lamborn Family Winery

"Summit Bank has become our lifesaver and our winery has substantially benefitted since the day we first met Denise Dodini.

We were in the process of selling a small parcel of our farm to our older son and his wife and they had an agricultural loan broker that they knew from the past. My son invited the broker to meet with us and she asked if she could bring a friend who was Denise Dodini, Summit Bank's Chief Credit Officer.

We explained our dilemma to Denise who immediately said "I think we can help you with this". She actually listened to our needs rather than trying to sell us a pre-packaged plan. This one-on-one personal service is so unusual and appreciated. It is really refreshing to talk to a bank that is actually interested in us and our company.

Summit Bank was flexible enough to customize a loan that fit our needs perfectly. They offered us rates and terms that improved our situation more than we had even anticipated. Yong Bai took us through the process step by step and made the experience so easy.

For our small operation, the size of Summit Bank and their company philosophy which provides flexibility, is perfect. I cannot express enough how thrilled we are to have become a part of the Summit Bank family."

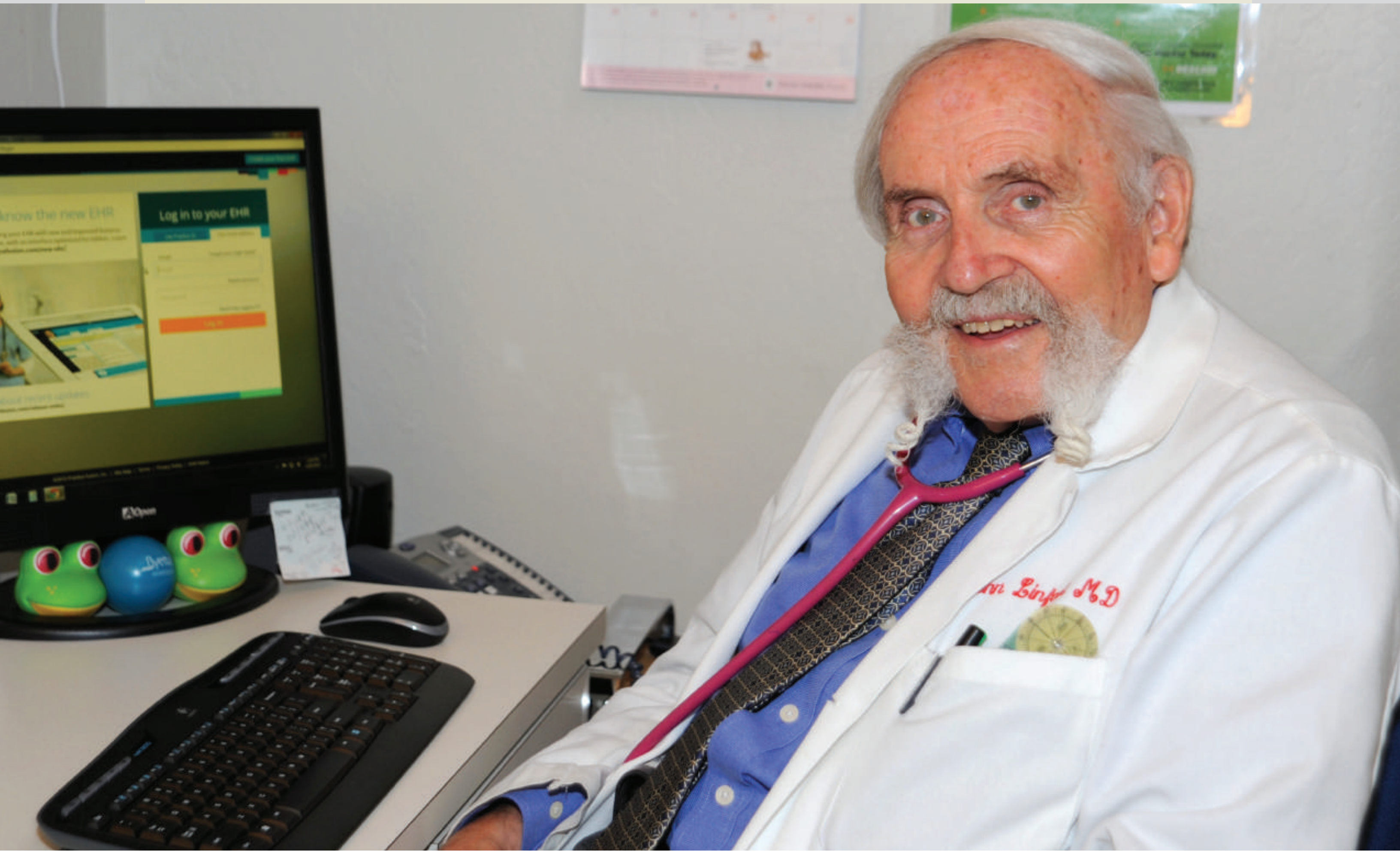
— Mike Lamborn, Owner

CLIENTS

Dr. John Linfoot
Endocrinologist

"I had heard that many doctors were involved with Summit Bank and that was my first attraction to the bank. They were familiar with physicians and their practices. At the time I was banking with Wells Fargo and we really weren't getting good business service. We started looking for a local business bank and that is what lead us to Summit Bank. I then met Shirley Nelson shortly after that and we have been with the bank ever since. In 1985 my office was at Providence Hospital and Summit was very convenient so we moved our accounts to them. Our organization greatly improved with their help in general banking, financial advice and account planning. I am a big fan of technology; in fact I started storing patient information on computers in my practice in 1985. When Summit Bank offered me electronic banking and remote deposit capture for my patients' payments, I said "Sign me up!" I wouldn't want to go anywhere else for my banking needs and I always recommend Summit Bank to my friends and colleagues."

—Dr. John Linfoot



Hook, Line and Sinker

Gerald Malpass, Larry Etherton, Jake Eaton, Gene Buchholz, John Continente III

“We heard about Summit Bank through mutual friends and it was a perfect match. We are a family run business as were our mutual friends’ business and we found a bank that addressed the needs of our family business. The best term that I can think of for Summit Bank is “Main Street.” They are regular people that we can talk to and not corporate types that treat you as a number and a file. When we would go to a large bank it was like we were trying to take something from them—that somehow we weren’t quite legitimate. Totally different attitude at Summit Bank—they embraced what we were trying to do and worked with us on a plan to help us grow. That comfortable, trusted experience started on day one and has continued to this very day. Sometimes you go through a honeymoon period with a bank where they start on a personal basis and then fade over time. That has not happened with Summit Bank—whichever branch we go into, or talk to a person on the phone, everyone is so nice and helpful. It sounds trite, but it is very unusual these days. There is a consistency of ethics and a philosophy at Summit Bank that always puts the customer first. We have referred many of our mutual friends to Summit Bank and we have never regretted it.”

— John Continente III, Partner

CLIENTS

Dr. Elliott Schwartz

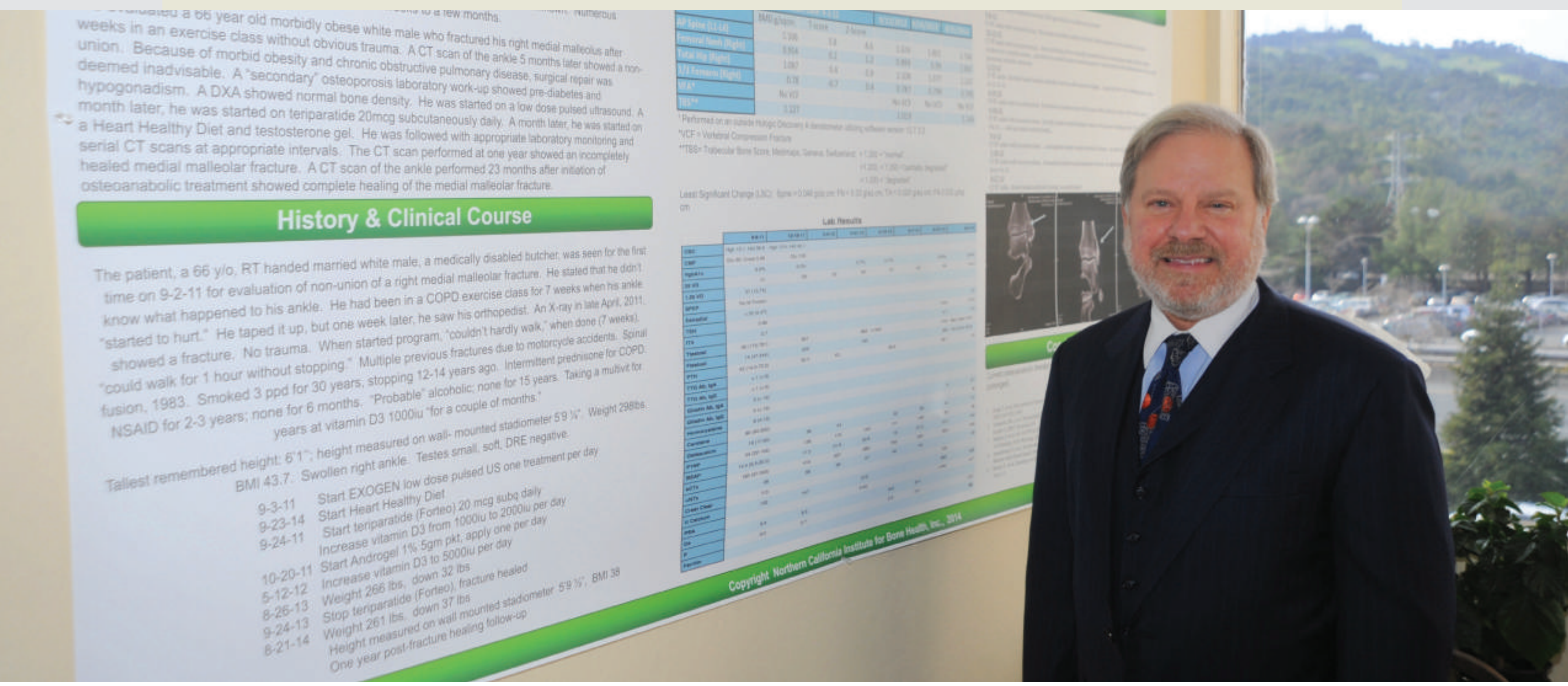
Nephrologist

"I have been with the bank over 30 years and was one of the founding doctors and shareholders of the bank in 1987. I have been in practice since 1976 and have had both business and personal accounts at Summit Bank.

The people as Summit Bank are extremely personable and always have the time to sit down and talk to us about our business and give advice and help when we ask for it. Summit Bank staff knows their clients by name and knows the community that they serve very well. You are treated like a person and not someone standing in line like a big bank. This suits my personality and the way I like to do business. In our practice we feel that no one should be rushed and everyone should have the time that they need to sit and talk to their doctor about their condition and diagnosis. This is how Summit Bank makes me feel when I go to the branches. They give individualized service to their customers.

Summit Bank will always be there for you when you need them. When we've had needs, the bank has always been there and the process of helping us has been simplified and made very straight-forward. No complications makes it easy for us to get back to our business without spending needless time waiting for things to be done. Also, because of our long-term relationship with Summit Bank, when we started our own non-profit foundation, Northern California Institute for Bone Health, we turned to Summit for help and support. We have been very happy with Summit Bank for all these years and we look forward to many more."

—Dr. Elliott Schwartz



CLIENTS

Lynette Pingree, Michelle Tran, Andrew Vargas, Vicki Boscacci, Terri Contreras, Vatha Thach

T & D Communications

"Ernie Croan, the CEO and President of T & D Communications began our relationship with Summit after meeting Steve Nelson in 2005. Steve encouraged Ernie to do business with Summit and we have been here ever since. Summit has helped us expand our company to Southern California, Sacramento, and now to Houston, Texas. Over the past years we have been approached by Bank of America, Wells Fargo and Citi who have come to us asking for our business, but we just tell them that Summit cares about our business and we wouldn't go anywhere else. We have been very happy with the fast turnaround times and for the truly personal relationship we have with them. If I need help with a problem, I personally know the person I need to talk to and it gets solved very quickly. Since we are located in Fremont we have benefitted greatly from the online banking and the remote deposit capture technology. The RDC has been a tremendous asset for our company and it is used every single day. Summit Bank's performance is awesome and we are happy to recommend their service to anyone who asks us about business banking services. There is nowhere else that we would go for our banking needs."

— Andrew Vargas, Partner

ABC Security, Inc.
Ana Chretien

"I have been with Summit Bank since they opened in 1982. Throughout the years, they have been there for all of my business and personal banking needs. I have recommended Summit Bank to many of my colleagues and friends who are looking for a bank that takes a personal interest in their customers. It's like introducing them to a good friend. Summit Bank doesn't treat you like a client – they treat you like family. That is the reputation that I have built over the years for my company and Summit Bank follows that tradition as well. There is no other bank that suits me better."

—Ana Chretien,
President, ABC Security Service, Inc.

Kinder's Meats

"I met Shirley Nelson 7 years ago and I had a Power Point and a dream. She listened to my plan and advised me how to move forward to achieve it. Today my partnership with Summit Bank has allowed me to be a part of one of the West Coast's fastest growing food companies with over 100 people employed by Kinder's. This in part is due to Summit Bank's unwavering support, guidance, creativity, problem solving, and deep understanding of our business and needs. All the staff at the bank continue to put the customer's needs first and tto establish a personal relationship with each of their customers. Summit Bank represents the way banking should be."

—Joe Rainero
President, Kinder's Meats

Management's Discussion and Analysis of Financial Condition and Results of Operations

The matters addressed in this Annual Report, with the exception of the historical information presented, may incorporate certain forward-looking statements involving risks and uncertainties, including the risks discussed under the heading "Certain Factors That May Affect Future Results" and elsewhere in this Report.

This section is a review of Summit Bancshares, Inc.'s (the "Company") results as reflected in the Consolidated Financial Statements. It discusses the principal items of income and expense and the factors affecting the Company's financial position. This discussion should be read together with the Selected Financial Data and Consolidated Financial Statements included elsewhere in the Annual Report.

The Company's wholly owned subsidiary; Summit Bank (the "Bank") has conducted the business of a commercial bank since 1982. It provides commercial credit and various checking and savings account products for small and mid-sized businesses and for professionals as well as individual consumers.

Summary of Earnings

The Company's net income for 2014 was $2,915,000 compared to $1,362,000 in 2013, and $906,000 in 2012. The increase in the year 2014's net income from the year 2013 was caused by gain on sale of OREO properties, interest income recognized from the pay down of non-accrual loan and decrease in the loan loss provision. The net income of $2,915,000 for 2014 represents diluted earnings per share of $2.24 which compared to diluted earnings per share of $1.05 in 2013, and diluted earnings per share of $0.70 per share in 2012.

Net Interest Income

The primary source of income for the Company is Net Interest Income or "Gross Margin" which is the difference between interest earned on loans and investments and interest paid on deposits and other liabilities. In general, net interest income is affected by a change in interest rates. As interest rates rise or fall, so will the Company's net interest income, excluding changes in total assets. The primary reason for this is that the Company's investment portfolio earns income on a fixed interest rate basis while a majority of the lending portfolio earns income on a floating interest rate basis because loans are tied to the prime-lending rate. In addition, investments are held to maturity while 100% of the federal agency investments mature within one year. Regarding loans, approximately 35% of the loans outstanding mature within one year, while the longest maturity is ten years. In a rising interest rate environment, interest income on loans will generally rise faster than the investment income and vice versa. To offset any decline in interest income due to a declining interest rate environment, the Company monitors closely its interest expense on deposits. Of the total time certificates of deposit outstanding at year-end, approximately 8% matures after one year while 50% matures within 90 days. Thus the Company is able to minimize the effects of a declining interest rate environment by repricing these instruments on a more frequent basis than if the average maturity were longer than one year.

Net interest income for 2014 was $9,605,000, an increase from $6,671,000 posted in 2013 and as compared to $7,093,000 in 2012. The increase in 2014 was primarily the result of interest income recognized from pay down on a non-accrual loan in the amount of $2,167,000 and payoff of non-accrual loans in the amount of $527,000. Average earning assets increased by 7.18% in 2014 to $190,056,000 from $177,316,000 in 2013 and as compared to $176,806,000 in 2012. Average total deposits increased by 5.37% to $175,436,000 in 2014 from $166,503,000 in 2013 and decreased 1.98% as compared to $169,799,000 in 2012.

Average loans outstanding increased by 4.68% in 2014 to $117,095,000 as compared to $111,864,000 in 2013 and $109,401,000 in 2012. Average outstanding investments increased 11.47% to $72,960,000 in 2014 as compared to $65,452,000 in 2013 and $67,405,000 in 2012. The yield on average earning assets was 3.37% in 2014 as compared to 3.62% in 2013 and 3.91% in 2012. The decrease in 2014 was due to loans paid off with high interest rates and the new loans booked at lower interest rates due to market conditions.

Interest expense decreased 2.71% to $430,000 in 2014 from $442,000 in 2013 and as compared to $640,000 in 2012. The decrease in 2014 was primarily centered in the average rates paid on deposits. Average interest-bearing deposits increased 1.00% to $101,495,000 in 2014 compared to $100,487,000 in 2013 and $105,623,000 in 2012. Average non-interest bearing deposits increased 12.00% in 2014 to $73,941,000 as compared to $66,016,000 in 2013 and $64,176,000 in 2012. Overall cost of funds in 2014 was 0.42% as compared to 0.44% in 2013 and 0.61% in 2012. The decrease in the overall cost of funds was a direct result of the changes in the deposit rates.

Non-Interest Income and Expense

Non-interest income, consisting primarily of service charges on deposit accounts and other income, was $1,067,000 in 2014, an increase of 2.60% from $1,040,000 in 2013, and $907,000 in 2012. Total service charge income from deposit accounts decreased 5.73% to $523,000 in 2014 from $555,000 in 2013 and $640,000 in 2012 and total income from other charges increased 12.26% to $544,000 in 2014 from $485,000 in 2013 and $267,000 in 2012. The increase in 2014 was due to gain on sale of OREO properties and other income received from miscellaneous services.

Non-interest expenses increased 9.77% to $5,792,000 in 2014 from $5,277,000 in 2013, and $5,864,000 in 2012. Salary expense increased 15.38% to $3,323,000 in 2014 from $2,880,000 in 2013 and $3,016,000 in 2012. Legal fees increased to $140,000 in 2014 from $60,000 in 2013 and $349,000 in 2012 due to increase in the credit related issues. FDIC assessment expense decreased to $141,000 in 2014 from $192,000 in 2013 and $258,000 in 2012, primarily due to change in the method of calculation of assessment charges from total deposits to total average assets.

The Company's allowance for loan losses as a percent of loans was 2.97% as of December 31, 2014 as compared to 2.77% as of December 31, 2013 and 3.00% as of December 31, 2012. There were no accrual for loan loss provision as there were recoveries from the charged off loans when compared to the provision of $200,000 in 2013. At this time management has determined that the allowance is appropriate. Loans charged off in 2014 amounted to $52,000 compared to $137,000 in 2013.

Provision for Income Taxes

The provision for income taxes reflects a combined Federal and California effective tax rate of 40.0% in 2014, compared to 39.0% in 2013 and 39.0% in 2012, as described in Note 6 to the Financial Statements.

Liquidity and Capital

Liquidity is defined as the ability to meet present and future obligations either through the sale or maturity of existing assets or by the acquisition of funds through liability management. Additionally, the Company's investment portfolio is managed to provide liquidity as well as appropriate rates of return. It is the Company's practice to hold securities until maturity rather than actively trade its portfolio. As of December 31, 2014, the Company had $19,423,000 in cash and cash equivalents compared to $7,215,000 as of December 31, 2013 and $22,540,000 as of December 31, 2012. The increase in 2014 was primarily due to an increase in federal funds sold and balances with correspondent bank accounts. The ratio of net loans to deposits as of December 31, 2014 was 63.6% compared to 68.7% as of December 31, 2013 and 59.9% as of December 31, 2012.

The Company maintains a portion of its assets in loans, time deposits with other financial institutions and investments with short-term maturities. More specifically, loans, time deposits with other financial institutions and investments due within one year totaled $125,869,000 at December 31, 2014 as compared to $89,318,000 at December 31, 2013, and $104,614,000 at December 31, 2012. This is equivalent to 57.7%, 46.7%, and 54.5% of total assets at the corresponding year-ends, respectively. The increase was mainly due to the fed funds sold and due from time deposits maturing in one year.

In addition, the Company's subsidiary Bank remains more than well-capitalized under current regulatory requirements.

Credit and Deposit Concentration

A part of the subsidiary Bank's marketing strategy is to offer quality financial services to physicians, other professionals and small business communities. The Company has been especially successful in targeting health care professionals. This segment has traditionally provided high levels of deposits and low loan losses. Over the past few years, the doctors and health care providers in the Company's communities have been adjusting to certain emerging trends in this industry. This includes higher percentages of patients on Medicare, closer scrutiny from insurance carriers, and movement to managed care and "capitation" contracts. Through this process, the Company has not experienced any noticeable deterioration in credit quality. The Company cannot predict the ultimate outcome of health care reform. However, the Company closely monitors the status of reform and considers the potential impact of any reform on its current customers and it's underwriting of loans to healthcare professionals.

Non-Performing Assets

As of December 31, 2014, the Company's only non-performing assets consisted of other real estate owned of $1,275,984. As of December 31, 2013, total non-performing assets were $8,545,147, including other real estate owned of $2,430,983.

Certain Factors that May Affect Results

The primary factor, which may affect future results, is the fluctuation of interest rates in the market place more commonly referred to as interest rate risk. Interest rate risk is the exposure of a bank's current and future earnings and equity capital arising from adverse movements in interest rates. It results from the possibility that changes in interest rates may have an adverse effect on a bank's earnings and its underlying economic value. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. As mentioned previously, the potential decrease in a declining interest rate environment would be minimized by an increase in assets as an increase in assets generally provides additional interest income. In addition, earnings and growth of the Company are and will be affected by general economic conditions, both domestic and international, and by monetary and fiscal policies of the United States Government, particularly the Federal Reserve Bank.

Summit Bancshares, Inc. and Subsidiary Consolidated Statements of Financial Position as of December 31, 2014 and 2013

Assets		**2014**		**2013**
Cash and due from banks		$4,923,246		$4,014,531
Federal funds sold		14,500,000		3,200,000
Cash and cash equivalents		19,423,246		7,214,531
Time deposits with other financial institutions		68,335,000		58, 690, 000
Investment securities held to maturity, at cost (fair value of $399,960 at December 31, 2014 nd $399,929 at December 31, 2013)		399, 855		399,860
Loans (Net of related deferred loan fees)	123,957,234		117,101,017	
Less: allowance for loan losses	3,679,541		3,238,103	
Net loans		120,277,693		113,862,914
Premises and equipment, net		158,612		230,035
Bank Owned Life Insurance		4,346,612		4,192,367
Deferred Tax Assets		2,674,000		2,386,000
Other Real Estate Owned		1,275,984		2,430,983
Interest receivable and other assets		1,423,116		1,931,385
Total Assets		**$218,314,118**		**$191,338,075**

Liabilities And Shareholders' Equity		
Deposits:		
Demand	$79,834,183	$65,884,904
Interest-bearing transaction accounts	69,611,398	64,791,753
Savings	7,180,490	4,853,306
Time certificates $100,000 and over	17,811,439	26,504,142
Other time certificates	14,547,234	3,639,707
Total deposits	188,984,744	165,673,812
Interest payable and other liabilities	3,844,781	3,094,980
Total Liabilities	**192,829,525**	**168,768,792**
Commitments and contingent liabilities		
Shareholders' Equity:		
Preferred Stock, no par value:		
2,000,000 shares authorized, no shares outstanding		
Common Stock, no par value:		
3,000,000 shares authorized;		
1,300,178 shares outstanding at December 31, 2014 and 2013	3,387,558	3,387,558
Retained Earnings	22,097,035	19,181,725
Total Shareholders' Equity	**25,484,593**	**22,569,283**
Total Liabilities and Shareholders' Equity	**$218,314,118**	**$191,338,075**

The accompanying notes are an integral part of these consolidated financial statements.

Summit Bancshares, Inc. and Subsidiary Consolidated Statements of Income for the Years ended December 31, 2014, 2013 and 2012

	2014	2013	2012
Interest Income:			
Interest and fees on loans	$9,667,151	$6,806,321	$7,423,043
Interest on time deposits with other financial institutions	331,006	271,829	266,517
Interest on U.S. government agency securities	440	457	652
Interest on federal funds sold	36,684	34,497	42,571
Total interest income	**10,035,281**	**7,113,104**	**7,732,783**
Interest Expense:			
Interest on savings deposits	8,554	5,936	5,641
Interest on interest-bearing transaction accounts	216,600	210,560	332,717
Interest on time deposits	205,270	225,456	301,693
Total interest expense	**430,424**	**441,952**	**640,051**
Net interest income	**9,604,857**	**6,671,152**	**7,092,732**
Provision for loan losses	-	200,000	650,000
Net interest income after provision or loan losses	**9,604,857**	**6,471,152**	**6,442,732**
Non-Interest Income:			
Service charges on deposit accounts	523,253	555,051	640,056
Other Income	544,072	484,663	267,291
Total non-interest income	1,067,325	1,039,714	907,347
Non-Interest Expense:			
Salaries and employee benefits	3,322,834	2,880,014	3,015,873
Occupancy expense	526,003	483,445	423,907
Equipment Expense	552,507	502,242	495,657
FDIC assessment	141,200	192,425	258,152
Legal expense	140,000	60,000	349,125
Insurance expense	98,145	101,003	93,389
Other	1,011,606	1,057,791	1,228,279
Total non-interest expense	**5,792,295**	**5,276,920**	**5,864,382**
Income before income taxes	**4,879,887**	**2,233,946**	**1,485,697**
Provision for income taxes	1,964,577	872,227	579,605
Net Income	**$2,915,310**	**$1,361,719**	**$906,092**
Earnings Per Share			
Earnings per common share (Basic)	$2.24	$1.05	$0.70
Earnings per common share (Diluted)	$2.24	$1.05	$0.70

The accompanying notes are an integral part of these consolidated financial statements.

Summit Bancshares, Inc. and Subsidiary Consolidated Statement of Changes in Shareholders' Equity for the Years ended December 31, 2014, 2013 and 2012

	Number Of Shares Outstanding	Common Stock	Retained Earnings	Total
Balance at January 1, 2012	**1,300,178**	**$3,387,558**	**$16,913,914**	**$19,317,812**
Net Income	-	-	906,092	906,092
Balance at December 31, 2012	**1,300,178**	**3,387,558**	**17,820,006**	**21,207,t564**
Net Income	-	-	1,361,719	1,361,719
Balance at December 31, 2013	**1,300,178**	**3,387,558**	**19,181,725**	**22,569,283**
Net Income	-	-	2,915,310	2,915,310
Balance at December 31, 2014	**1,300,178**	**$3,387,558**	**$22,097,035**	**$25,484,593**

The accompanying notes are an integral part of these consolidated financial statements.

Summit Bancshares, Inc. and Subsidiary Consolidated Statements of Cash Flows for the Years ended December 31, 2014, 2013 and 2012

	2014	2013	2012
Net Cash Provided By Operating Activities:			
Net Income	$2,915,310	$1,361,719	$906,092
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	91,446	106,134	121,825
Provision for loan losses	-	200,000	650,000
Deferred Income Tax Expense (benefit)	(288,000)	(30,000)	(528,000)
(Increase) decrease in other assets	139,469	1,579,194	(81,601)
Loss/(Gain) on sale of OREO	(206,265)	(211,363)	-
BOLI Income	(154,245)	(128,653)	(109,213)
Increase (decrease) in other liabilities	1,037,802	952,245	220,376
Total adjustments	620,206	2,440,557	505,936
Net cash provided by operating activities	**3,535,516**	**3,802,276**	**1,412,028**
Cash Flows From Investing Activities:			
(Increase) decrease in time deposits with other financial institutions	(9,645,000)	(2,579,000)	(6,897,000)
Maturity of investment securities	400,000	400,000	400,000
Redemption (Purchase) of FHLB stock	80,800	(23,100)	63,400
Purchase of investment securities	(399,564)	(399,664)	(399,373)
Purchase of bank owned life insurance	-	(1,000,000)	-
Net (increase) decrease in loans to customers	(7,083,891)	(13,563,708)	9,811,921
Recoveries on loans previously charged-off	494,112	56,208	152,535
(Increase) in premises and equipment	(20,454)	(26,371)	(116,697)
Proceeds from sale of OREO	1,536,264	882,963	434,386
Net cash provided by (used in) investing activities	**(14,637,733)**	**(16,252,672)**	**3,449,173**
Cash Flows From Financing Activities:			
Increase (decrease) in demand, interest bearing transaction, and savings deposits	21,096,108	(1,468,035)	7,355,365
Net increase (decrease) in time deposits	2,214,824	(1,407,328)	(2,251,988)
Net cash provided by (used in) financing activities	**23,310,932**	**(2,875,363)**	**5,103,377**
Net increase (decrease) in cash and cash equivalents	**12,208,715**	**(15,325,759)**	**9,964,577**
Cash and cash equivalents at the beginning of the year	7,214,531	22,540,290	12,575,713
Cash and cash equivalents at the end of the year	**$19,423,246**	**$7,214,531**	**$22,540,290**
Supplemental Cash Flow Disclosures			
Cash paid for			
Interest	$441,014	$439,315	$676,914
Income Taxes	$1,340,000	$1,640,000	$650,000
Net noncash transfers to foreclosed property	**$175,001**	**$401,500**	**$699,484**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

The accounting and reporting policies of Summit Bancshares, Inc. (the Company), and its wholly owned subsidiary, Summit Bank (the Bank), a California statechartered bank, conform with accounting principles generally accepted in the United States of America and general practice within the banking industry. The following are descriptions of the more significant of these policies.

Nature of Operations
The Bank has conducted the business of a commercial bank since July 1, 1982. The Bank operates three branches and provides commercial credit and other banking services to small and midsized businesses and professionals, including professional firms of physicians, attorneys, accountants, real estate developers, retailers, and service firms, wholesalers, and distributors.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation
The consolidated financial statements include the accounts of the Company and the Bank. Significant inter-company transactions have been eliminated in consolidation.

Investment Securities
All investment securities are classified as held to maturity and are carried at cost, adjusted for amortization of premium and accretion of discount using a method that approximates the effective interest method. Gains and losses on sale or redemption of securities are determined using the specific identification method. Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

The Company's policy of classifying investment securities as held to maturity is based upon its ability and intent to hold such securities to maturity.

Time Deposits with Other Financial Institutions
Time deposits with other financial institutions are carried at cost and have maturities at origination ranging

from 30 days to 365 days. The Bank does not invest more than $250,000 in one institution in order to maintain Federal Deposit Insurance Corporation (FDIC) insurance on deposits in financial institutions.

Premises and Equipment
Premises and equipment are carried at cost, net of accumulated depreciation and amortization. Depreciation on furniture and equipment is calculated on a straightline basis over the estimated useful life of the property, generally seven years for furniture and three to fifteen years for equipment. Leasehold improvements are amortized over the life of the related lease or the estimated life of the improvements, whichever is shorter.

Loans
Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances reduced by any charge-offs or specific valuation accounts and net of any deferred fees or costs on originated loans, or unamortized premiums or discounts on purchased loans.

Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment of the yield of the related loans.

Loans on which the accrual of interest has been discontinued are designated as nonaccural loans. The accrual of interest on loans is discontinued when principal or interest is past due 90 days or when, in the opinion of management, there is a reasonable doubt as to collectibility. When loans are placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. Income on nonaccrual loans is subsequently recognized only to the extent that cash is received and the loan's principal balance is deemed collectible. Interest accruals are resumed on such loans only when they are brought current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to all principal and interest.

Allowance for Loan Losses
The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off. Amounts are charged-off when available information confirms that specific loans or portions thereof, are uncollectible. This methodology for determining charge-offs is consistently applied to each portfolio segment.

The allowance consists of specific and general reserves. Specific reserves relate to loans that are individually classified as impaired. A loan is impaired when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement. Factors considered in determining impairment include payment status, collateral value and the probability of collecting all amounts when due. Measurement of impairment is based on the expected future cash flows of an impaired loan, which are to be discounted at the loan's effective interest rate, or measured by reference to an observable market value, if one exists, or the fair value of the collateral for a collateral-dependent loan. The Bank selects the measurement method on a loan-by-loan basis except that collateral-dependent loans for which foreclosure is probable are measured at the fair value of the collateral.

The Bank recognizes interest income on impaired loans based on its existing methods of recognizing interest income on nonaccrual loans. Loans, for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings and classified as impaired with measurement of impairment as described above.

If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Smaller balance, homogeneous loans are collectively evaluated for impairment.

General reserves cover non-impaired loans and are based on historical loss rates for each portfolio segment, adjusted for the effects of qualitative or environmental factors that are likely to cause estimated credit losses as of the evaluation date to differ from the portfolio segment's historical loss experience. Qualitative factors include consideration of the following: changes in lending policies and procedures; changes in economic conditions, changes in the nature and volume of the portfolio; changes in the experience, ability and depth of lending management and other relevant staff; changes in the volume and severity of past due, nonaccrual and other adversely graded loans; changes in the loan review system; changes in the value of the underlying collateral for collateral-dependent loans; concentrations of credit and the effect of other external factors such as competition and legal and regulatory requirements.

Portfolio segments identified by the Bank include commercial, real estate and construction, and consumer loans. Relevant risk characteristics for these portfolio segments generally include debt service coverage, loan-to-value ratios and financial performance on non-consumer loans and credit scores, debt-to income, collateral type and loan-to-value ratios for consumer loans.

Other Real Estate Owned

Other real estate owned is comprised of properties acquired through foreclosure. These properties are carried at the lower of the recorded loan balance or their estimated fair value net of disposal costs. When the recorded loan balance exceeds the fair value of the property, the difference is charged to the allowance for loan losses at the time of acquisition. Subsequent declines in value from the recorded amount, if any, and gains or losses upon disposition are included in non-interest expense or income as appropriate. Operating expenses related to other real estate owned are charged to non-interest expense in the period incurred. As of December 31, 2014 and 2013, the Bank had $1,275,984 and $2,430,983 in other real estate owned, respectively.

Income Taxes

Income taxes reported in the statements of income are computed at current tax rates, including deferred taxes resulting from temporary differences between the recognition of items for tax and financial reporting purposes. The Bank has adopted guidance issued by the Financial Accounting Standards Board ("FASB") that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Interest and penalties related to uncertain tax positions are recorded as part of income tax expense.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and federal funds sold. Generally, federal funds sold are purchased and sold for one-day periods.

Comprehensive Income

The Company had no items of other comprehensive income for the twelve months ended December 31, 2014, 2013 and 2012. Accordingly, total comprehensive income was equal to net income for each of those periods.

Reclassifications

Certain reclassifications have been made in the 2013 and 2012 financial statements to conform to the presentation used in 2014. These reclassifications had no impact of the Bank's previously reported financial statements.

Subsequent events

The Company has evaluated subsequent events for recognition and disclosure through April 6, 2015, which is the date the financial statements were available to be issued.

Recent Accounting Guidance Not Yet Effective

During 2014, the Financial Accounting Standards Board (FASB) issued guidance regarding the following new accounting standard applicable to financial institutions:

In January 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-04, Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure, a consensus of the FASB Emerging Issues Task Force. This Update provides clarification as to when an in-substance repossession or foreclosure has occurred, i.e., the creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan and, therefore, the loan receivable should be derecognized and the real estate property should be recognized. Under ASU No. 2014-04, a creditor has received physical possession of residential real estate property collateralizing a consumer mortgage loan upon either (1) the creditor obtaining legal title to the property upon completion of a foreclosure or (2) the borrower conveying all interest in the property to the creditor to satisfy the loan through completion of a deed in lieu of foreclosure or a similar legal agreement. The Update also will require disclosure in annual and interim financial statements of both (1) the amount of foreclosed residential real estate property held by the creditor and (2) the recorded investment in consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure according to local requirements of the applicable jurisdiction. The amendments in this Update are effective for interim and annual periods beginning after December 15, 2014. Adoption of this Update is not expected to have a material impact on the Bank's financial statements.

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This Update requires an entity to recognize revenue as performance obligations are met, in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive for those goods or services. The following steps are applied in the updated guidance: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the entity satisfies a performance obligation. This Update is effective for interim and annual periods beginning after December 15, 2016 for public business entities and after December 15, 2017 for non public business entities. Early adoption of this Update is not permitted. The Bank is currently in the process of evaluating the impact of the adoption of this Update, but does not expect a material impact on the Bank's financial statements.

2. Investment Securities

The amortized cost and estimated fair values of investments in debt securities held to maturity as of December 31, 2014 and 2013 are as follows:

December 31, 2014	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury Securities	$399,855	$105	-	$399,960

December 31, 2013	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury Securities	$399,860	$69	-	$399,929

In analyzing an insurer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, no losses are deemed to be other-than-temporary.

The amortized cost and estimated fair value of debt securities at December 31, 2014, by contractual maturities are shown below.

	Amortized Cost	Estimated Fair Value
Due in one year or less	$399,855	$399,960
Total	$399,855	$399,960

There were no sales of investments in debt securities during 2014 or 2013. At December 31, 2014, securities carried at $399,855 were pledged to secure public deposits, as required by law.

Management periodically evaluates each investment security for other than temporary impairment, relying primarily on industry analyst reports and observation of market conditions and interest rate fluctuations. Management believes it will be able to collect all amounts due according to the contractual terms of the underlying investment securities and there is only an increase in fair value.

3. Loans and Allowance for Loan Losses

A summary of loans as of December 31, 2014, and 2013 (net of unearned loan fees of $701,000 and $608,000, respectively), is as follows:

	2014	2013
Commercial loans	$38,858,243	$36,248,383
Real estate loans	72,868,522	71,063,826
Real estate construction loans	6,601,666	3,019,053
Consumer loans	5,628,803	6,769,755
	123,957,234	117,101,017
Less: Allowance for loan losses	(3,679,541)	(3,238,103)
	$120,277,693	$113,862,914

The changes in the allowance for loan losses for the years ended December 31, 2014, 2013, and 2012 are as follows:

	2014	2013	2012
Balance, beginning of period	$3,238,103	$3,118,943	$2,622,593
Provision for loan losses	-	200,000	650,000
Recoveries	494,112	56,208	152,535
Loans charged-off	(52,674)	(137,048)	(306,185)
Balance, end of period	$3,679,541	$3,238,103	$3,118,943

The following table presents the activity in the allowance for loan losses for the year 2014 and 2013 and the recorded investment in loans and impairment method as of December 31, 2014 and 2013 by portfolio segment:

December 31, 2014	**Real Estate and Construction**	**Commercial**	**Consumer**	**Total**
Allowance for Loan Losses:				
Beginning of Year	$1,784,611	$1,050,316	$403,176	$3,238,103
Provisions	(86,366)	135,466	(49,100)	-
Charge-offs	(52,674)	-	-	(52,674)
Recoveries	385,332	108,780	-	494,112
End of Year	$2,030,903	$1,294,562	$354,076	$3,679,541
Reserves:				
Specific	$190,866	$90,713	$503	$282,082
General	1,840,037	1,203,849	353,573	3,397,459
	$2,030,903	$1,294,562	$354,076	$3,679,541
Loans Evaluated for Impairment:				
Individually	$ -	$ -	$ -	$ -
Collectively	79,470,188	38,858,243	5,628,803	123,957,234
	$79,470,188	$38,858,243	$5,628,803	$123,957,234

December 31, 2013				
Reserves:				
Specific	$722,850	$351,420	$69,538	$1,143,808
General	1,061,761	698,896	333,638	2,094,295
	$1,784,611	$1,050,316	$403,176	$3,238,103
Loans Evaluated for Impairment:				
Individually	$5,773,760	$ -	$340,404	$6,114,164
Collectively	68,309,119	36,248,383	6,429,351	110,986,853
	$74,082,879	$36,248,383	$6,769,755	$117,101,017

The Bank categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, collateral adequacy, credit documentation, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on an ongoing basis as new information is obtained. The Bank uses the following definitions for risk ratings:

Pass - Loans classified as pass include loans not meeting the risk ratings defined below.

Special Mention - Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard - Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Impaired – A loan is considered impaired, when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement. Additionally, all loans classified as troubled debt restructurings are considered impaired.

The risk category of loans by class of loans was as follows as of December 31, 2014 and 2013.

December 31, 2014	**Pass**	**Special Mention**	**Substandard**	**Impaired**	**Total**
Commercial Real Estate:					
Construction and Land Development	$6,601,666	$ -	$ -	$ -	$6,601,666
Other	67,066,205	4,372,317	1,430,000	-	72,868,522
Commercial	35,245,973	3,595,999	16,271	-	38,858,243
Consumer	5,435,090	39,959	153,754	-	5,628,803
	$114,348,934	$8,008,275	$1,600,025	$ -	$123,957,234

December 31, 2013					
Commercial Real Estate:					
Construction and Land Development	$1,768,862	$ -	$ -	$1,250,191	$3,019,053
Commercial	63,752,688	2,787,570	-	4,523,569	71,063,827
Consumer	33,758,026	2,705,108	155,861	-	36,618,995
	5,868,132	-	190,606	340,404	6,399,142
	$105,147,708	$5,492,678	$346,467	$6,114,164	$117,101,017

Past due and nonaccrual loans presented by loan class were as follows as of December 31, 2014 and 2013:

December 31, 2014	Still Accruing: 30-89 Days Past Due	Still Accruing: Over 90 Days Past Due	Nonaccrual
Commercial Real Estate:			
Construction and Land Development	$ -	$ -	$ -
Other	-	-	-
Commercial/Consumer	-	-	-
	$ -	$ -	$ -
December 31, 2013			
Commercial Real Estate:			
Construction and Land Development	$ -	$ -	$1,250,191
Other	-	-	4,523,569
Commercial/Consumer	-	-	340,404
	$ -	$ -	$6,114,164

There were no impaired loans as of December 31, 2014 and given below the impaired loans as of December 31, 2013:

December 31, 2013	Unpaid Principal Balance	Recorded Investment	Related Allowance	Average Recorded Investment	Income Recognized
Commercial Real Estate:					
Construction and Land Development	$1,859,956	$1,404,582	$ -	$1,799,979	$ -
Multifamily	-	-	-	-	-
Other	6,308,740	4,369,178	-	4,527,347	-
Residential Real Estate	-	-	-	-	-
Commercial	-	-	-	-	-
Consumer	444,044	340,404	-	340,199	-
	$8,612,740	$6,114,164	$ -	$6,667,525	$ -

A summary of the investment in impaired loans, the related allowance for loan losses, income recognized thereon and information pertaining to nonaccrual and past due loans follows as of December 31:

	2014	2013
Recorded Investment in Impaired Loans:		
With an Allowance	$ -	$ -
Without an Allowance	$ -	$ 6, 114,164
Related Allowance for Loan Losses	$ -	$ -
Average Recorded Investment in Impaired Loans	$ -	$ 6, 667,525
Interest Income Recognized During Impairment	$ -	$ -
Interest Income Included Above Recognized on a Cash Basis	$ -	$ -
Past Due Over 90 Days Still on Accrual		
Nonaccrual Loans		$6, 114,164

The Bank has allocated $0 and $0 of specific reserves to customers whose loan terms have been modified in troubled debt restructurings as of December 31, 2014 and 2013. The Bank has committed to lend no additional amounts to customers with outstanding loans that are classified as troubled debt restructurings (TDR's) as of December 31, 2014 and 2013.

There were no new loans modified as TDR's that occurred during the period ended December 31, 2014. The concessions given in 2012 were a reduction in ongoing monthly debt service on both loans and the forgiveness of of accrued interest on one of the loans. There were no defaults on loans classified as TDR's in 2014 and 2013.

A loan is considered to be in payment default once it is 90 days contractually past due under the modified terms.

The Bank grants commercial, construction, real estate, and installment loans to customers mainly in the California counties of Alameda and Contra Costa. Although the Bank has a diversified loan portfolio, a substantial portion of its loan portfolio is concentrated in real estate related loans.

4. Related Party Transactions

The Bank has, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, and principal shareholders and their associates. In management's opinion and as required by federal law, loans to related parties are granted on the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with others, and do not involve more than normal risk of collectibility or present other unfavorable features. As of December 31, 2014, and 2013, loans outstanding to directors, officers, and principal shareholders and their known associates were $0 and $4,539,495 respectively. In 2014, advances on current directors' loans were $2,082,316 and collections were $6,621,811. In 2013, advances on such loans were $2,743,443, and collections were $2,424,823. As of December 31, 2014 and

2013 total deposits of directors, officers and principal shareholders and their known associates totaled $13,242,502 and $2,467,126 respectively.

5. Premises and Equipment

Premises and equipment consisted of the following:

December 31, 2014	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	$1,200,099	$1,173,654	$26,445
Furniture and equipment	2,892,473	2,760,306	132,167
Total	$4,092,572	$3,933,960	$158,612
December 31, 2013			
Leasehold improvements	$1,200,099	$1,171,071	$29,028
Furniture and equipment	2,872,019	2,671,012	201,007
Total	$4,045,747	$3,735,492	$310,255

Depreciation and amortization included in occupancy and equipment expenses was $91,877, $106,591, and $122,477 for the years ended December 31, 2014, 2013, and 2012, respectively.

6. Income Taxes

The provision (benefit) for income taxes consists of the following:

	2013	2012	2011
Current:			
Federal	$660,000	$837,000	$438,000
State	225,000	275,000	106,000
Total current	885,000	1,112,000	544,000
Deferred:			
Federal	(12,000)	(406,000)	39,000
State	(1,000)	(126,000)	(5,000)
Total deferred	(13,000)	(532,000)	34,000
Total taxes	$872,000	$580,000	$578,000

The components of the net deferred tax asset of the Company as of December 31, 2014, 2013 and 2012, were as follows:

	2014	2013	2012
Deferred Tax Assets:			
Allowance for loan losses	$1,302,000	$956,000	$749,000
State taxes	190,000	83,000	95,000
Installment sale	(417,000)	(417,000)	(417,000)
Depreciation	80,000	78,000	111,000
Other real estate owned	169,000	275,000	681,000
Deferred Salary	1,088,000	995,000	956,000
Other	262,000	426,000	34,000
Net Deferred Tax Asset	$2,674,000	$2,386,000	$2,416,000

The deferred tax asset at December 31, 2013 has been restated to reflect final tax return adjustments to existing temporary differences. This has no impact on recorded net income as the adjustments are equally offset by changes to previously reported current tax expense.

The provisions for income taxes applicable to operating income differ from the amount computed by applying the statutory federal tax rate to operating income before taxes. The reasons for these differences are as follows:

	2014		2013		2012	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal income tax expense, based on the statutory federal income tax rate	$1,659,000	34.00%	$760,000	34.00%	$505,000	34.00%
State franchise taxes, net of federal income tax benefit	349,000	7.20%	160,000	7.20%	72,000	4.90%
Other, net	(43,000)	(1.20%)	(48,000)	2.20%	3,000	0.10%
Tax provision	$1,965,000	40.00%	$872,000	39.00%	$580,000	39.00%

We record interest and penalties related to uncertain tax positions as part of operating expense. There was no penalty or interest expense recorded as of December 31, 2014. We do not expect the total amount of unrecognized tax benefits to significantly increase or decrease within the next twelve months.

The Bank is subject to federal income tax and income tax of the state of California. Our federal income tax returns for the years ended December 31, 2013, 2012 and 2011 are open to audit by the federal authorities and our California state tax returns for the years ended December 31, 2013, 2012, 2011 and 2010, are open to audit by state authorities.

7. Time Deposits

Time deposits issued as of December 31, 2014, had $29,709,297 maturing in the year 2015, $348,319 maturing in 2016, $1,749,499 maturing in 2017, $418,248 maturing in 2018 and the remaining $133,309 maturing in 2019.

8. Borrowings

The Bank has available or unused federal funds lines of credit agreements with other banks. The maximum borrowings available under these lines totaled $14,000,000 at December 31, 2014. There were no borrowings outstanding under these agreements at December 31, 2014 and December 31, 2013.

The Bank maintains a secured line of credit with the Federal Home Loan Bank of San Francisco (FHLB). Based on the FHLB stock requirement at December 31, 2014, this line provided for a maximum borrowing capacity of $6,568,697. There was no outstanding balance as of December 31, 2014. At December 31, 2014, this borrowing line was collateralized by mortgage loans with a book value of $9,156,991.

9. Shareholders' Equity and Earnings per Share

Basic Earnings Per Share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted Earnings Per Share is computed by dividing net income available to shareholders by the weighted average number of common shares outstanding and potential common shares, which include dilutive stock options. The computation of potential common stock equivalent shares is based on the weighted average market price of the Company's common stock throughout the period. The following is a reconciliation of the numerators and denominators of the basic and diluted EPS computations for the years ended December 31, 2014, 2013, and 2012.

FOR THE YEAR ENDED

	December 31, 2014			December 31, 2013			December 31, 2012		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net Income	$2,915,310			$1,361,719			$906,092		
Basic EPS Income Available to Common Stockholders	2,915,310	1,300,178	$2.24	1,361,719	1,300,178	$1.05	906,092	1,300,178	$0.70
Effect of Dilutive Securities									
Stock Options									
Diluted EPS Income Available to Common Stockholders and Assumed Conversion	$2,915,310	1,300,178	$2.24	$1,361,719	1,300,178	$1.05	$906,092	1,300,178	$0.70

For the periods reported, the Company had no reconciling items between net income and income available to common shareholders. The last of the options expired in 2011.

10. Regulatory Capital

The Company and the Bank are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain offbalancesheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital to riskweighted assets, and of Tier 1 capital to average assets. Management believes, as of December 31, 2014, that the Company and the Bank have met all capital adequacy requirements.

As of December 31, 2014, the most recent notification from Federal Deposit Insurance Corporation categorized the Bank as wellcapitalized under the regulatory framework for prompt corrective action. To be categorized as wellcapitalized, the Bank must maintain minimum total riskbased, Tier 1 riskbased, and Tier 1 leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the institution's category.

The consolidated and Bank's actual capital amounts and ratios are also presented in the table.

	Actual		For Capital Adequacy Purposes		To be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
As of December 31, 2014						
Total Capital (to Risk Weighted Assets)						
Consolidated	$27,416,000	17.94%	$12,222,640	8.00%	$15,278,300	10.00%
Bank	26,308,000	17.39%	12,099,360	8.00%	15,124,200	10.00%
Tier 1 Capital (to Risk Weighted Assets)						
Consolidated	25,485,000	16.68%	6,111,320	4.00%	9,166,980	6.00%
Bank	24,395,000	16.13%	6,049,680	4.00%	9,074,520	6.00%
Tier 1 Capital (to Average Assets)						.
Consolidated	25,485,000	10.48%	9,723,160	4.00%	12,153,950	5.00%
Bank	24,395,000	11.20%	8,709,880	4.00%	10,887,350	5.00%
As of December 31, 2013						
Total Capital (to Risk Weighted Assets)						
Consolidated	$24,037,000	18.01%	$10,674,320	8.00%	$13,342,900	10.00%
Bank	22,943,000	16.87%	10,879,600	8.00%	13,599,500	10.00%
Tier 1 Capital (to Risk Weighted Assets)						
Consolidated	22,302,000	16.71%	5,337,160	4.00%	8,005,740	6.00%
Bank	21,224,000	15.61%	5,439,800	4.00%	8,159,700	6.00%
Tier 1 Capital (to Average Assets)						.
Consolidated	22,302,000	11.41%	7,818,240	4.00%	9,772,800	5.00%
Bank	21,224,000	10.91%	7,778,160	4.00%	9,722,700	5.00%

11. Restrictions

The Bank is regulated by the Federal Deposit Insurance Corporation, whose regulations do not specifically limit payment of dividends, and the State of California Department of Financial Institutions. California banking laws limit dividends that the Bank may transfer to the Company, to the lesser of retained earnings or net income less dividends paid for the last three years. Under these restrictions, at December 31, 2014, the Bank could pay dividends to the Company of up to approximately $5,161,482 without prior regulatory approval.

The Bank is required by federal regulations to maintain certain minimum average balances with the Federal Reserve. Required deposits held with the Federal Reserve at December 31, 2014, were $1,480,000.

12. Commitments and Contingent Liabilities

The Company is obligated for rental payments under certain operating lease and contract agreements. Total rental expense for all leases included in occupancy and equipment expenses was $422,087, $372,957 and $316,137, for the years ended December 31, 2014, 2013, and 2012.

At December 31, 2014, the approximate future minimum payments for non-cancelable leases with initial or remaining terms in excess of one year were as follows:

2015	$ 422,002
2016	434,602
2017	327,498
2018	113,377
	$1,297,479

The Company is subject to various pending and threatened legal actions, which arise in the normal course of business. There are currently no claims pending.

13. Pension Plan and Salary Continuation Program

Pension Plan

The Company provides pension benefits for all its eligible employees through a 401(k) Profit Sharing Program, which was adopted in 1984. Under the terms of the plan, eligible employees are allowed to contribute, under the 401(k) portion of the plan, 100% of compensation up to $17,500 with a Catch Up contribution of $5,500 of their salaries. The Company in turn will match the employee's contribution up to a maximum of 4% of the employee's total annual compensation. Under this part of the plan, $59,938 was contributed in 2014, $54,352 in 2013 and $36,380 in 2012.

In addition, the Company may contribute up to 15% of eligible employees' annual compensation to the profit sharing portion of this plan. Such contributions were $0 in 2014, $0 in 2013, and $0 in 2012. Employees' interest in the contributions made by the Company on their behalf becomes 100% vested in accordance with the seven-year program. Any forfeited amounts are redistributed among the remaining participants in the plan.

Salary Continuation Plan

The Company has established a salary continuation plan and a deferred compensation plan for certain executives. Benefits under the salary continuation plan are payable for a period of 15 years upon retirement or death. The Company expenses annually an amount sufficient to accrue the present value of the benefit to be paid to the executives upon their retirement. Additionally, the key executives' beneficiaries are entitled to certain death benefits under the plan in the event the executive dies while employed by the Company.

In accordance with the provisions of the deferred compensation plan, participants may choose to defer a portion of their annual compensation. The Company expenses the compensation annually regardless of whether or not the officer has chosen to defer compensation. Benefits under the plan are payable over a fifteen year period. In the event of death, while an employee, the beneficiary will receive an amount that would have been paid to the employee. Death benefits payable under both plans is funded by life insurance policies purchased by the Company. Compensation expense associated with the plans was approximately $216,573 in 2013, $144,010 in 2013, and $207,894 in 2012.

14. Financial Instruments with Off-Balance-Sheet Risk

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, and standby letters of credit. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the statement of financial position. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual notional amount of those instruments. The Company uses the same credit policies and procedures in making commitments and conditional obligations as it does for onbalancesheet instruments. At December 31, 2014 and 2013, financial instruments whose contract amounts represent credit risk are as follows:

	Contract Amount	
	2014	**2013**
Commitments to extend credit in the future	$32,688,219	$27,695,706
Standby letters of credit	345,790	109,689
Total	**$33,034,009**	**$27,805,395**

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's credit worthiness on a casebycase basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant, and equipment, and incomeproducing commercial properties. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. All guarantees expire within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

15. Fair Value of Financial Instruments

The Bank adopted guidance issued by the FASB regarding fair value measurement on January 1, 2008. Such guidance defines fair value, establishes a framework for measuring fair value under U.S. GAAP and expands disclosures about fair value measurements. The guidance applies whenever other accounting pronouncements require or permit assets or liabilities to be measured at fair value. The guidance does not expand the use of fair value in any new circumstances.

Under the guidance issued by the FASB, fair value is a market-based measurement and defined as the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. In general, the transaction price will equal the exit price and, therefore, represent the fair value of the asset or liability at initial recognition. In determining whether a transaction price represents the fair value of the asset or liability at initial recognition, each reporting entity is required to consider factors specific to the asset or liability, the principal or most advantageous market for the asset or liability, and market participants with whom the entity would transact in the market.

Fair Value Hierarchy

FASB guidance established a fair value hierarchy to prioritize the inputs of the valuation techniques used to measure fair value. The inputs are evaluated and an overall level for the measurement is determined. This overall level is an indication of how market observable the fair value measurement is and defines the level of disclosure. The guidance clarifies fair value in terms of the price in an orderly transaction between market participants to sell an asset or transfer a liability in the principal (or most advantageous) market for the asset or liability. The objective of a fair value measurement is to determine the price that would be received to sell the asset or paid to transfer the liability at the measurement date (an exit price). In order to determine the fair value, entities must determine the unit of account, highest and best use, principal market, and market participants. These determinations allow the reporting entity to define the inputs for fair value and level of hierarchy.

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Current accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

To increase consistency and comparability in fair value measures, the fair value measures, the fair value hierarchy prioritizes the inputs used in valuation techniques to measure fair value into three broad levels:

Level 1 - quoted prices in active markets for identical assets or liabilities
Level 2 - directly or indirectly observable inputs other than quoted prices, and
Level 3 - unobservable inputs.

A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Fair Value on a Recurring Basis
The Bank doesn't have any assets measured at fair value on a recurring basis as of December 31, 2014 or 2013.

Fair Value on a Nonrecurring Basis
Assets measured at fair value on a non-recurring basis consists solely other real estate owned (OREO). The following table presents the hierarchy and fair value of financial assets that are measured at fair value on a non-recurring basis as of December 31, 2014 and 2013.

As of December 31, 2014

Fair Value Hierarchy	Total	Level 1	Level 2	Level 3
Other real estate owned	$1,275,984	-	$1,275,984	-

As of December 31, 2013

Fair Value Hierarchy	Total	Level 1	Level 2	Level 3
Other real estate owned	$2,430,984	-	$2,430,984	-

Write-downs of OREO were $0 and $0 for the years ended December 31, 2014 and 2013, respectively.

The Company is required to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized in the balance sheet, for which it is practical to estimate fair value. Following is a summary of the estimated fair value for each class of financial instrument as of December 31, 2014, and December 31, 2013, and the methods and assumptions used to evaluate them.

	Carrying Value	Estimated Fair Value
2014		
Cash and due from banks and Fed funds sold	$19,423,246	$19,423,246
Investment securities	399,855	399,960
Time deposits with other financial institutions	68,335,000	68,372,766
Loans	120,277,693	119,338,159
Bank owned life insurance	4,346,612	4,346,612
Accrued interest receivable	377,088	377,088
Deposits		
Demand	79,834,183	79,834,183
Interest bearing transaction accounts	69,611,398	69,611,398
Savings	7,180,490	7,180,490
Time certificates	32,358,673	32,455,991
Accrued interest payable	33,750	33,750

2013	**Carrying Value**	**Estimated Fair Value**
Cash and due from banks	$7,214,531	$7,214,531
Investment securities	399,860	399,929
Time deposits with other financial institutions	58,690,000	58,683,313
Loans	113,862,914	112,919,634
Bank owned life insurance	4,192,367	4,192,367
Accrued interest receivable	344,940	344,940
Deposits		
Demand	65,884,904	65,884,904
Interest bearing transaction accounts	64,791,753	64,791,753
Savings	4,853,306	4,853,306
Time certificates	30,143,849	30,325,784
Accrued interest payable	44,340	44,340

Cash and due from banks have a relatively short period of time between their origination and their expected realization and are valued at their carrying amounts. The fair value of investment securities and time deposits with other financial institutions were estimated using quoted market prices or dealer quotes. For certain variable rate loans, fair value is estimated at carrying value, as these loans reprice to market frequently. The fair value of other types of loans is estimated by discounting the future cash flows, using the current rates at which similar loans would be made to similar borrowers with similar credit ratings and for the same remaining maturities. The fair value of loans is shown net of the related allowance for loan losses. The fair value of non-interestbearing, interestbearing transaction accounts and savings deposits is equal to their carrying value. The fair value of fixed maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities. The Bank has offbalancesheet commitments comprising letters of credit and loan commitments with a contract amount of $345,790 and $109,689 respectively. The fair value of these offbalancesheet commitments is not material.

16. Summit Bancshares, Inc. (parent company only)

The following are the balance sheets as of December 31, 2014, and 2013, and the related statements of income and cash flows for the years ended December 31, 2014, 2013, and 2012, for Summit Bancshares, Inc. (parent company only)

Balance Sheet	**2014**	**2013**
Assets:		
Cash	$130,472	$644,611
Loan participation with subsidiary (net of allowance for loss reserve of $0 at December 31, 2014 and $0 at December 31, 2013)	900,000	375,000
Investment in subsidiary	24,395,038	21,491,771
Other assets	59,083	57,901
Total Assets	**$25,484,593**	**$22,569,283**
Liabilities:		
Income taxes payable	$ -	$ -
Total Liabilities	**-**	**-**
Shareholders' Equity:		
Common Stock	3,387,558	3,387,558
Retained Earnings	22,097,035	19,181,725
Total Shareholders' Equity	**25,484,593**	**22,569,283**
Total Liabilities and Shareholders' Equity	**$25,484,593**	**$22,569,283**

Statements of Income (year ended December 31)	**2014**	**2013**	**2012**
Income:			
Interest on short-term investments and loans	$12,720	$18,390	$469
Rental and other income	9,416	-	25
Total income	**22,136**	**18,390**	**494**
Expense:			
Miscellaneous expense	1,517	1,013	1,444
Total expense	**1,517**	**1,013**	**1,444**
Income (loss) before income tax and equity in earnings of subsidiary	20,619	17,377	(950)
Provision for income taxes	8,577	7,227	(395)
Income (loss) before equity in earnings of subsidiary	12,042	10,150	(555)
Equity in earnings of subsidiary			
Distributed	-	-	-
Undistributed	2,903,268	1,351,569	906,647
Net Income	**$2,915,310**	**$1,361,719**	**$906,092**

	2014	2013	2012
Cash Flows From Other Operating Activities:			
Interest received	$10,757	$17,741	$1,172
Rental income	-	-	-
Fees Received	9,415	-	25
Cash received from sale of land	-	-	-
Notes Receivable charged off	-	-	-
Other income (expense)	-	-	-
Cash paid to suppliers	(1,517)	(1,013)	(1,444)
Income taxes paid	(7,794)	-	-
Net cash provided by (used in) operating activities	**10,861**	**16,728**	**(247)**
Cash Flows From Investing Activities			
Net decrease (increase) in loans	($525,000)	($375,000)	-
Transfer of tax reserves	-	-	-
Interest received from subsidiary	-	-	-
Net cash provided by (used in) investing activities	**(525,000)**	**(375,000)**	**100,000**
Cash Flows From Financing Activities			
Stock options exercised	-	-	-
Repurchase of common stock	-	-	-
Dividends paid	-	-	-
Net cash (used in) financing activities	**-**	**-**	**-**
Net increase (decrease) in cash and cash equivalents	**(514,139)**	**(358,272)**	**99,753**
Cash at the beginning of the year	644,610	1,002,882	903,129
Cash at the end of the year	**$130,471**	**$644,610**	**$1,002,882**
Reconciliation of Net Income to Net Cash Provided by Other Operating Activities			
Net Income	$2,915,310	$1,361,719	$906,092
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	-	-	-
Non-cash earnings from subsidiary	(2,903,268)	(1,351,569)	(906,647)
(Increase) Decrease in other assets	(1,181)	6,578	308
Increase (Decrease) in other liabilities	-	-	-
Total adjustments	(2,904,449)	(1,344,991)	(906,339)
Net cash provided by (used in) operating activities	**$10,861**	**$16,728**	**($247)**

The accompanying notes are an integral part of these consolidated financial statements.

SUMMIT BANCSHARES, INC.

The Board of Directors and Shareholders

Summit Bancshares, Inc.

We have audited the accompanying consolidated financial statements of Summit Bancshares, Inc. (a Californiacorporation) and subsidiary, which are comprised of the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2014 and 2013, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Summit Bancshares Inc. and subsidiaries of December 31, 2014 and 2013, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Vavrinek Trine Day + Co. LLP

Palo Alto, California
April 6, 2015

SUMMIT BANK FOUNDATION

Mission Statement

To garner funds in support of the UCSF Helen Diller Cancer Research Center

To continue to provide scholarships to students from Castlemont High School and McClymonds High School using the income from restricted funds held within the Foundation

Joe Rainero, President, Shirley Nelson, Chairman, Summit Bank Foundation

Bill Russell, his assistant Anita Dias, Shirley Nelson, 2013 Joe Morgan Celebrity Golf Tournament

Virginia Madden, Wei Ai, M.D., Shirley Nelson, 2014 Red and White Ball

Summit Bank Foundation Scholarship Students 2013 Joe Morgan Celebrity Golf Tournament

Joe Morgan, Diane Dwyer 2013 Joe Morgan Celebrity Golf Tournament

We have established college scholarship funds to deserving students in Oakland Schools. To date, we have two four-year scholarships in honor of Bill Russell and Joe Morgan. We also have scholarships honoring other members of our community: Vida Blue, James Falaschi and Eddie Orton. Each year we present 11 scholarships to deserving students. These scholarships will go on in perpetuity.

In 2013, the Foundation added cancer research to its mission. We believe that finding the cure for cancer will be in academia and that the doctors and researchers at UCSF Helen Diller Cancer Research Center are on the forefront of finding that cure.

www.summitbankfoundation.org

CORPORATE DIRECTORY

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Summit Bancshares, Inc.

Summit Bank

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