Summit Bancshares Inc.

2024 Annual Report

Summit Bank

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED	2024	2023	2022	2021	2020	2019	2018
Net Income	$4,535,985	$5,491,983	$3,401,310	$2,330,342	$2,786,061	$4,521,247	$3,081,791
Earnings per common share	$3.90	$4.72	$2.90	$1.95	$2.33	$3.79	$2.58
Earnings per common share - assuming dilution	$3.90	$4.72	$2.90	$1.95	$2.33	$3.79	$2.58
AT YEAR END (in thousands)							
Deposits	$237,582	$264,304	$312,117	$321,614	$262,269	$215,555	$231,125
Loans (Net)	199,465	178,989	192,711	181,542	204,487	173,161	172,161
Assets	293,741	318,377	361,327	368,466	306,857	257,990	267,629
Shareholders' Equity	47,558	45,234	41,162	39,336	37,435	35,437	31,286
Non-performing Loans to Total Loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.97%
Allowance to Non-performing Loans	-	-	-	-	-	-	207.46%
Common Equity Tier 1 Capital	21.49%	20.59%	18.42%	19.28%	17.74%	16.37%	15.42%
Tier 1 Capital	21.49%	20.59%	18.42%	19.28%	17.74%	16.37%	15.42%
Total Capital	22.76%	21.84%	19.68%	20.54%	19.11%	17.62%	16.68%
Leverage Ratio	15.90%	14.07%	10.64%	10.48%	11.63%	13.76%	11.45%

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, the range of high and low sales prices for such common stock for each calendar quarter since January 2023 is contained below. The following prices reflect retail mark-up and may not represent actual transactions.

	HIGH	LOW	DIVIDENDS DECLARED
2024			
First Quarter	$45.95	$37.00	$0.53
Second Quarter	$43.49	$40.00	$0.53
Third Quarter	$43.50	$41.12	$0.11
Fourth Quarter	$46.00	$42.83	$0.73
Total			$1.90
2023			
First Quarter	$40.00	$36.60	$0.51
Second Quarter	$37.50	$35.10	$0.51
Third Quarter	$37.55	$36.50	$0.10
Fourth Quarter	$38.99	$35.35	$0.10
Total			$1.22

The Company presently intends to continue the policy of paying regular 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 #10.

This annual report is furnished to shareholders and customers of the bank pursuant to the requirements of the Federal Deposit Insurance Corporation (FDIC) to provide an annual disclosure statement. This annual report has not been reviewed or confirmed for the accuracy or relevance by the FDIC.

Dear Fellow Shareholders

We are pleased to report that 2024 was another successful year for Summit Bank, we extended what is now our 42-year legacy of continuous annual and monthly profitability since we opened our doors in 1982. Our after-tax profit was $4,536,000 or $3.90 per share compared $5,492,000 or $4.72 per share in 2023. We are very grateful to have enjoyed this long history of profitability and stability and consider it a tribute to the trust and confidence you placed in us when you became a shareholder.

Summit Bank received the following recognition in 2024:

● Findley Reports has recognized us for 17 years as a Premier Bank and 20 years as a Super Premier performing bank.

● 'Five Stars' ranking as one of the strongest financial institutions in the country by Bauer Financial,

● 'Top 100 Corporate Philanthropist in the San Francisco Bay Area' by San Francisco Business Times – 7 years in a row.

Our Return on Assets was 1.37% compared to 1.65% last year and Return on Equity was 11.02% compared to 13.34% in 2023. 2024 saw our total assets decreased to $293,741,000 from $318,377,000 in 2023 with deposits decreasing from $264,304,000 in 2023 to $237,582,000 in 2024 and loans increased from $184,968,000to $206,044,000.

Our stock's book value increased to $40.85 from $38.85 and our Risk Based Capital Ratio increased from 21.84% to 22.76%, which is well in excess of the Regulatory standard of 10% for a Well Capitalized Bank.

The prime rate decreased 100 bps in 2024 which caused a decrease in the Bank's Net income for the year. We will continue our tradition of applying our conservative views to all aspects of banking fundamentals with an increased focus on prudent lending and credit quality. Our investment portfolio will continue to be managed with a focus on low risk and balanced maturities.

While we recognize there are ongoing challenges in the current economy, we will continue our due diligence and oversight and fully expect another successful year.

We want to thank our Board members who provide oversight and direction of our policies and goals that further the success we have enjoyed for so many years. Our Board has the right mix of background and experience in order to provide excellent oversight and guidance on what we face in our daily challenges.

In 2025 we invited our former CCO, Denise Dodini to join us as Director and we are pleased to welcome her effective January 1, 2025. We believe our Board is complemented by the best management team and employees in the Bay Area. They are passionate about customer service and creating shareholder value. We sincerely thank all of our employees for their hard work and dedication.

SHIRLEY W. NELSON
Chairman and CEO

STEVE NELSON
President and CEO

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 2024 was $4,536,000 compared to $5,492,000 in 2023, and $3,401,000 in 2022. The decrease in the year 2024's net income from the year 2023 was caused primarily due to a decrease in the interest income received from Excess Reserve from Fed Funds. The net income of $4,536,000 for 2024 represents diluted earnings per share of $3.90 which compared to diluted earnings per share of $4.72 in 2023, and diluted earnings per share of $2.90 per share in 2022.

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 17% 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 98% matures after one year while 0.45% 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 2024 was $15,390,000, a decrease from $16,681,000 posted in 2023 and an increase as compared to $12,431,000 in 2022. The decrease in 2024 was primarily the result of an increase in interest expenses paid on Time Deposits and Interest-bearing Transaction accounts which caused a decrease in net interest margin. Average earning assets decreased by 8.57% in 2024 to $288,068,000 from $315,059,000 in 2023 and as compared to $364,313,000 in 2022. Average total deposits were decreased by 11.75% to $252,760,000 in 2024 from $286,406,000 in 2023 and decreased 25.64% as compared to $339,893,000 in 2022.

Average loans outstanding decreased by 0.17% in 2024 to $196,461,000 as compared to $196,790,000 in 2023 and increased 5.49% as compared to $186,245,000 in 2022. The decrease in average loans was primarily the result of loan payoffs. Average outstanding investments decreased 22.54% to $91,607,000 in 2024 as compared to $118,268,000 in 2023 and decreased 48.56% as compared to $178,068,000 in 2022. The yield on average earning assets was 6.09% in 2024 as compared to 5.77% in 2023 and 3.58% in 2022. The increase in 2024 was primarily due to an increase in prime rate and the average interest rates on Due from Time accounts.

Interest expense increased 42.40% to $2,128,000 in 2024 from $1,494,000 in 2023 and increased 256.04% as compared to $598,000 in 2022. The increase in 2024 was primarily centered in the average rates paid on deposits. Average interest-bearing deposits decreased 2.83% to $136,779,000 in 2024 compared to $140,764,000 in 2023 and decreased 10.11% as compared to $152,158,000 in 2022. Average non-interest-bearing deposits decreased 20.37% in 2024 to $115,981,000 as compared to $145,642,000 in 2023 and decreased 38.22% as compared to $187,735,000 in 2022. Overall cost of funds in 2024 was 1.56% as compared to 1.06% in 2023 and 0.39% in 2022. Interest expense increased for customers' time deposits and savings accounts in 2024 as compared to the interest expense in 2023.

Non-Interest Income and Expense

Non-interest income, consisting primarily of service charges on deposit accounts and other income, was $799,000 in 2024, a decrease of 16.67% from $958,000 in 2023, and a decrease of 27.71% from $1,105,000 in 2022. The decrease in Non-Interest income was primarily due to a decrease in DDA Service Charges. Total service charge income from deposit accounts decreased 29.33% to $485,000 in 2024 from $686,000 in 2023 and 42.71% from $847,000 in 2022 and total income from other charges increased 15.24% to $314,000 in 2024 from $272,000 in 2023 and increased 21.43% from $258,000 in 2022.

Non-interest expenses increased 5.91% to $9,168,000 in 2024 from $8,657,000 in 2023 and 9.08% from $8,405,000 in 2022. Salary expense increased 5.24% to $5,804,000 in 2024 from $5,514,000 in 2023 and 10.17% from $5,268,000 in 2022. Legal expenses remained the same in 2024 at $121,000 and decreased by $1,000 over 2022. FDIC assessment expense decreased to $132,000 in 2024 from $150,000 in 2023 and increased from $104,500 in 2022, primarily due to a decrease in total deposits.

The Company's allowance for credit losses as a percent of loans was 3.19% as of December 31, 2024 as compared to 3.23% as of December 31, 2023 and 2.53% as of December 31, 2022. There was an accrual of $600,000 for loan loss provision in 2024, $1,200,000 in 2023 and $300,000 in 2022 and there were no charge offs during these years. At this time management believes that the allowance is appropriate.

Provision for Income Taxes

The provision for income taxes reflects a combined Federal and California effective tax rate of 29.40% in 2024, compared to 29.40% in 2023 and 29.60% in 2022, as described in Note 7 to the Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

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, 2024, the Company had $20,498,000 in cash and cash equivalents compared to $48,646,000 as of December 31, 2023 and $85,346,000 as of December 31, 2022. The decrease in 2024 was primarily due to a decrease in balances with Federal Reserve. The ratio of average loans to deposits for 2024 was 86.7% compared to 69.9% 2023 and 54.8% for 2022.

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 $91,905,000 at December 31, 2024 as compared to $90,570,000 at December 31, 2023, and $99,536,000 at December 31, 2022. This is equivalent to 31.3%, 28.5% and 27.6% of total assets at the corresponding year-ends, respectively. The increase was mainly due to the loans 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, 2024, 2023 and 2022, the Company had no non-performing assets.

Certain Factors that May Affect Results

The primary factor, which may affect future results, is the fluctuation of interest rates in the marketplace 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.

Independent Auditor's Report

The Board of Directors and Shareholders of
Summit Bancshares, Inc. and Subsidiary
Oakland, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Summit Bancshares, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024 and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Summit Bancshares, Inc. and Subsidiary as of December 31, 2024 and 2023, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Summit Bancshares, Inc. and Subsidiary, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Summit Bancshares, Inc. and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Summit Bancshares, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Summit Bancshares, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Laguna Hills, California
March 27, 2025

SUMMIT BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

ASSETS		**2024**		**2023**
Cash and due from banks		$ 4,998,054		$ 8,396,388
Federal funds sold		15,500,000		40,250,000
Cash and cash equivalents		20,498,054		48,646,388
Time deposits with other financial institutions		55,249,000		72,253,000
Debt securities held to maturity, at cost (fair value of $396,427 at December 31, 2024 and $395,449 at December 31, 2023)		395,273		395,703
Loans (net of related deferred loan fees)	206,044,270		184,967,771	
Less: allowance for credit losses	6,579,212		5,979,212	
Net loans		199,465,058		178,988,559
Premises and equipment, net		5,328,721		5,378,362
Right of use lease asset		1,044,661		1,333,363
Bank owned life insurance		5,735,875		5,591,382
Deferred tax assets		3,316,000		3,000,000
Interest receivable and other assets		2,707,863		2,790,272
Total Assets		$ 293,740,505		$ 318,377,029

LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Demand	$ 102,206,233	$ 124,702,618
Interest-bearing transaction accounts	94,100,778	95,651,313
Savings	8,623,128	11,393,092
Time certificates $250,000 and over	29,158,872	29,206,923
Other time certificates	3,492,605	3,349,829
Total deposits	237,581,616	264,303,775
Lease liability	1,044,661	1,333,363
Interest payable and other liabilities	7,556,532	7,506,217
Total Liabilities	246,182,809	273,143,355
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; 1,164,191 outstanding	2,027,688	2,027,688
Retained earnings	45,530,008	43,205,986
Total Shareholders' Equity	47,557,696	45,233,674
Total Liabilities and Shareholders' Equity	$ 293,740,505	$ 318,377,029

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

SUMMIT BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
INTEREST INCOME:			
Interest and fees on loans	$ 12,562,731	$ 12,617,768	$ 10,265,651
Interest on time deposits with other financial institutions	3,402,293	2,871,545	757,859
Interest on U.S. government agency securities	18,478	17,411	13,620
Interest on federal funds sold	1,534,317	2,668,123	1,991,400
Total interest income	17,517,819	18,174,847	13,028,530
INTEREST EXPENSE:			
Interest on savings deposits	2,949	3,983	5,315
Interest on interest-bearing transaction accounts	909,782	605,043	256,000
Interest on time deposits	1,215,152	885,270	336,343
Total interest expense	2,127,883	1,494,296	597,658
Net interest income	15,389,936	16,680,551	12,430,872
Provision for credit losses	600,000	1,200,000	300,000
Net interest income after provision for credit losses	14,789,936	15,480,551	12,130,872
NON-INTEREST INCOME:			
Service charges on deposit accounts	485,002	686,300	846,599
Other Income	313,686	272,211	258,316
Total non-interest income	798,688	958,511	1,104,915
NON-INTEREST EXPENSE:			
Salaries and employee benefits	5,803,571	5,514,384	5,268,066
Occupancy expense	713,882	718,016	674,765
Equipment expense	561,807	562,193	690,936
FDIC assessment	132,000	150,000	104,500
Legal expense	121,000	121,000	122,000
Insurance expense	113,675	93,273	100,493
Other	1,722,553	1,497,697	1,444,229
Total non-interest expense	9,168,488	8,656,563	8,404,989
Income before income taxes	6,420,136	7,782,499	4,830,798
Provision for income taxes	1,884,151	2,290,516	1,429,488
Net income and comprehensive income	$ 4,535,985	$ 5,491,983	$ 3,401,310
EARNINGS PER SHARE			
Earnings per common share (basic)	$ 3.90	$ 4.72	$ 2.90
Earnings per common share (diluted)	$ 3.90	$ 4.72	$ 2.90

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, 2024, 2023 AND 2022

	SHARES OUTSTANDING	COMMON STOCK	RETAINED EARNINGS	TOTAL
Balance at December 31, 2021	1,193,641	$ 2,322,188	$ 37,013,810	$ 39,335,998
Issuance of cash dividends,				
$.40 per share	-	-	(468,622)	(468,622)
Repurchase of common stock	(29,450)	(294,500)	(812,182)	(1,106,682)
Net income	-	-	3,401,310	3,401,310
Balance at December 31, 2022	1,164,191	$ 2,027,688	$ 39,134,316	$ 41,162,004
Issuance of cash dividends,				
$1.22 per share	-	-	(1,420,313)	(1,420,313)
Net income	-	-	5,491,983	5,491,983
Balance at December 31, 2023	1,164,191	$ 2,027,688	$ 43,205,986	$ 45,233,674
Issuance of cash dividends,				
$1.90 per share	-	-	(2,211,963)	(2,211,963)
Net income	-	-	4,535,985	4,535,985
Balance at December 31, 2024	1,164,191	$ 2,027,688	$ 45,530,008	$ 47,557,696

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, 2024, 2023 AND 2022

	2024	2023	2022
NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Net Income	$ 4,535,985	$ 5,491,983	$ 3,401,310
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	155,003	155,783	138,777
Provision for credit losses	600,000	1,200,000	300,000
Deferred income tax benefit	(316,000)	(594,000)	(157,000)
BOLI income	(144,493)	(138,844)	(132,404)
Increase in other assets and liabilities	132,722	34,776	627,651
Net cash provided by operating activities	4,963,217	6,149,698	4,178,334
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in time deposits with other financial institutions	17,004,000	(7,208,000)	(23,731,000)
Maturity of debt securities	430	1,400,000	-
Purchase of debt securities	-	(400,223)	(981,921)
Purchase of FHLB stock	-	(21,200)	-
Net decrease (increase) in loans to customers	(21,076,499)	12,672,588	(11,469,001)
Purchases of premises and equipment	(105,362)	(58,789)	(47,034)
Net cash (used in) provided by investing activities	(4,177,431)	6,384,376	(36,228,956)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Decrease in demand, interest bearing transaction, and savings deposits	(26,816,882)	(50,564,172)	(7,390,691)
Increase (decrease) in time deposits	94,725	2,751,114	(2,106,951)
Repurchase of common stock	-	-	(1,106,682)
Dividends paid	(2,211,963)	(1,420,313)	(468,622)
Net cash used in financing activities	(28,934,120)	(49,233,371)	(11,072,946)
Net decrease in cash and cash equivalents	(28,148,334)	(36,699,297)	(43,123,568)
Cash and cash equivalents at the beginning of the year	48,646,388	85,345,685	128,469,253
Cash and cash equivalents at the end of the year	$ 20,498,054	$ 48,646,388	$ 85,345,685

	2024	2023	2022
Supplemental Cash Flow Disclosure			
Income taxes paid	$ 2,259,100	$ 3,439,100	$ 826,600
Interest paid	$ 2,296,800	$ 1,267,368	$ 587,585
Lease liabilities arising from obtaining right-of-use assets	$ -	$ 548,670	$ -

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

1. Summary of Significant Accounting Policies

The accounting and reporting policies of Summit Bancshares, Inc. and its wholly owned subsidiary, Summit Bank (the "Bank"), a California state-chartered 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 mid-sized businesses and professionals, including professional firms of physicians, attorneys, accountants, real estate developers, retailers, and service firms, wholesalers, and distributors. The Bank has two subsidiary limited liability companies (LLCs) to help manage its other real estate and cannabis-related banking operations; Peak Equities, LLC and Minerva Compliance Services, LLC.

Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through March 27, 2025, which is the date the consolidated financial statements were available to be issued.

Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change in the near term is the determination of the allowance for credit losses.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of Summit Bancshares, Inc., the Bank, Peak Equities, LLC and Minerva Compliance Services, LLC, collectively referred to herein as the "Company". Significant inter-company transactions have been eliminated in consolidation. The Company's stock is listed and traded in the over-the-counter markets and is therefore considered a public business entity for financial reporting purposes.

Cash and Cash Equivalents

Cash and cash equivalents include cash and due from banks, federal funds sold and interest-bearing deposits in other financial institutions with original maturities of less than 90 days. Net cash flows are reported for customer loan and deposit transactions and interest-bearing deposits in other financial institutions.

Time Deposits with Other Financial Institutions

Time deposits with other financial institutions are carried at cost and have maturities at origination ranging from three months to three years. The Company 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.

Debt Securities Held-to-Maturity

Securities which the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity and are carried at amortized cost. Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

An allowance for credit losses (ACL) is established for losses on held-to-maturity debt securities at the time of purchase or designation and is updated each period to reflect management's expectations of current expected credit losses as of the date of the consolidated balance sheets. The ACL is estimated collectively for groups of debt securities with similar risk characteristics and is determined at the individual security level when the Company deems a security to no longer possess shared risk characteristics. For U.S. Treasury securities there are no expected credit losses as they are guaranteed by the U.S. government, are highly rated by major rating agencies, and have a long history of no credit losses.

For debt securities where the Company has reason to believe the credit loss exposure is remote, a zero-credit loss assumption is applied. Changes in the ACL on held-to-maturity debt securities are recorded as a provision for credit losses in the consolidated statements of income. Losses are charged against the ACL when management believes the uncollectibility of a held-to-maturity debt security is confirmed.

Premises and Equipment

Premises and equipment are carried at cost, net of accumulated depreciation and amortization. Depreciation on premises, furniture and equipment is calculated on a straight-line basis over the estimated useful life of the property, generally thirty-nine years for premises, 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.

Leases

The Company determines if an arrangement contains a lease at contract inception and recognize right-of-use ("ROU") assets and operating lease liabilities based on the present value of lease payments over the lease term. While operating leases may include options to extend the term, the Company does not take into account the options in calculating the ROU asset and lease liability unless it is reasonably certain such options will be reasonably exercised. The present value of lease payments is determined based on the Company's incremental borrowing rate and other information available at lease commencement. Leases with an initial term of 12 months or less are not recorded in the consolidated balance sheets. Lease expense is recognized on a straight-line basis over the lease term. The Company has elected to account for lease agreements with lease and non-lease components as a single lease component.

Federal Home Loan Bank ("FHLB") Stock

The Company is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on the ultimate recovery of par value. Both cash and stock dividends are reported as income. The Company's investment in FHLB stock was $985,000 at December 31, 2024 and 2023.

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. Interest is accrued on the unpaid loan balance.

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 nonaccrual 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 collectability. 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.

Accrued interest receivable on loans totaling $944,588 and $982,115 at December 31, 2024 and 2023, respectively, is included in interest receivable and other assets on the consolidated balance sheet and is excluded from the estimate of credit losses.

Allowance for Credit Losses (ACL) - Loans

The ACL for loans is a valuation account that is deducted from the loan’s amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged-off against the allowance when management believes the recorded loan balance is confirmed as uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management estimates the allowance balance using relevant information for each loan segment, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The ACL for loans is measured on a collective (pool) basis when similar risk characteristics exist. Historical credit loss experience since the year 2000, for a group of peer institutions of similar size and geographic location, provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made 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.

Historical credit loss experience is further adjusted by a forecast element for a period of up to 12 months for the effect of U.S. gross domestic production (GDP) as projected the FRB Open Market Committee. After the forecast period ends, the loss rate immediately reverts back to the historical rate.

A loan is considered collateral dependent when management determines that foreclosure is probable or when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The ACL on collateral dependent loans is measured using the amortized cost basis of the financial asset less the fair value of the underlying collateral, adjusted for costs to sell, when applicable. If the value of the underlying collateral is determined to be less than the recorded amount of the loan, a specific reserve for that loan is recorded. If the Company determines that the loss represented by the specific reserve is uncollectible it records a charge-off for the uncollectible portion.

Portfolio segments identified by the Company include real estate and commercial loans. Relevant risk characteristics for these portfolio segments generally include debt service coverage, loan-to-value ratios and financial.

Allowance for Credit Losses (ACL) – Unfunded Commitments

The Company also maintains a separate allowance for unfunded loan commitments. Beginning January 1, 2023, management estimates anticipated losses using expected loss factors consistent with those used for the ACL methodology for loans described above, and utilization assumptions based on historical experience. Provision for credit losses – unfunded commitments is included in provision for credit losses in the consolidated statements of income and added to the allowance for unfunded commitments, which is included in interest payable and other liabilities in the consolidated balance sheets.

Loan Modifications

The Company applies the general loan modification guidance provided in ASC 310-20 to all loan modifications, including modifications made for borrowers experiencing financial difficulty. The Company considers some of the indicators that a borrower is experiencing financial difficulty to be: currently in payment default on any of their debt, declaring bankruptcy, going concern, insufficient cash flow to service all debt service requirements, inability to obtain funds from other sources at a market rate for similar debt to non-troubled borrowers, and currently classified as substandard loans that are categorized as having well-defined weaknesses.

ASC 310-20 requires that certain types of modifications be reported, which consist of (1) principal forgiveness; (2) interest rate reduction; (3) other-than-insignificant payment delay; (4) term extension; and any combination of the above.

Bank Owned Life Insurance

The Company has purchased life insurance policies on certain key executives. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the consolidated balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Revenue Recognition - FASB Accounting Standards Codification Topic 606

The majority of the Company's revenues come from interest income and other sources, including loans, that are outside the scope of Topic 606. The Company's services that fall within the scope of Topic 606 are presented within non-interest income in the statements of income and are recognized as revenue as the Company satisfies its obligation to the customer.

Services within the scope of Topic 606 include service charges on deposits. The Company earns fees from its deposit customers for account-maintenance, transaction-based activity and overdraft services. Account maintenance fees consist primarily of account fees and analyzed account fees charged on deposit accounts on a monthly basis. The performance obligation is satisfied and the fees are recognized on a monthly basis as the service period is completed. Transaction-based fees, which include services such as stop payment charges, return item fees and wire transfer fees. The performance obligation is completed as the transaction occurs and the fees are recognized at the time each specific service is provided to the customer.

Income Taxes

Income taxes reported in the consolidated statements of income and comprehensive 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 Company 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 consolidated 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.

Comprehensive Income

The Company had no items of other comprehensive income for the twelve months ended December 31, 2024, 2023 and 2022. Accordingly, total comprehensive income was equal to net income for each of those periods.

Earnings Per Share (EPS)

Basic EPS excludes dilution and is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. The Company had no dilutive shares for the years 2024, 2023 and 2022.

Operating Segments

While the chief decision-makers monitor the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on a Company-wide basis. Discrete operating results are not reviewed by senior management to make resource allocation or performance decisions. Accordingly, all of the financial service operations are considered by management to be aggregated in one reportable operating segment.

The Company's reportable segments are determined by the Chief Executive Officer, who is the designated chief operating decision maker (CODM), based upon information provided about the Company's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided to the CODM, who uses such information to review performance of various components of the business, which are then aggregated if operating performance, products/services, and customers are similar. The CODM will evaluate the financial performance of the Company's business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's segment and in the determination of allocating resources. The CODM uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The CODM uses net income to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessing performance and in establishing compensation. Loans, investments and deposits provide the revenues in the banking operation. Interest expense, provisions for credit losses and payroll provide the significant expenses in the banking operation. All operations are domestic.

Accounting policies for segments are the same as those described in Note 1. Segment performance is evaluated using net income. Information reported internally for performance assessment by the CODM is included within the statements of income.

Adoption of Accounting Standards

On January 1, 2023, the Company adopted Accounting Standard Update ("ASU") 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)*, as amended, which replaces the incurred loss methodology with an expected loss methodology referred to as current expected credit losses ("CECL"). The measurement of expected losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loans, held-to-maturity debt securities and off-balance sheet credit exposures. In addition, Topic 326 made changes to the accounting for available-for-sale debt securities including the requirement to present credit losses as an allowance rather than a write-down on available-for-sale debt securities that management does not intend to sell or believes it is more likely than not they will be required to sell.

The Company adopted ASU 2016-13 using the modified retrospective transition approach which resulted in no change to the amounts previously recorded under the incurred loss methodology. Results for reporting periods beginning after January 1, 2023 are presented under CECL while prior period amounts continue to be reported in accordance with the incurred loss methodology. As permitted under ASC 326, the Company elected to maintain the same loan segments that it previously identified prior to adoption of CECL. At adoption of CECL and continuing through December 31, 2023, the Company did not record an ACL on debt securities held-to-maturity as this portfolio consisted of debt securities backed by the U.S. government and historically have had no credit loss experience. Refer to Note 2, Debt Securities, for more information.

Concurrent with the adoption of ASU 2016-13, the Company adopted ASU 2022-02, Financial Instruments—Credit Losses (Topic 326) Troubled Debt Restructurings ("TDR") and Vintage Disclosures, which eliminated TDR accounting prospectively for all loan modifications occurring on or after January 1, 2023 and added additional disclosure requirements for current period gross charge-offs by year of origination in the credit quality disclosure for loans. It also prescribes guidance for reporting modifications for certain loan refinancings and restructurings made to borrowers experiencing financial difficulty.

Effective January 1, 2024, the Company adopted Accounting Standards Update (ASU) 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU requires that public entities (including those with a single reportable segment) make all existing segment disclosures required by Topic 280 Segment Reporting on both an annual and interim basis. Significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss and other segment items must also be disclosed. The CODM's title and position is also required to be disclosed as well as how the CODM uses each reported measure to assess segment performance and in deciding how to allocate resources. The ASU does not change how a public entity determines its reportable segments.

The amendments related to the ASU were applied retrospectively to the segment information disclosed for all prior periods presented in the accompanying financial statements. Adoption of the amendments of the ASU did not impact any of the amounts presented in the basic financial statements.

2. Debt Securities

The amortized cost and estimated fair values of investments in debt securities held to maturity as of December 31, 2024 and 2023 are as follows:

December 31, 2024	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**
U.S. Treasury Securities	$ 395,273	$ 1,154	$ -	$ 396,427
December 31, 2023				
U.S. Treasury Securities	$ 395,703	$ -	$ (254)	$ 395,449

Securities held at December 31, 2024 are due within one year. There were no sales of investments in debt securities during 2024, 2023 and 2022. At December 31, 2024 and 2023, securities carried at $395,273 and $395,703, respectively, were pledged to secure public deposits as required by law.

At December 31, 2024 and 2023 no ACL was established for held-to-maturity securities.

3. Loans and Allowance for Credit Losses

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

A summary of loans as of December 31, 2024, and 2023 (net of unearned loan fees of $866,011 and $754,011, respectively), is as follows:

	2024	**2023**
Real estate	$ 167,412,208	$ 156,824,105
Commercial loans	38,632,062	28,143,666
	206,044,270	184,967,771
Less: allowance for credit losses	(6,579,212)	(5,979,212)
	$ 199,465,058	$ 178,988,559

The changes in the allowance for credit losses on loans for the years ended December 31, 2024, 2023, and 2022 are as follows:

	2024	**2023**	**2022**
Beginning of year	$ 5,979,212	$ 4,879,212	$ 4,579,212
Adoption of ASC 326	-	-	-
Provisions	600,000	1,050,000	300,000
Recoveries	-	50,000	-
Charge-offs	-	-	-
End of year	$ 6,579,212	$ 5,979,212	$ 4,879,212

The following table presents the activity in the allowance for credit losses for the year ended December 31, 2024, by portfolio segment:

December 31, 2024	**Real Estate**	**Commercial**	**Total**
Beginning of year	$ 4,911,052	$ 1,068,160	$ 5,979,212
Provisions	240,363	359,637	600,000
Recoveries	-	-	-
Charge-offs	-	-	-
End of year	$ 5,151,415	$ 1,427,797	$ 6,579,212

The following table presents the activity in the allowance for credit losses for the year ended December 31, 2023, by portfolio segment:

December 31, 2023	**Real Estate**	**Commercial**	**Total**
Beginning of year	$ 4,148,696	$ 730,516	$ 4,879,212
Adoption of ASC 326	-	-	-
Provisions	762,356	287,644	1,050,000
Recoveries	-	50,000	50,000
Charge-offs	-	-	-
End of year	$ 4,911,052	$ 1,068,160	$ 5,979,212

In addition to the ACL on loans, the Company has established an ACL on unfunded commitments. The changes in the allowance for credit losses on unfunded commitments for the years ended December 31, 2024, 2023, and 2022 are as follows:

	2024	2023	2022
Beginning of year	$ 300,000	$ 150,000	$ 150,000
Adoption of ASC 326	-	-	-
Provision for credit losses	-	150,000	-
End of year	$ 300,000	$ 300,000	$ 150,000

The Company 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 Company 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 Company 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.

Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

The risk category of loans by class of loans and year of origination as of December 31, 2024 follows:

	Term Loans Amortized Cost by Origination Year					Revolving Loans Amortized	
	2024	**2023**	**2022**	**2021**	**Prior**	**Cost Basis**	**Total**
Real Estate							
Construction							
Pass	$ 1,375,203	$ -	$ -	$ -	$ -	$ -	$ 1,375,203
Special mention				4,795,905			4,795,905
	1,375,203	-	-	4,795,905	-	-	6,171,108
Residential							
Pass	9,440,352	3,192,027	4,459,561	4,659,590	11,279,090	4,893,094	37,923,714
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	702,068	-	702,068
	9,440,352	3,192,027	4,459,561	4,659,590	11,981,158	4,893,094	38,625,782
Commercial							
Pass	13,736,331	3,128,336	12,394,822	24,406,576	53,424,842	1,336,363	108,427,270
Special mention	-	-	-		6,395,244	-	6,395,244
Substandard	-	-	-	-	7,292,804	500,000	7,792,804
	13,736,331	3,128,336	12,394,822	24,406,576	67,112,890	1,836,363	122,615,318
Total real estate loans	24,551,886	6,320,363	16,854,383	33,862,071	79,094,048	6,729,457	167,412,208
Commercial							
Pass	10,551,714	368,170	9,924,429	37,500	162,376	15,637,303	36,681,492
Special mention	-	-	892,250	-	-	-	892,250
Substandard	-	-	-	-	1,058,320	-	1,058,320
Total commercial loans	10,551,714	368,170	10,816,679	37,500	1,220,696	15,637,303	38,632,062
Total loans	$ 35,103,600	$ 6,688,533	$ 27,671,062	$ 33,899,571	$ 80,314,744	$ 22,366,760	$ 206,044,270
Total loans							
Pass	$ 35,103,600	$ 6,688,533	$ 26,778,812	$ 29,103,666	$ 64,866,308	$ 21,866,760	$ 184,407,679
Special mention	-	-	892,250	4,795,905	6,395,244	-	12,083,399
Substandard	-	-	-	-	9,053,192	500,000	9,553,192
Total loans	$ 35,103,600	$ 6,688,533	$ 27,671,062	$ 33,899,571	$ 80,314,744	$ 22,366,760	$ 206,044,270

The Company recorded no charge-offs during the three-year period ended December 31, 2024.

The risk category of loans by class of loans and year of origination as of December 31, 2023 follows:

	Terms Loans Amortized Cost by Origination Year				Revolving Loans Amortized	
	2023	**2022**	**2021**	**Prior**	**Cost Basis**	**Total**
Real Estate						
Construction - Pass	$ 623,070	$ 3,371,136	$ 6,723,134	$ 472,286	$ -	$ 11,189,626
Residential						
Pass	3,019,930	4,532,822	2,800,465	10,962,116	4,018,163	25,333,496
Special mention	-	-	-	1,272,547	-	1,272,547
Substandard	-	-	-	708,801	-	708,801
	3,019,930	4,532,822	2,800,465	12,943,464	4,018,163	27,314,844
Commercial						
Pass	3,228,567	14,147,683	25,094,713	58,110,591	1,067,561	101,649,115
Special mention	-	-	-	8,426,845	349,915	8,776,760
Substandard	-	-	-	7,393,760	500,000	7,893,760
	3,228,567	14,147,683	25,094,713	73,931,196	1,917,476	118,319,635
Total real estate loans	6,871,567	22,051,641	34,618,312	87,346,946	5,935,639	156,824,105
Commercial						
Pass	988,223	12,652,347	-	681,883	11,817,818	26,140,271
Special mention	-	-	-	444,512	200,000	644,512
Substandard	-	-	-	1,358,883	-	1,358,883
Total commercial loans	988,223	12,652,347	-	2,485,278	12,017,818	28,143,666
Total loans	$ 7,859,790	$ 34,703,988	$ 34,618,312	$ 89,832,224	$ 17,953,457	$ 184,967,771
Total loans						
Pass	$ 7,859,790	$ 34,703,988	$ 34,618,312	$ 70,226,876	$ 16,903,542	$ 164,312,508
Special mention	-	-	-	10,143,904	549,915	10,693,819
Substandard	-	-	-	9,461,444	500,000	9,961,444
Total loans	$ 7,859,790	$ 34,703,988	$ 34,618,312	$ 89,832,224	$ 17,953,457	$ 184,967,771

The Company recorded no charge-offs during the three-year period ended December 31, 2023.

The Company had no loans past due over 30 days, no nonaccrual loans, and no collateral dependent loans as of December 31, 2024 and 2023. There were no nonaccrual loans for which there was no ACL as of December 31, 2024 and 2023 and there was no interest income recognized on nonaccrual loans during the years then ended.

The Company had no loan purchases as of December 31, 2024, and 2023. The Company sold one commercial real estate loan in the amount of $3.0 million in 2024. No loans were sold in 2023.

4. Related Party Transactions

The Company 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 collectability or present other unfavorable features.

As of December 31, 2024 and 2023, loans outstanding to directors, officers, and principal shareholders and their known associates were $4,139,043 and $3,711,173, respectively. In 2024, advances on current directors' loans were $695,979 and collections were $268,108. In 2023, advances on current directors' loans were $1,513,336 and collections were $482,723. In 2022, advances on current directors' loans were $1,674,000 and collections were $1,574,680. As of December 31, 2024 and 2023 total deposits of directors, officers and principal shareholders and their known associates totaled $9,594,211 and $9,465,365, respectively.

5. Premises and Equipment

Premises and equipment consisted of the following:

	Cost	Accumulated Depreciation	Net Book Value
December 31, 2024			
Land	$ 1,297,500	$ -	$ 1,297,500
Building	4,599,302	777,819	3,821,483
Leasehold improvements	1,258,978	1,240,279	18,699
Furniture and equipment	2,664,543	2,473,504	191,039
Total	$ 9,820,323	$ 4,491,602	$ 5,328,721
December 31, 2023			
Land	$ 1,297,500	$ -	$ 1,297,500
Building	4,599,302	656,717	3,942,555
Leasehold improvements	1,258,978	1,225,381	33,597
Furniture and equipment	2,559,180	2,454,470	104,710
Total	$ 9,714,960	$ 4,336,568	$ 5,378,362

Depreciation and amortization included in occupancy and equipment expenses was $155,033, $155,783 and $152,397 for the years ended December 31, 2024, 2023 and 2022, respectively.

6. Leases

All leases are operating leases for corporate offices and branch locations. The amount of the lease liability and ROU asset is impacted by the lease term and the discount rate applied to determine the present value of future lease payments. The remaining terms of operating leases range from 2.6 to 4.3 years.

Most leases include one or more options to renew, with renewal terms that can extend the lease term by varying amounts. The exercise of renewal options is at the sole discretion of the Company. Renewal option periods were not included in the measurement of ROU assets and lease liabilities as they are not considered reasonably certain of exercise.

Consolidated balance sheet and supplemental information at December 31, 2024 and 2023 are shown below.

	2024	2023
Operating lease right-of-use assets	$ 1,044,661	$ 1,333,363
Operating lease liabilities included in interest payable and other liabilities	$ 1,044,661	$ 1,333,363
Weighted-average remaining lease term, in years	3.30	4.25
Weighted-average discount rate	5.87%	5.80%

Other lease costs primarily represent variable payments such as common area maintenance and utilities. The following table represents lease costs and other lease information for the years ended December 31, 2024, 2023 and 2022:

Lease cost:	2024	2023	2022
Operating lease cost	$ 321,839	$ 323,124	$ 323,381
Other lease costs	73,676	71,797	54,016
Total lease costs	$ 395,515	$ 394,921	$ 377,397

Other Information:	2024	2023	2022
Cash paid for amounts included in measurement of lease liabilities	$ 358,472	$ 370,679	$ 367,875
Right-of-Use assets obtained in exchange for lease obligations	$ -	$ 548,670	$ -

Maturities of lease liabilities for periods indicated:

Year Ending	
2025	$ 361,877
2026	365,384
2027	266,926
2028	127,749
2029	35,789
Total lease payments	1,157,725
Less imputed interest	(113,064)
Present value of net future minimum lease payments	$ 1,044,661

7. Income Taxes

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

	2024	2023	2022
Current:			
Federal	$ 1,376,965	$ 1,863,159	$ 1,025,729
State	823,186	1,021,357	560,759
Total current	2,200,151	2,884,516	1,586,488
Deferred:			
Federal	(189,000)	(416,000)	(113,000)
State	(127,000)	(178,000)	(44,000)
Total deferred	(316,000)	(594,000)	(157,000)
Total taxes	$ 1,884,151	$ 2,290,516	$ 1,429,488

The components of the net deferred tax asset of the Company as of December 31, 2024 and 2023, were as follows:

	2024	2023
Deferred Tax Assets:		
Allowance for credit losses	$ 1,507,000	$ 1,330,000
State taxes	171,000	212,000
Deferred salary	1,686,000	1,546,000
Other, net	405,000	366,000
	3,769,000	3,454,000
Deferred Tax Liabilities:		
Depreciation	(390,000)	(407,000)
Other	(63,000)	(47,000)
	(453,000)	(454,000)
Net Deferred Tax Asset	$ 3,316,000	$ 3,000,000

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:

	2024		2023		2022	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal income tax expense, based on the statutory federal income tax rate	$ 1,348,228	21.00%	$ 1,634,000	21.00%	$ 1,014,000	21.00%
State franchise taxes, net of federal income tax benefit	541,680	8.40%	657,000	8.40%	408,000	8.40%
Other, net	(5,757)	.00%	(484)	.00%	7,488	.20%
Tax provision	$ 1,884,151	29.40%	$ 2,290,516	29.40%	$ 1,429,488	29.60%

The Company records interest and penalties related to uncertain tax positions as part of operating expense. There was no penalty or interest expense recorded in the years 2024, 2023 and 2022. We do not expect the total amount of unrecognized tax benefits to significantly increase or decrease within the next twelve months.

The Company is subject to federal income tax and income tax of the state of California. Federal income tax returns for the years ended December 31, 2023, 2022 and 2021 are open to audit by the federal authorities and California state tax returns for the years ended December 31, 2023, 2022, 2021 and 2020, are open to audit by state authorities.

8. Time Deposits

Time deposits issued as of December 31, 2024, had $30,417,553 maturing in the year 2025, $1,140,312 maturing in the year 2027, and the remaining $1,093,612 maturing in 2029.

9. Borrowings

The Company has available or unused federal funds lines of credit agreements with other banks. The maximum borrowings available under these lines totaled $21,400,000 at December 31, 2024 and 2023. There were no borrowings outstanding under these agreements at December 31, 2024 and 2023.

The Company 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, 2024, this line provided for a maximum borrowing capacity of $17,142,063. There was no outstanding balance as of December 31, 2024 and 2023. At December 31, 2024, this borrowing line was collateralized by loans with a carrying value of $35,070,664.

10. Regulatory Capital

The Bank is 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 consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank’s assets, liabilities, and certain off-balance-sheet 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.

In July 2013, the federal bank regulatory agencies approved the final rules implementing the Basel Committee on Banking Supervision's capital guidelines for U.S. banks. The new rules became effective on January 1, 2015. Under the rules, minimum requirements increased for both the quantity and quality of capital held by the Bank. The rules include a new common equity Tier 1 ("CET1") capital to risk-weighted assets ratio with minimums for capital adequacy and prompt corrective action purposes of 4.5% and 6.5%, respectively. The minimum Tier 1 capital to risk-weighted assets ratio was raised from 4.0% to 6.0% under the capital adequacy framework and from 6.0% to 8.0% to be well-capitalized under the prompt corrective action framework. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital.

In addition, the rules introduced the concept of a "conservation buffer" of 2.5% applicable to the three capital adequacy risk-weighted asset ratios (CET1, Tier 1 and Total). If the capital adequacy minimum ratios plus the phased-in conservation buffer amount exceed actual risk-weighted capital ratios, then dividends, share buybacks and discretionary bonuses to executives could be limited in amount. Based on the level of actual risk-weighted capital ratios at December 31, 2024, the Bank is not limited by the provisions of the conservation buffer. Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of total, Tier 1 and CET1 capital to risk-weighted assets and of Tier 1 capital to average assets. Management believes, as of December 31, 2024 and 2023, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2024 and 2023, the most recent notification from Federal Deposit Insurance Corporation categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. To be categorized as well-capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the Bank's category.

The Company's 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, 2024						
Total Capital						
(to Risk Weighted Assets)						
Consolidated	$ 50,290,081	22.76%	$ 17,675,520	8.00%	$ 22,094,400	10.00%
Bank	50,290,000	22.76%	17,675,520	8.00%	22,094,400	10.00%
Common Equity Tier 1 Capital						
(to Risk Weighted Assets)						
Consolidated	47,558,000	21.52%	9,942,480	4.50%	14,361,360	6.50%
Bank	47,477,000	21.49%	9,942,480	4.50%	14,361,360	6.50%
Tier 1 Capital						
(to Risk Weighted Assets)						
Consolidated	47,558,000	21.52%	13,256,640	6.00%	17,675,520	8.00%
Bank	47,477,000	21.49%	13,256,640	6.00%	17,675,520	8.00%
Tier 1 Capital						
(to Average Assets)						
Consolidated	47,558,000	15.93%	11,942,960	4.00%	14,928,700	5.00%
Bank	47,477,000	15.90%	11,942,960	4.00%	14,928,700	5.00%
As of December 31, 2023						
Total Capital						
(to Risk Weighted Assets)						
Consolidated	$ 47,972,051	21.84%	$ 17,570,880	8.00%	$ 21,963,600	10.00%
Bank	47,972,000	21.84%	17,570,880	8.00%	21,963,600	10.00%
Common Equity Tier 1 Capital						
(to Risk Weighted Assets)						
Consolidated	45,234,000	20.59%	9,883,620	4.50%	14,276,340	6.50%
Bank	45,183,000	20.57%	9,883,620	4.50%	14,276,340	6.50%
Tier 1 Capital						
(to Risk Weighted Assets)						
Consolidated	45,234,000	20.59%	13,178,160	6.00%	17,570,880	8.00%
Bank	45,183,000	20.57%	13,178,160	6.00%	17,570,880	8.00%
Tier 1 Capital						
(to Average Assets)						
Consolidated	45,234,000	14.07%	12,858,680	4.00%	16,073,350	5.00%
Bank	45,183,000	14.06%	12,858,680	4.00%	16,073,350	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, 2024, the Bank could pay dividends to the Company of up to approximately $8.7 million without prior regulatory approval.

Banking regulations require that all banks maintain a percentage of their deposits as reserves in cash or on deposit with the Federal Reserve Bank. Effective March 12, 2021, the Federal Reserve's board of directors approved a final rule reducing the required reserve requirement ratios to zero percent, effectively eliminating the requirement to maintain reserve balances in cash or on deposit with the Federal Reserve Bank.

12. Commitments and Contingent Liabilities

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. Employee Plans

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, 85% of compensation up to $22,500 with a Catch-Up contribution of $7,500 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, $106,508 was contributed in 2024, $107,923 in 2023 and $113,085 in 2022.

Stock Appreciation Plan

The Company adopted the 2018 Stock Appreciation Plan ("Employee Plan") for the purpose of encouraging staff to see Summit as a place where long term commitment is rewarded by providing additional incentive compensation to employees contributing to the successful operation of the Company. The Plan provides for a base of 50 phantom shares to be issued for the first year of service with that base increased at each employment anniversary date by 5 additional shares. Phantom shares vest 5 years after the employment anniversary date except that shares granted to employees with 5 years or more of Company employment at the time of the grant are subject to immediate vesting. The base value of each phantom share issued is the fair market value of the stock on the date of grant.

The Company also adopted a similar plan in 2014 for certain executives ("Executive Plan"), granting 30,000 phantom shares in 2014 and 2015 at a weighted-average price of $15.35 per share. Shares vest over a 5 year period from the date of grant, with exercise restricted until the advent of a change in control event. In 2021, the Company extended the expiration date of these executive phantom shares to December 31, 2023 and removed the change in control requirement to exercise. A total of 20,000 Executive Plan phantom shares were exercised in 2022 and the remaining 10,000 shares were exercised in 2023.

A summary of the status of the phantom unvested shares under the Employee Plan as of December 31, 2024 and 2023, and changes during the years then ended, follows:

	2024		2023	
	Unvested Shares	Weighted-Average Grant Date Value	Unvested Shares	Weighted-Average Grant Date Value
Balance, beginning of year	905	$ 34.00	515	$ 35.73
Granted	2,870	41.47	2,795	37.43
Vested	(2,225)	42.24	(2,255)	37.61
Forfeited	(440)	40.09	(150)	36.56
Balance, end of year	1,110	$ 37.86	905	$ 34.00

Compensation expense associated with the stock appreciation plans was $185,000 in 2024, $25,000 in 2023, and $180,000 in 2022.

Salary Continuation and Deferred Compensation Plans

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 salary continuation plan was $529,824 in 2024, $343,137 in 2023, and $321,159 in 2022. The associated liability for the salary continuation plan was $5,703,468 as of December 31, 2024, and $5,230,331 as of December 31, 2023.

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 consolidated balance sheet. 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 on-balance-sheet instruments.

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At December 31, 2024 and 2023, financial instruments whose contract amounts represent credit risk are as follows:

	Contract Amount	
	2024	**2023**
Commitments to extend credit in the future	$ 29,409,000	$ 39,391,000
Standby letters of credit	444,000	531,000
Total	$ 29,853,000	$ 39,922,000

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 case-by-case 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 counter-party. Collateral held varies but may include accounts receivable, inventory, property, plant, and equipment, and income-producing 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 Measurements

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 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 and Nonrecurring Basis

The Company does not have any assets measured at fair value on a recurring or nonrecurring basis as of December 31, 2024 or 2023.

Fair Value of Financial Instruments

The carrying amount and estimated fair value of financial instruments not measured at fair value at December 31, 2024 and 2023 are as follows (dollars in thousands):

		2024		2023	
	Fair Value Hierarchy	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets					
Cash and cash equivalents	Level 1	$ 20,498	$ 20,498	$ 48,646	$ 48,646
Time deposits in other financial institutions	Level 2	55,249	55,249	72,253	72,253
Debt securities held to maturity	Level 2	395	396	396	395
Loans, net	Level 3	206,044	207,048	178,989	171,840
FHLB stock	Level 2	985	985	985	985
Liabilities					
Noninterest-bearing deposits	Level 1	143,520	143,520	124,703	124,703
Interest-bearing deposits	Level 2	94,100	94,040	139,601	138,485

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

The following are the balance sheets as of December 31, 2024 and 2023 and the related statements of income and cash flows for the years ended December 31, 2024, 2023 and 2022 for Summit Bancshares, Inc. (parent company only):

BALANCE SHEET	**2024**	**2023**
ASSETS:		
Cash	$ 38,542	$ 13,219
Investment in subsidiary	47,477,521	45,182,672
Other assets	41,633	37,783
Total Assets	$ 47,557,696	$ 45,233,674
LIABILITIES:		
Other liabilities	$ -	$ -
Total Liabilities	-	-
Shareholders' Equity:		
Common Stock	2,027,688	2,027,688
Retained Earnings	45,530,008	43,205,986
Total Shareholders' Equity	47,557,696	45,233,674
Total Liabilities and Shareholders' Equity	$ 47,557,696	$ 45,233,674

STATEMENTS OF INCOME (year ended December 31)	**2024**	**2023**	**2022**
INCOME:			
Interest on short-term investments and loans	$ -	$ -	$ -
Other income	-	-	-
Total income	-	-	-
EXPENSE:			
Miscellaneous expense	12,713	14,311	10,374
Total expense	12,713	14,311	10,374
Income (loss) before income tax and equity in earnings of subsidiary	(12,713)	(14,311)	(10,374)
Income tax provision (benefit)	(3,849)	(4,284)	(3,112)
Income (loss) before equity in earnings of subsidiary	(8,864)	(10,027)	(7,262)
Equity in earnings of subsidiary:			
Distributed	2,250,000	1,000,000	1,500,000
Undistributed	2,294,849	4,502,010	1,908,572
Net Income	$ 4,535,985	$ 5,491,983	3,401,310

SUMMIT BANCSHARES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 and 2022

The following are the statements of cash flows for the years ended December 31, 2024, 2023 and 2022 for Summit Bancshares, Inc. (parent company only):

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Dividends received	$ 2,250,000	$ 1,000,000	$ 1,500,000
Cash paid to suppliers	(12,714)	(14,312)	(10,374)
Income taxes received (paid)	-	-	162,042
Net cash provided by operating activities	2,237,286	985,688	1,651,668
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash provided by investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(2,211,963)	(1,420,313)	(468,622)
Repurchase of common stock	-	-	(1,106,682)
Net cash (used in) financing activities	(2,211,963)	(1,420,313)	(1,575,304)
Net (decrease) increase in cash and cash equivalents	25,323	(434,625)	76,364
Cash at the beginning of the year	13,219	447,844	371,480
Cash at the end of the year	$ 38,542	$ 13,219	$ 447,844
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Net income	$ 4,535,985	$ 5,491,983	$ 3,401,310
Adjustments to reconcile net income to net cash provided by operating activities:			
Non-cash earnings from subsidiary	(2,294,849)	(4,502,010)	(1,908,572)
(Increase) decrease in other assets and liabilities	(3,850)	(4,285)	158,930
Total adjustments	(2,298,699)	(4,506,295)	(1,749,642)
Net cash provided by operating activities	$ 2,237,286	$ 985,688	$ 1,651,668

Corporate Directory

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Executive Chairman
Summit Bank
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George Hollidge
Retired
Danville

John Protopappas
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Compliance Officer/Operations Administrator

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Summit Bank

SUMMIT BANCSHARES INC.

2024 ANNUAL REPORT

Member FDIC

EQUAL HOUSING OPPORTUNITY