

NASDAQ: SSBI / \$14.81 October 24, 2022

FACT SHEET

3Q22 FINANCIAL HIGHLIGHTS

- Net income for the third quarter of 2022 increased \$183,000, or 5%, to \$3.98 million, or \$0.59 per diluted share, compared to net income of \$3.80 million, or \$0.63 per diluted share for the third quarter of 2021.
- The net interest margin for the third quarter of 2022 was 4.42%, annualized return on average assets was 1.56% and annualized return on average equity was 18.12%. This compared to a net interest margin of 4.31%, annualized return on average assets of 1.68% and annualized return on average equity of 18.54%, respectively, for the third quarter of 2021.
- Net loans increased 13% to \$893.6 million at September 30, 2022, compared to \$792.5 million at September 30, 2021.
- Total deposits increased 16% to \$868.9 million at September 30, 2022, compared to \$749.0 million at September 30, 2021
- Due to strong loan production, the Bank recorded a \$770,000 provision for credit loss expense in the third quarter of 2022. This compared to no provision for credit loss expense in the third quarter of 2021.
- The allowance for credit losses to total loans was 1.57% on September 30, 2022 and 1.42% on September 30, 2021.
- Nonperforming assets were \$3.95 million, or 0.38% of total assets, at September 30, 2022, compared to \$416,000, or 0.05% of total assets, at September 30, 2021.
- The efficiency ratio improved to 45.93% for the third quarter of 2022, compared to 50.71% for the third quarter of 2021.
- The Company remains well capitalized with a Tier 1 capital ratio of 9.64%, a Total capital ratio of 11.5% and a Tier 1 leverage ratio of 8.71% at September 30, 2022.
- The Board of Directors declared a quarterly cash dividend of \$0.12 per share, payable on November 17, 2022 to shareholders of record on November 10, 2022.
- The Board of Directors paid a 10% stock dividend on November 4, 2021 to shareholders of record as of October 29, 2021. Each shareholder of the Bank received one additional share of stock for every ten shares owned on the record date.

ABOUT SUMMIT STATE BANK

Summit State Bank, a local community bank, has total assets of \$1.044 billion and total equity of \$84 million at September 30, 2022. Headquartered in Sonoma County, the Bank specializes in providing exceptional customer service and customized financial solutions to aid in the success of local small businesses and nonprofits throughout Sonoma County.

Summit State Bank is committed to embracing the diverse backgrounds, cultures and talents of its employees to create high performance and support the evolving needs of its customers and community it serves. At the center of diversity is inclusion, collaboration, and a shared vision for delivering superior service to customers and results for shareholders. Presently, 63% of management are women and minorities with 60% represented on the Executive Management Team. Through the engagement of its team, Summit State Bank has received many esteemed awards including: Best Business Bank, Best Places to Work in the North Bay, Top Community Bank Loan Producer, Raymond James Bankers Cup, Super Premier Performing Bank, and Piper Sandler's Bank & Thrift Sm-All Stars. Summit State Bank's stock is traded on the Nasdaq Global Market under the symbol SSBI. Further information can be found at www.summitstatebank.com.

| Stock Price (10/24/22) | \$14.81 |
|------------------------|----------|
| Shares Outstanding | 6.73 KM |
| Market Cap | \$99.7 M |
| TTM EPS | \$2.41 |
| Price/TTM EPS | 6.14x |
| Book Value/Share | \$12.62 |
| Price/ Book Value | 1.17x |
| NIM (annualized) | 4.42% |
| ROAA (3Q22) | 1.56% |
| ROAE (3Q22) | 18.12% |
| Dividend Yield | 3.24% |

Corporate Information

Summit State Bank

500 Bicentennial Way Santa Rosa, CA 95403 Phone: 707.568.6000

Executive Management

Brian Reed President & CEO

Camille Kazarian EVP & Chief Financial Officer

Genie Del Secco EVP & Chief Operating Officer

Brandy Seppi EVP & Chief Lending Officer

Michael Castlio EVP & Chief Credit Officer

The company described in this report is a client of The IR Group, Inc., a securities industry relations firm. This report was prepared using information obtained from management and from publications available to the public. This report does not purport to be a complete statement of all material facts and is not to be construed as a recommendation or solicitation to buy or sell securities of the company described herein. Upon receiving a written request sent through its website at <u>www.thelRGroup.com</u>. The IR Group ill provide a package of detailed information on the client company. The IR Group is compensated by the client company for services rendered on a continuing basis and consequently, the amount of such compensation related to the preparation and distribution of this report is not separately determinable.

SUMMIT STATE BANK Member FDIC

NASDAQ: SSBI / \$14.81

October 24, 2022

FINANCIAL HIGHLIGHTS

(\$ in thousands, except per share data)

| Income Statement | | | Three | Months Ended | | | |
|--|-----------|--------------------|-----------|--------------|-----------|-----------|--|
| (unaudited) | : | 30-Sep-22 | 30-Jun-22 | | 30-Sep-21 | | |
| Total interest income | \$ | 12,541 | \$ | 11,346 | \$ | 10,601 | |
| Total interest expense | | 1,549 | | 1,044 | | 1,016 | |
| Net interest income | | 10,992 | | 10,302 | | 9,585 | |
| Provision for credit losses on loans | | 753 | | 988 | | - | |
| Provision for credit losses on unfunded loan commitments | | 17 | | 10 | | - | |
| Net interest income after provision | 10,222 | | 9,304 | | | 9,585 | |
| Total non-interest income | 1,055 | | 2,354 | | | 1,359 | |
| Total non-interest expense | 5,533 | | 5,298 | | | 5,550 | |
| Income before provision for income taxes | | 5,744 | | 6,360 | | 5,394 | |
| Provision for income taxes | | 1,765 | | 1,859 | | 1,598 | |
| Net income | \$ | 3,979 | \$ | 4,501 | \$ | 3,796 | |
| Selected per Common Share Data | | | | | | | |
| Diluted EPS (4) | \$ | 0.59 | \$ | 0.67 | \$ | 0.57 | |
| Dividends per share (4) | | 0.12 | \$ | 0.12 | \$ | 0.12 | |
| Book value per common share (1)(4) | \$ \$ | 12.62 | \$ | 12.66 | \$ | 13.51 | |
| Balance Sheet | 30-Sep-22 | | 30-Jun-22 | | 30-Sep-21 | | |
| Total assets | \$ | 1,043,812 | \$ | 980,785 | \$ | 922,592 | |
| Total shareholders' equity | \$ | 84,421 | \$ | 84,664 | \$ | 81,983 | |
| Total shareholders' equity before AOCI | \$ | 94,786 | \$ | 91,484 | \$ | 81,775 | |
| Total deposits | \$ | 868,912 | \$ | 819,932 | \$ | 749,007 | |
| Loans receivable, net | \$ | 893,580 | \$ | 838,265 | \$ | 792,504 | |
| | | Three Months Ended | | | | | |
| Select Financial Ratios | | 30-Sep-22 | | 30-Jun-22 | | 30-Sep-21 | |
| Return on average assets (2) | | 1.56% | | 1.85% | | 1.68% | |
| | | | | | | | |

Return on average common shareholders' equity (2) Efficiency ratio (3)

Net interest margin (2)

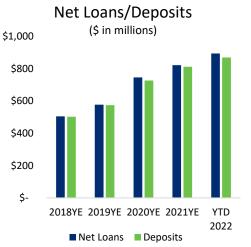
(1) Total shareholders' equity divided by total common shares outstanding.

(2) Annualized.

(3) Non-interest expenses to net interest and non-interest income, net of securities gains.

(4) Adjusted for 10% stock dividend declared; effective October 29, 2021.

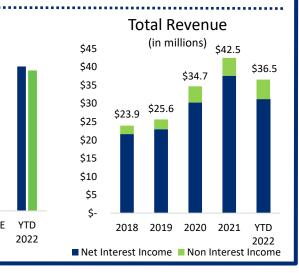




18.12%

45.93%

4.42%



18.54%

50.71%

4.31%

21.26%

41.86%

4.36%