2022 ANNUAL REPORT

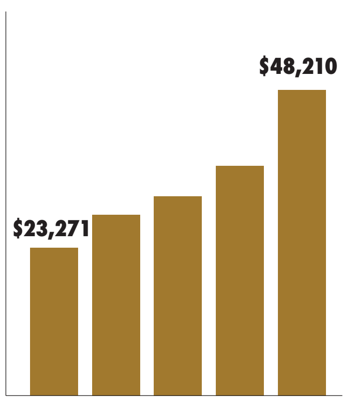
SUMMITBANK
GROUP, INC.

PERFORMANCE HIGHLIGHTS

DOLLARS IN THOUSANDS	2018	2019	2020	2021	2022
Revenue	$23,271	$28,715	$31,478	$36,408	$48,210
Net Income	$5,762	$5,619	$7,933	$10,871	$13,553
Total Tier 1 Capital	$40,588	$46,822	$63,117	$89,601	$104,419
Total Assets	$416,468	$507,378	$761,136	$902,510	$968,984
Total Loans	$348,462	$445,405	$583,209	$628,182	$743,800
Total Deposits	$371,404	$451,467	$657,136	$794,669	$857,119

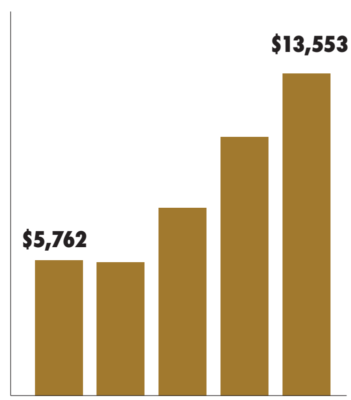
REVENUE (CAGR)

+20%



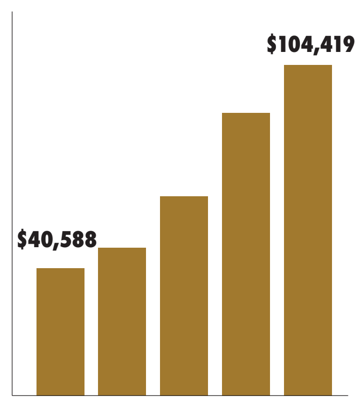
NET INCOME (CAGR)

+24%



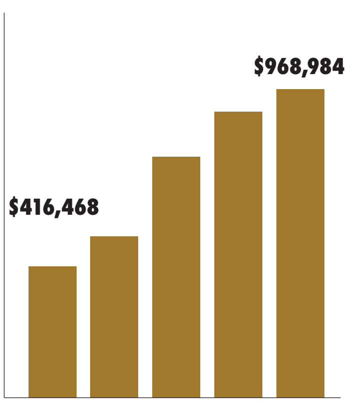
TOTAL TIER 1 CAPITAL (CAGR)

+27%



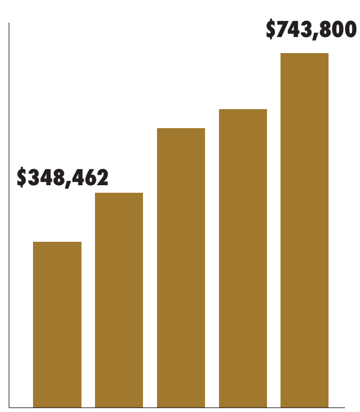
TOTAL ASSETS (CAGR)

+24%



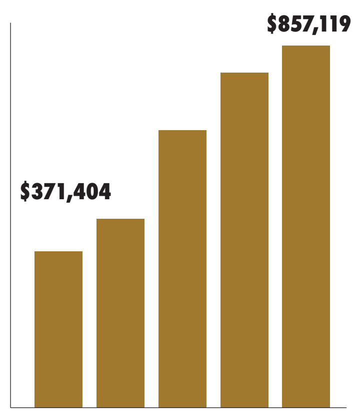
TOTAL LOANS (CAGR)

+21%



TOTAL DEPOSITS (CAGR)

+24%



* CAGR = Compounded Annual Growth Rate for Years 2018 through 2022

CONTENTS

SUMMITBANK
GROUP, INC.

TO OUR SHAREHOLDERS,

We open this letter with an expression of gratitude and appreciation for our shareholders, our clients and our Summit Bank colleagues who comprise the innovative team that is Summit Bank Group, Inc. We are pleased to report a year of outstanding performance. In 2022, we achieved the best earnings in Bank history with growth in both loan and deposit portfolios and continued investment in the communities we serve through volunteerism and charitable giving. We are proud of our achievements, which would not have been accomplished without your unwavering support. In this letter, we would like to share several highlights from the year.

In 2022, Summit Bank delivered record earnings, with net income of $13.5 million, an increase of 25% percent over the previous year. Our solid performance was driven by strong loan growth. We achieved our 10th consecutive year of annual loan growth in excess of 5%. Total net loans as of December 31, 2022 were $732.1 million, representing a 19.6% increase over the fiscal year of 2021 total of $618.6 million. We are also pleased to report deposit growth paralleled the strength of loan production increases, with total deposits at $857 million, increasing by 8% percent over 2021. This loan and deposit growth was fueled by our dedicated team of experienced bankers, who worked closely with our clients to understand their needs. Finally, earnings per share growth (EPS), excluding PPP, was 63%, which is also extremely strong for a bank.

Positive changes occurred in 2022. Early in the year, Aaron Walker joined as the Chief Credit Officer. Aaron came to Summit with nearly 30 years of experience in banking from a balanced mix of senior management positions in commercial real estate and commercial and industrial lending. Aaron has been a great addition to the team. He possesses a wealth of knowledge regarding all markets in which we operate. His years of client-facing experience provide significant benefit to Summit Bank Group, Inc. and our client-centric culture.

Resources remained committed through the year to support the growth and prosperity of our Portland market by continuing to invest in people, technology and locations. A new loan and deposit office was opened in Portland's Westside to provide additional convenient access to our services for local businesses, nonprofits and business owners. Additional partnerships with Portland-based organizations were established to promote economic development, including the Portland Business Alliance and the Oregon Association of Minority Entrepreneurs.

At Summit Bank, we believe in giving back to the communities we serve. This value is so inherent in what we do on a daily basis that we embrace "community" as a key core value. In 2022, our annual contributions to nonprofits totaled over $211,000. Expansion of our colleague volunteer program and hours enabled colleagues to donate their time and expertise to worthy causes. Nearly 1,000 hours were donated to volunteer for local non-profit organizations. Recipients of resources and volunteer hours include Kidsports, Food for Lane County, the Relief Nursery, Community Warehouse, Habitat for Humanity and Shepherd's House Ministries, to name a few.

Other highlights for the year come from Summit Bank's Small Business Administration (SBA) Division. Summit's SBA Division was named the Most Active Community Bank Lender in Oregon for U.S. Small Business Administration (SBA) loans, per the SBA Lender Rankings. The results detail that Summit Bank is a number one community lender in SBA 504 loans and the top community bank lender for SBA 7(a) loans.

We are honored to have received several significant awards in 2022, including being recognized by Oregon Business Magazine as one of the Top 100 Best Companies to Work. These awards are a reflection of our commitment to providing exceptional service and support to our clients.

As we gaze at the year ahead, we look forward to continued expansions in both Westside Portland and to Redmond, Oregon. We also want to recognize Bill Smith, our Founding Advisory Board member in Central Oregon, who passed away. He was critical in the growth in the market and a force with which to be reckoned.

In closing, we would like to thank you, as shareholders, for your continued support and confidence in Summit Bank Group, Inc. We are grateful for your loyalty, trust, business and referrals. Everything we do at Summit is focused on increasing shareholder value over the long term. Thank you to our clients, directors, advisory board members and shareholders for supporting Summit Bank's mission of being Oregon and Southwest Washington's premier community business bank of choice and an integral part in the communities we serve. #summitonthree

Sincerely,

R. Paul Weinhold
Board Chair

Craig A. Wanichek
President & CEO

delap

5885 Meadows Road, No. 200 / Lake Oswego, OR 97035 / 503.697.4118 / delapcpa.com

Independent Auditors' Report

To the Board of Directors and Stockholders of
Summit Bank Group, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated balance sheets of Summit Bank Group, Inc. and Subsidiary (collectively, "the Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summit Bank Group, Inc. and Subsidiary as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S.).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the U.S. (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, including omissions, 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 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 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 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 the Company'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 audits.

Delap LLP

March 8, 2023

CONSOLIDATED BALANCE SHEETS

	December 31	
	2022	2021
ASSETS		
Cash and cash equivalents:		
Cash and due from financial institutions	$ 67,018,460	$ 11,196,986
Interest-bearing deposits with other financial institutions	7,349,884	15,215,350
Deposits with Federal Reserve Bank	65,951,239	170,582,206
Total cash and cash equivalents	140,319,583	196,994,542
Investment securities available-for-sale, at estimated fair value	62,960,462	68,125,073
Loans, less allowance for loan losses	732,135,068	618,624,865
Interest receivable	3,169,999	2,248,268
FHLB and PCBB stock, at cost	1,517,700	1,353,600
Premises and equipment, net of accumulated depreciation	7,046,827	6,430,985
Deferred income taxes, net	2,651,529	1,453,847
Repossessed assets, net	342,610	28,530
Cash surrender value of bank-owned life insurance	8,185,532	6,085,714
Other assets	10,654,482	1,165,068
	828,664,209	705,515,950
Total assets	$ 968,983,792	$ 902,510,492
LIABILITIES and STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing demand	$ 181,448,534	$ 212,670,815
Savings and interest-bearing demand	631,026,444	570,609,117
Time deposits	44,643,820	11,389,114
Total deposits	857,118,798	794,669,046
Interest payable	150,592	250,938
Other liabilities	5,967,722	12,299,762
Repurchase agreements and secured borrowings	1,489,141	1,490,035
Term borrowings	19,633,799	19,592,723
Total liabilities	884,360,052	828,302,504
Stockholders' equity:		
Preferred stock, no par value; 1,000,000 shares authorized; none issued	-	-
Common stock, no par value; 10,000,000 shares authorized, 7,645,194 and 7,572,360 shares outstanding in 2022 and 2021	30,403,794	29,680,533
Retained earnings	58,390,703	44,837,682
Accumulated other comprehensive income (loss)	(4,170,757)	(310,227)
Total stockholders' equity	84,623,740	74,207,988
Total liabilities and stockholders' equity	$ 968,983,792	$ 902,510,492

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

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31	
	2022	2021
Interest income:		
Interest and fees on loans	$ 40,905,710	$ 33,931,166
Interest on investment securities	1,815,025	256,283
Interest on deposits with other banks	2,729,445	270,181
Total interest income	45,450,180	34,457,630
Interest expense	4,208,071	651,308
Net interest income	41,242,109	33,806,322
Provision for loan losses	4,661,150	2,205,695
Net interest income after provision for loan losses	36,580,959	31,600,627
Noninterest income:		
Early termination gains on loans	952,485	499,637
Bank card and interchange fees	819,987	585,004
Service charges on deposit accounts	109,858	133,658
Real estate lease income	50,502	47,749
Loan servicing fees	198,044	302,940
Bank-owned life insurance income	89,606	91,388
Gains (losses) on sales and write-downs of repossessed assets, net	(66,294)	50,059
Other	605,898	239,321
Total noninterest income	2,760,086	1,949,756
Noninterest expense:		
Salaries and employee benefits	15,367,839	13,590,771
Occupancy and equipment expense	1,009,671	937,264
Data processing	1,079,547	837,410
Repossessed assets expenses	91,323	70,603
Other	3,763,915	3,517,131
Total noninterest expense	21,312,295	18,953,179
Income before income taxes	18,028,750	14,597,204
Income tax provision	4,475,729	3,726,563
Net income	$ 13,553,021	$ 10,870,641
Earnings per share:		
Basic	$ 1.78	$ 1.44
Diluted	$ 1.76	$ 1.42

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31	
	2022	2021
Net income	$ 13,553,021	$ 10,870,641
Other comprehensive income (loss):		
Change in unrealized gains (losses) on investment securities available-for-sale	(5,182,895)	(440,800)
Tax effect of the change in unrealized gains (losses) on investment securities available-for-sale	1,322,365	113,547
Comprehensive income	$ 9,692,491	$ 10,543,388

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended December 31, 2022 and 2021

	Common Stock		Retained	Accumulated Other Comprehensive	
	Shares	Amount	Earnings	Income (loss)	Total
Balance, December 31, 2020	7,531,194	$ 29,149,755	$ 33,967,041	$ 17,026	$ 63,133,822
Net income			10,870,641		10,870,641
Other comprehensive (loss)				(327,253)	(327,253)
Issuance of common stock, net	8,791	129,990			129,990
Stock options exercised	13,333	60,436			60,436
Share-based compensation	19,042	340,352			340,352
Balance, December 31, 2021	7,572,360	29,680,533	44,837,682	(310,227)	74,207,988
Net income			13,553,021		13,553,021
Other comprehensive (loss)				(3,860,530)	(3,860,530)
Issuance of common stock, net	3,333	49,995			49,995
Stock options exercised	44,538	284,554			284,554
Share-based compensation	24,963	388,712			388,712
Balance, December 31, 2022	7,645,194	$ 30,403,794	$ 58,390,703	$ (4,170,757)	$ 84,623,740

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2022	2021
Cash flows from operating activities:		
Net income	$ 13,553,021	$ 10,870,641
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	528,554	515,940
Share-based compensation	388,712	340,352
Amortization of investment premiums, net	336,392	155,645
Provision for loan losses	4,661,150	2,205,695
Amortization of debt issuance costs	41,076	3,423
Bank-owned life insurance income	(89,606)	(91,388)
Losses (gains) on sales of repossessed assets, net	(5,124)	(173,694)
Write-downs of repossessed assets	71,418	123,635
Deferred income taxes	124,683	78,648
Ineffective portion of interest rate swaps	(614,900)	(154,000)
Change in:		
Interest receivable and other assets	(1,786,245)	(212,970)
Deferred loan fees	(1,861,175)	(3,893,656)
Interest payable and other liabilities	244,261	1,532,370
Net cash provided by operating activities	15,592,217	11,300,641
Cash flows from investing activities:		
Purchases of investment securities	(5,500,000)	(64,929,249)
Purchases of FHLB stock	(164,100)	(304,700)
Principal payments and maturities of investment securities	5,145,324	5,647,607
Net proceeds from sales of loans	-	375,168
Purchases of loans	(1,405,484)	(764,564)
Proceeds from sales of repossessed assets	1,179,079	648,382
Purchase of bank-owned life insurance	(2,010,212)	(2,000,000)
Loans originated, net of principal collected	(131,150,794)	(51,612,403)
Purchases of premises and equipment	(1,144,396)	(985,343)
Net cash used in investing activities	(135,050,583)	(113,925,102)
Cash flows from financing activities:		
Net increase in deposits	62,449,752	137,532,563
Proceeds from common stock offering, net of costs	49,995	129,990
Increase (decrease) in repurchase agreements and secured borrowings	(894)	(21,037,385)
Issuance of term borrowings, net of costs	-	19,592,723
Proceeds from stock options exercised	284,554	60,436
Net cash provided by financing activities	62,783,407	136,278,327
Net increase (decrease) in cash and cash equivalents	(56,674,959)	33,653,866
Cash and cash equivalents, beginning of year	196,994,542	163,340,676
Cash and cash equivalents, end of year	$ 140,319,583	$ 196,994,542
Supplemental information:		
Cash paid during the year for interest	$ 4,308,418	$ 674,351
Cash paid during the year for income taxes	4,514,856	3,771,963
Change in unrealized gains (losses) on investment securities available-for-sale, net of deferred income taxes	(3,860,530)	(327,253)
Transfer of loans to repossessed assets	1,559,453	502,459

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

1. **Summary of Significant Accounting Policies**:

Basis of Presentation – The consolidated financial statements include the accounts of Summit Bank Group, Inc. (the Holding Company), a bank holding company and its wholly-owned subsidiary, Summit Bank (the Bank). As of December 31, 2022 the Holding Company had 10,000,000 shares of common stock authorized of which 7,645,194 were outstanding. All significant intercompany accounts and transactions have been eliminated in consolidation.

Nature of Operations – The Bank provides commercial banking, financing, real estate lending and other services primarily in Lane, Deschutes and Multnomah Counties in Oregon.

Financial Statement Presentation – The accounting and reporting policies of the Holding Company conform with accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the banking industry. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the 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. The most significant estimates are the allowance for loan losses and fair value estimates. The Bank has evaluated subsequent events through March 8th, 2023, the date the consolidated financial statements were available to be issued.

Cash and Cash Equivalents – For purposes of reporting cash flows, cash and cash equivalents are cash on-hand and due from financial institutions. Such amounts include both interest-bearing and non-interest-bearing deposits with other financial institutions, short-term time deposits, and federal funds sold on an overnight basis and may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC).

Investment Securities – The Bank classifies all investments in debt securities as available-for-sale. Securities available-for-sale are held for indefinite periods of time and may be sold in response to changes in market interest rates, shifts in the maturity mix or concentration of Bank assets or liabilities, or to alleviate liquidity demands. Securities designated as available-for-sale are reported at estimated fair value. Unrealized gains and losses are excluded from earnings and are included in accumulated other comprehensive income (loss) in stockholders' equity, net of applicable deferred taxes.

Gains and losses realized on sales of securities are recognized using the specific identification method. Interest income on securities is included in income using the effective interest method. Interest income includes accretion and amortization of discounts and premiums resulting from securities purchased at other than par value. Both are calculated using a "constant yield" methodology either to maturity (for securities purchased at a discount) or to "earliest call date" for (for securities purchased at a premium). Premiums and discounts on mortgage backed securities are amortized/accreted based upon current and expected future rates of prepayments on the securities.

The Bank evaluates its securities classified as available-for-sale for other-than-temporary impairments (OTTI) in accordance with GAAP. Accordingly, for investment securities that are in an unrealized loss position, the Bank assesses whether it intends to sell or it is more likely than not that it will be required to sell a security before recovery of its amortized cost basis.

For investment securities that are considered other-than-temporarily impaired and that the Bank does not intend to sell and will not be required to sell prior to recovery of the amortized cost basis, the Bank would separate the amount of the impairment into the amount that is credit related (credit loss component) and the amount due to all other factors. The credit loss component would be recognized in earnings and would be the difference between the security's amortized cost basis and the present value of its expected future cash flows discounted at the security's effective yield. The remaining difference between the security's fair value and the present value of expected future cash flows would be due to factors that are not credit related and would be recognized in other comprehensive income (loss). Management believes that any unrealized losses on investment securities at December 31, 2022 are temporary.

Loans and Income Recognition – Loans are stated at the amount of unpaid principal, reduced by net deferred loan origination fees and an allowance for loan losses. Interest on loans is calculated using the simple-interest method on daily balances of the principal amounts outstanding. Accrual of interest is discontinued on a loan when management believes, after considering economic and business conditions and collection efforts that the borrower's financial condition is such that collection of the interest is doubtful. Payments received on nonaccrual loans are applied to the principal balance and no interest income is recognized. Interest income is subsequently recognized only to the extent cash payments are received satisfying all delinquent principal and interest amounts, and the prospects for future payments in accordance with the loan agreement appear relatively certain. A nonaccrual loan may be restored to accrual status when none of its principal and interest is due and unpaid and the Bank expects full repayment of the remaining contractual principal and interest, or when it otherwise becomes well secured and in the process of collection. Loan origination fees, net of associated direct costs, if significant, are deferred and amortized using the interest or straight-line method over the contractual life of the loan as an adjustment of the yield of the related loan. If a loan is repaid prior to maturity, any remaining unamortized net deferred origination fee is recognized in income at the time of repayment.

Allowance for Loan Losses – The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged off against the allowance when management believes that the collectability of the principal is unlikely. The allowance is an amount that management considers adequate to absorb possible losses on existing loans that may become uncollectible based on evaluations of the collectability of loans and prior loss experience. While management has allocated the allowance for loan losses to various loan classes, the allowance is general in nature and is available for the loan portfolio in its entirety. The allowance for loan losses consists of general and specific components.

The general component covers all non-impaired loans. For all such loans – other than small commercial equipment loans – the general component is based on the Bank's risk rating system and historical loss experience adjusted for qualitative factors. The Bank calculates its historical loss rates by using a combination of (1) a weighted-average of the Bank's most recent 36 months of loss history, with more weight applied to more current months, and (2) historical loss data for Oregon and certain peer banks. The Bank calculates and applies its historical loss rates by individual loan types in its portfolio. These historical loss rates are adjusted for qualitative and environmental factors including, but not limited to: changes in the concentrations, trends and current nature of the loan portfolio; overall portfolio quality; results from internal and external loan reviews; review of specific problem loans; and current economic conditions that may affect the borrower's ability to pay.

Small commercial equipment loans are reserved for as a pool of smaller-balance homogeneous loans. The methodology employed to assign reserve rates is migration analysis wherein probable loss rates are established as migration occurs through risk ratings. The Bank revisits these loss rates at regular intervals and adjusts the applicable rates as dictated through loss experience. As individual loans migrate downward through established risk ratings, increasing reserve rates as estimated by the aforementioned migration analysis are applied to related loan balances.

The specific component of the allowance relates to loans that are considered impaired. A loan is considered impaired when management believes that it is probable that all amounts will not be collected according to the contractual terms. An impaired loan is valued using the estimated fair value of the loan's collateral (less estimated costs to sell) or related government guaranty, the present value of expected cash flows discounted at the loan's effective interest rate, or the observable market price of the loan. These estimates are necessarily subjective and may be adjusted as more current information becomes available. Any adjustment could be significant.

The Bank reports certain loans as troubled debt restructurings (TDRs) when the Bank grants a concession(s) to a borrower experiencing financial difficulties that it would not otherwise consider. Examples of such concessions include extending the maturity date(s) or providing a lower interest rate than would normally be available for a transaction of similar risk. A TDR loan is considered to be impaired and is individually evaluated for impairment.

Federal and state bank regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance in the future based on their judgment of the information available to them at the time of their examinations.

Allowance for Unfunded Loan Commitments – The Bank maintains a separate reserve for estimated losses related to unfunded loan commitments. The Bank estimates the amount of probable losses related to unfunded loan commitments by applying an estimated loss factor to the expected amount of commitments that will actually require funding. In accordance with industry practice and regulatory guidance, the reserve for estimated losses related to unfunded loan commitments is included in other liabilities in the accompanying consolidated balance sheets and was $171,164 and $151,947 as of December 31, 2022 and 2021, respectively. Changes in the reserve for estimated losses related to unfunded loan commitments are recorded in other noninterest expense in the accompanying consolidated statements of income.

Federal Home Loan Bank (FHLB) and Pacific Coast Bankers' Bank (PCBB) Stock – FHLB and PCBB stock consists of the following at December 31:

	2022	2021
FHLB stock	$ 1,077,700	$ 913,600
PCBB stock	440,000	440,000
	$ 1,517,700	$ 1,353,600

The Bank, as a member of the FHLB system, is required to maintain a minimum level of investment in FHLB stock based on specific percentages of its outstanding mortgages, total assets and FHLB advances. At December 31, 2022, the Bank's minimum required investment was $1,077,700. Stock redemptions may be requested at par value and are made at the discretion of the FHLB. The Bank's investment in FHLB stock is carried at cost, which approximates its fair value. The Bank evaluates its investment in FHLB stock for impairment as needed. The Bank's determination of whether this investment is impaired is based on its assessment of the ultimate recoverability of cost rather than by recognizing temporary declines in value.

The Bank also holds an investment in its primary correspondent bank, PCBB. This investment is carried at cost, which approximates its fair value.

Premises and Equipment – Premises and equipment are stated at cost, net of accumulated depreciation. Additions and betterments are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Gains or losses realized from sales or retirements are reflected in current operations. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Impairment of Long-lived Assets – The Bank accounts for long-lived assets at amortized cost. Management reviews long-lived assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of impairment, management would prepare an estimate of future cash flows (undiscounted and without interest charges) expected to result from the use of the asset and its eventual disposition. If these estimated cash flows were less than the carrying amount of the asset, an impairment loss would be recognized to write down the asset to its estimated fair value.

Repossessed Assets – Repossessed assets consist of commercial equipment and commercial real property and are considered held-for-sale. Repossessed assets are initially recorded at fair value at the date of acquisition based on current appraisals and management's estimate of value, establishing a new cost basis. Any excess of the loan balance over the net realizable value of the property is charged to the allowance for loan losses when a property is acquired. Subsequent to acquisition, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less estimated costs to sell. Gains and losses on sales, write-downs, and changes in valuation allowances are recorded in noninterest income.

The valuation of repossessed assets is subjective in nature and may be adjusted in future periods because of changes in economic conditions. The valuation of repossessed assets is also subject to review by bank regulatory authorities who may require increases or decreases to carrying amounts based on their evaluation of the information available to them at the time of their examination of the Bank.

Bank-owned Life Insurance (BOLI) - The Bank is the owner and beneficiary of BOLI on certain Bank officers. BOLI policies are recorded at their cash surrender values (net of surrender charges). Income from BOLI policies is recognized when earned and is included in noninterest income.

Advertising – Advertising costs are charged to expense during the period in which they are incurred. Advertising expenses were $212,237 and $265,574 for the years ended December 31, 2022 and 2021, respectively.

Income Taxes – Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are calculated on differences between the financial statement and tax basis of assets and liabilities using tax rates in effect for the year in which the differences are expected to be realized. A valuation allowance is recognized if, based on the available evidence, it is determined it is more likely than not that some portion or all of the deferred tax assets will not be realized. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through income tax provision.

Uncertain tax positions that meet the more likely than not recognition threshold are measured to determine the amount of benefit to recognize. An uncertain tax position is measured at the amount of benefit that management believes has a greater than 50% likelihood of realization upon settlement. The Bank's policy is to recognize interest and penalties related to income tax settlements as a component of income tax provision.

The Bank files income tax returns for federal and various state jurisdictions. There is no material impact of potential tax uncertainties on the Bank’s consolidated financial condition or results of operations as of or for the year ended December 31, 2022.

Transfers of Financial Assets - Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Derivative Instruments – The Bank uses derivative financial instruments (interest rate swaps) to limit exposure to changes in interest rates related to specific loan assets. Derivatives entered into by the Bank are designated as fair value hedges and generally exhibit perfect effectiveness between changes in the value of the interest rate swap and the hedged instrument (loan asset), with any identified ineffectiveness between the value of the swap and the hedged instrument being recorded in earnings. All derivatives and related hedged loans are recognized in the consolidated balance sheet at their fair values. Changes in the fair value of a derivative that is highly effective, along with the loss or gain on the hedged loan asset that is attributable to the hedged risk, are recorded in current-period earnings. The Bank formally documents all relationships between hedging instruments and hedged assets, as well as its risk-management objective and strategy for undertaking various hedged transactions. The Bank also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items. The Bank would discontinue hedge accounting when: (1) it is determined that a derivative is no longer effective in offsetting changes in the fair value of the associated hedged loan asset; (2) the derivative expires or is sold, terminated, or exercised; or (3) management determines that designation of the derivative as a hedge instrument is no longer appropriate. The hedged loan asset would no longer be adjusted for changes in fair value and the derivative would be carried at its fair value in the consolidated balance sheet, with changes in its fair value recognized in current-period earnings.

Stockholders' Equity and Earnings Per Share – Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted earnings per share include the effect of common stock equivalents that would arise from the exercise of stock options and the vesting of restricted stock and restricted stock units discussed in Note 9. During 2021, the Holding Company completed a five-for-four stock split, effected in the form of a stock dividend, on the shares of the Holding Company's common stock. All references in the financial statements and notes to the number of shares outstanding, per-share amounts, and stock option data of the Holding Company's common stock have been restated to reflect the effect of the stock split for all periods presented.

Share-Based Compensation – GAAP requires companies to measure compensation expense for all share-based payments based on the fair value of the awards at the grant date and recognize such costs as an expense over the requisite service period (which is generally the vesting period). See Note 9 for discussion of the Bank's share-based compensation arrangements.

Small Business Administration (SBA) Loans Sales and Servicing—The Bank sells or transfers loans, including the government guaranteed portion of the loans (with loan servicing retained) for proceeds equal to the principal amount of loans, as adjusted to yield interest to the investor based upon the current market rates. The Bank records an asset representing the right to service sold loans when it retains significant servicing rights. This asset is included in other assets in the accompanying consolidated balance sheet. The carrying value of loans sold is allocated between the loans and the servicing rights, based on their relative fair values. The fair value of servicing rights is estimated by discounting estimated future cash flows from servicing using discount rates that approximate current market rates and using estimated prepayment rates. The servicing rights, if any, are carried at the lower of cost or market and are amortized in proportion to, and over the period of the estimated net servicing income, assuming prepayments.

For purposes of evaluating and measuring impairment, the fair value of servicing rights is based on a discounted cash flow methodology, which considers current prepayment speeds and market discount rates. Impairment is measured as the amount by which the carrying value of servicing rights exceeds the related fair value. The Bank held no servicing rights assets as of December 31, 2022 and 2021.

New Accounting Pronouncements - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASU 2016-13) as amended by ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, and ASU 2019-11. ASU 2016-13 replaces the existing incurred losses methodology for estimating allowances with a current expected credit losses methodology with respect to most financial assets measured at amortized cost and certain other instruments, including trade and other receivables, loans, held-to-maturity investment securities, and off-balance sheet commitments. In addition, ASU 2016-13 requires credit losses relating to available-for-sale debt securities to be recorded through an allowance for credit losses rather than a reduction of the carrying amount. ASU 2016-13 also changes the accounting for purchased credit-impaired debt securities and loans. ASU 2016-13 retains many of the disclosure requirements in current GAAP and expands certain disclosure requirements. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Bank is in the process of adopting ASU 2016-13 and is developing and implementing processes and procedures to ensure it is fully compliant with the amendments. At this time, the Bank anticipates the allowance for loan losses will increase as a result of the implementation of ASU 2016-13; however, until its evaluation is complete, the magnitude of the increase will be unknown.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the effects of Reference Rate Reform on Financial Reporting* (ASU 2020-04). ASU 2020-04 applies to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or other rate references expected to be discontinued because of reference rate reform. ASU 2020-04 permits an entity to make necessary modifications to eligible contracts or transactions without requiring contract remeasurement or reassessment of a previous accounting determination. ASU 2020-04 was effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of Sunset Date of Topic 848* (ASU 2022-06), which defers the sunset date from December 31, 2022 to December 31, 2024. The Bank has not adopted ASU 2020-04 or ASU 2022-06 as of December 31, 2022. The adoption of ASU 2020-04 and ASU 2022-06 are not expected to have a material impact on the Bank's future consolidated financial statements.

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* (ASU 2022-02). ASU 2022-02 eliminates the accounting guidance for TDRs for creditors, requires new disclosures for creditors for certain loan refinancings and restructurings when a borrower is experiencing financial difficulty, and requires public business entities to include current-period gross write-offs in the vintage disclosure tables. The amendments in ASU 2022-02 are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The adoption of ASU 2022-02 is not expected to have a material impact on the Bank's future consolidated financial statements.

2. Restricted Assets:

The Bank must meet reserve requirements as established by Federal Reserve Board (FRB) regulation which were zero at both December 31, 2022 and 2021. When and if the reserve requirement is not zero, the Bank complies with such requirements by holding cash on hand and maintaining average reserve balances on deposit with its primary correspondent bank in accordance with the regulations.

3. Investment Securities Available-for-Sale:

The tables below detail the amortized cost and estimated fair values of available-for-sale investment securities, as well as the amount of any unrealized losses and the length of time these unrealized losses existed as of the dates indicated:

December 31, 2022

	Available-for-Sale				Securities in Continuous Unrealized Loss Position for Less Than 12 Months		Securities in Continuous Unrealized Loss Position for 12 Months or Longer	
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Estimated Fair Value	Unrealized Loss	Estimated Fair Value	Unrealized Loss
Obligations of U.S. Government and U.S. sponsored agencies	$ 50,327,025	$ -	$ (3,801,651)	$ 46,525,374	$ 5,877,249	$ (138,963)	$ 40,648,125	$ (3,662,688)
Corporate debt securities	500,000	-	(8,636)	491,364	491,364	(8,636)	-	-
Mortgage-backed securities	17,734,194	-	(1,790,470)	15,943,724	1,536,051	(36,811)	14,407,673	(1,753,659)
	$ 68,561,219	$ -	$ (5,600,757)	$ 62,960,462	$ 7,904,664	$ (184,410)	$ 55,055,798	$ (5,416,347)

December 31, 2021

	Available-for-Sale				Securities in Continuous Unrealized Loss Position for Less Than 12 Months		Securities in Continuous Unrealized Loss Position for 12 Months or Longer	
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Estimated Fair Value	Unrealized Loss	Estimated Fair Value	Unrealized Loss
Obligations of U.S. Government and U.S. sponsored agencies	$ 45,511,810	$ 23,668	$ (210,734)	$ 45,324,744	$ 44,283,125	$ (210,734)	$ -	$ -
Corporate debt securities	-	-	-	-	-	-	-	-
Mortgage-backed securities	23,031,125	5,719	(236,515)	22,800,329	19,681,638	(232,183)	290,278	(4,332)
	$ 68,542,935	$ 29,387	$ (447,249)	$ 68,125,073	$ 63,964,763	$ (442,917)	$ 290,278	$ (4,332)

The unrealized losses on the Bank's investment securities were primarily attributable to increases in market interest rates subsequent to their purchase by the Bank. The Bank expects the fair value of these securities to recover as the securities approach their maturity dates or sooner if market yields for such securities decline. The Bank does not believe that these securities are other than temporarily impaired because of their credit quality or related to any issuer or industry specific event. Based on management's evaluation and intent, the unrealized losses related to the investment securities in the above tables are considered temporary.

The amortized cost and estimated fair value of investment securities at December 31, 2022 are shown below by contractual maturity or projected average life depending on the type of security. Obligations of U.S. government sponsored agencies are shown by contractual maturity. Mortgage-backed securities are disclosed by projected average life.

	Available-for-Sale	
	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 4,588,472	$ 4,414,144
Due after one year through five years	60,692,437	55,385,097
Due after five years through ten years	3,280,310	3,161,221
Due after ten years	-	-
	$ 68,561,219	$ 62,960,462

There were no sales of investment securities during 2022 or 2021.

At December 31, 2022, investment securities with a total estimated fair value of $6,643,479 and amortized cost of $6,936,730 were pledged for potential FHLB borrowings, repurchase agreements and other purposes. At December 31, 2021, investment securities with a total estimated fair value of $6,641,929 and amortized cost of $6,665,077 were pledged for potential FHLB borrowings, repurchase agreements and other purposes.

4. Loans and Allowance for Loan Losses:

Major classifications of loans at December 31 are as follows:

	2022	2021
Real Estate		
Acquisition, Development & Construction	$ 35,813,254	$ 32,073,393
Commercial	218,934,801	175,596,682
Multifamily	31,242,895	32,630,758
Owner Occupied	199,496,910	183,763,598
Commercial and Industrial		
Small Commercial Equipment	86,019,463	73,916,841
U.S. Small Business Administration (SBA) PPP	60,002	9,889,710
Other Commercial & Industrial	149,291,176	100,832,826
Consumer		
Secured	17,625,579	15,769,688
Unsecured	1,988,257	2,242,883
	740,472,337	626,716,379
Capitalized Loan Origination Costs (Fees), net	3,327,435	1,466,260
	743,799,772	628,182,639
Allowance for Loan Losses	(11,664,704)	(9,557,774)
Loans receivable, net	$ 732,135,068	$ 618,624,865

Risk Elements – The Bank manages credit risk through lending limit constraints, credit review, approval policies and extensive ongoing internal monitoring. Additionally, credit risk is managed via diversification of the loan portfolio by loan, industry and borrower type as well as limits on the aggregation of debt to a single borrower. The Bank also obtains periodic credit file reviews from independent third-parties as part of its ongoing credit monitoring process and loans are underwritten so as to ensure the highest probability of repayment in full, according to board-approved policies and procedures. The following are the loan segment risk characteristics of the Bank's portfolio:

Acquisition, Development & Construction– includes both loans and lines of credit for the purpose of purchasing, carrying and developing land into commercial developments or residential subdivisions. Also included in this designation are loans and lines of credit for construction of residential, multi-family and commercial buildings. Generally, the primary source of repayment is dependent upon the sale or refinance of the real estate collateral. Construction lending can involve a higher level of risk than other types of lending because funds are advanced based on a prospective value of the project at completion, the total estimated construction cost of the project, and the borrowers' equity at risk. Additionally, the repayment of the loan may be conditional on the success of the ultimate project which could be subject to interest rate changes, governmental regulations, general economic conditions and the ability of the borrower to sell or lease the property or refinance the indebtedness. The bank attempts to mitigate the risks associated with this type of credit by limiting concentration exposure and utilizing enhanced underwriting procedures as outlined in proprietary policies and procedures as approved by the board of directors not less than annually.

Commercial Real Estate – loans in this category are assigned to one of two specific subcategories:

- Commercial – includes loans to finance income-producing commercial properties. Loans in this class include retail centers, hotels, office buildings, single-tenant retail buildings, warehouses and other properties where the source of repayment on the loan comes primarily from non-related tenant lease income. There are board-approved enhanced underwriting procedures in place that govern the approval and funding of these types of loans.
- Owner Occupied – includes loans secured by business facilities to finance business operations, equipment and owner-occupied facilities for commercial customers. Generally, the primary source of repayment is the operating cash flow from business activities of the owner of the property or related entity.

Multi-family Real Estate – these loans are secured by – and are generally repaid by the lease income from – real estate properties built to house 5 or more families in a single property or complex. Apartment buildings and complexes are the major collateral in this category. This category does not include 1-4 family rental properties.

Commercial & Industrial - loans in this category are assigned to one of three specific subcategories:

- Small Commercial Equipment – includes loans secured by commercial equipment, typically rolling stock. The primary source of repayment is generally derived from income generated by utilization of the equipment collateralizing the loans, and thus, is more subject to potential disruption relative to larger and more diversified borrowers. The lack of significant secondary sources of repayment results in a higher risk of loss and thus these loans carry market rates of interest that are higher than the Bank's other loan types. These loans possess homogeneous risk characteristics unique to small business lending to the transportation industry. These risks are mitigated via ongoing industry trend analysis and through concentration limits on the portfolio as a whole as well as within industry subclasses. The majority of these loans are originated to borrowers outside of the Bank's primary market areas of Lane, Deschutes and Multnomah counties, throughout the western and southern United States.
- SBA PPP – The CARES Act authorized the SBA to temporarily guarantee loans under a new loan program designed to mitigate the impact of the COVID-19 pandemic on small businesses. PPP loans made to eligible borrowers are 100% guaranteed by the SBA, carry an interest rate of 1.0%, have either a two year or five year maturity, and are fully amortizing following a period of deferred principal and interest payments of at least six months from the date of initial disbursement. The entire principal amount of a PPP loan, including any accrued interest, is eligible to be forgiven and repaid by the SBA.
- Other Commercial and Industrial – The primary source of repayment for these loans is generally cash flow from continuing business operations. Under the Bank's policy, primary and secondary repayment sources must be identified upon approval and prior to funding.

Consumer – the Bank engages in limited consumer lending of both a secured and unsecured nature. This primarily takes the form of home equity lines of credit and personal and professional lines of credit which may or may not be secured by tangible collateral.

Loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of such serviced loans were $32,743,867 and $44,116,478 at December 31, 2022 and 2021, respectively.

The loan portfolio at December 31, 2022 and 2021 includes $87,923,070 and $75,223,953 respectively, of loans which have rates of interest that change more often than annually. Additionally, the loan portfolio at December 31, 2022 and 2021 includes fixed rate loans of $145,535,692 and $123,586,280, respectively that are effectively converted to variable rate loans via interest rate swaps. There were no loans at December 31 2022 at their contractual floors while at December 31, 2021 the loan portfolio included $59,111,879 of loans with interest rates at their contractual floors.

Changes in the allowance for loan losses for the year ended December 31, 2022 are as follows:

	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance	Specific Reserve	General Allocation
Real Estate							
Acquisition, Development & Construction	$ 533,592	$ -	$ -	$ 115,069	$ 648,661	$ -	$ 648,661
Commercial	1,744,662	-	-	860,256	2,604,918	-	2,604,918
Multifamily	426,030	-	-	3,777	429,807	-	429,807
Owner Occupied	1,875,613	-	-	(34,022)	1,841,591	162,743	1,678,848
Commercial and Industrial							
Small Commercial Equipment	3,158,568	(2,427,682)	-	3,060,052	3,790,938	168,919	3,622,019
Other Commercial & Industrial	1,652,695	(127,151)	613	645,019	2,171,176	12,124	2,159,052
Consumer							
Secured	156,678	-	-	15,106	171,784	-	171,784
Unsecured	9,936	-	-	(4,107)	5,829	-	5,829
Total	$ 9,557,774	$ (2,554,833)	$ 613	$ 4,661,150	$ 11,664,704	$ 343,786	$ 11,320,918

Changes in the allowance for loan losses for the year ended December 31, 2021 are as follows:

	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance	Specific Reserve	General Allocation
Real Estate							
Acquisition, Development & Construction	$ 525,501	$ -	$ -	$ 8,091	$ 533,592	$ -	$ 533,592
Commercial	1,470,657	-	-	274,005	1,744,662	-	1,744,662
Multifamily	360,541	-	-	65,489	426,030	-	426,030
Owner Occupied	1,911,454	-	-	(35,841)	1,875,613	-	1,875,613
Commercial and Industrial							
Small Commercial Equipment	2,273,647	(774,508)	-	1,659,429	3,158,568	67,280	3,091,288
Other Commercial & Industrial	1,440,013	(48,312)	-	260,994	1,652,695	139,680	1,513,015
Consumer							
Secured	179,671	-	-	(22,993)	156,678	-	156,678
Unsecured	13,415	-	-	(3,479)	9,936	-	9,936
Total	$ 8,174,899	$ (822,820)	$ -	$ 2,205,695	$ 9,557,774	$ 206,960	$ 9,350,814

Risk Rating – The monitoring process of the Bank's loan portfolio includes periodic reviews of individual loans with a risk rating assigned to each loan. Risk ratings are assigned according to various qualitative and quantitative measurements.

- Risk ratings 1 – 6 represent increasing degrees of risk within the regulatory definition of "Pass" loans as ratings move from 1 to 6. Regulatory bodies do not draw distinctions between these categories; as such, assignment of these ratings is for internal management purposes only.
- Risk Rating 7 – loans in this category adhere to the regulatory definition of "Special Mention" loans. A Special Mention loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Bank's credit position at some future date. Special Mention loans are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification.
- Risk Rating 8 – loans in this category adhere to the regulatory definition of "Substandard." Loans classified Substandard are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-

defined weakness or weaknesses that jeopardize the liquidation of the borrower's debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

- Risk Rating 9 – loans in this category adhere to the regulatory definition of "Doubtful." Loans classified Doubtful have all of the weaknesses inherent in those classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.
- Risk Rating 10 – loans in this category adhere to the regulatory definition of "Loss." Loans classified Loss are uncollectible and of such little value that their continuance as a bankable asset is not warranted. When identified, these loans are charged off.

Loans risk rated 8, 9 or 10 are reviewed regularly to assess the ability of the borrowers to service all interest and principal obligations and, as a result, the risk ratings may be adjusted accordingly. In the event that full collection of principal and interest is not reasonably assured, the loan is appropriately downgraded and if warranted, placed on non-accrual status even though the loan may be current as to principal and interest payments. Additionally, an assessment is made as to whether an impairment of a loan warrants specific reserves or a write down of the loan.

The following tables present the Bank's loan portfolio by loan type and credit quality indicator as of December 31, 2022 and 2021:

	As of December 31, 2022 Loan Grade				
	Pass (Ratings 1-6)	Special Mention (Rating 7)	Substandard (Rating 8)	Doubtful (Rating 9)	Totals
Real Estate					
Acquisition, Development & Construction	$ 35,813,254	$ -	$ -	$ -	$ 35,813,254
Commercial	215,162,226	-	3,772,575	-	218,934,801
Multifamily	31,242,895	-	-	-	31,242,895
Owner Occupied	188,872,900	4,196,692	6,427,318	-	199,496,910
Commercial and Industrial					
Small Commercial Equipment	83,743,883	1,345,604	802,494	127,482	86,019,463
U.S. SBA PPP	60,002	-	-	-	60,002
Other Commercial & Industrial	146,906,707	448,369	1,936,100	-	149,291,176
Consumer					
Secured	17,498,043	27,936	99,600	-	17,625,579
Unsecured	1,988,257	-	-	-	1,988,257
Total	$ 721,288,167	$ 6,018,601	$ 13,038,087	$ 127,482	$ 740,472,337
Percentage of Total Portfolio	97.41%	0.81%	1.76%	0.02%	100.00%

	As of December 31, 2021 Loan Grade				
	Pass (Ratings 1-6)	Special Mention (Rating 7)	Substandard (Rating 8)	Doubtful (Rating 9)	Totals
Real Estate					
Acquisition, Development & Construction	$ 32,073,393	$ -	$ -	$ -	$ 32,073,393
Commercial	175,596,682	-	-	-	175,596,682
Multifamily	32,630,758	-	-	-	32,630,758
Owner Occupied	174,626,795	6,526,462	2,610,341	-	183,763,598
Commercial and Industrial					
Small Commercial Equipment	72,868,725	464,389	563,369	20,358	73,916,841
U.S. SBA PPP	9,889,710	-	-	-	9,889,710
Other Commercial & Industrial	98,191,302	260,244	2,381,280	-	100,832,826
Consumer					
Secured	15,670,088	-	99,600	-	15,769,688
Unsecured	2,242,883	-	-	-	2,242,883
Total	$ 613,790,336	$ 7,251,095	$ 5,654,590	$ 20,358	$ 626,716,379
Percentage of Total Portfolio	97.94%	1.16%	0.90%	0.00%	100.00%

The following tables present an aged analysis of past due and nonaccrual loans at December 31, 2022 and 2021:

As of December 31, 2022

	30-59 Days Past Due Still Accruing	60-89 Days Past Due Still Accruing	Greater than 90 Days Past Due Still Accruing	Nonaccrual	Total Past Due and Nonaccrual	Total Current	Total Loans Receivable
Real Estate							
Acquisition, Development & Construction	$ -	$ -	$ -	$ -	$ -	$ 35,813,254	$ 35,813,254
Commercial	-	-	-	-	-	218,934,801	218,934,801
Multifamily	-	-	-	-	-	31,242,895	31,242,895
Owner Occupied	-	-	-	-	-	199,496,910	199,496,910
Commercial and Industrial							
Small Commercial Equipment	954,784	899,352	35,368	563,064	2,452,568	83,566,895	86,019,463
U.S. SBA PPP	-	-	-	-	-	60,002	60,002
Other Commercial & Industrial	-	-	-	80,827	80,827	149,210,349	149,291,176
Consumer							
Secured	99,600	-	-	-	99,600	17,525,979	17,625,579
Unsecured	-	-	-	-	-	1,988,257	1,988,257
Total	$ 1,054,384	$ 899,352	$ 35,368	$ 643,891	$ 2,632,995	$ 737,839,342	$ 740,472,337
Percentage of Total Portfolio	0.14%	0.12%	0.00%	0.09%	0.36%	99.64%	100.00%

As of December 31, 2021

	30-59 Days Past Due Still Accruing	60-89 Days Past Due Still Accruing	Greater than 90 Days Past Due Still Accruing	Nonaccrual	Total Past Due and Nonaccrual	Total Current	Total Loans Receivable
Real Estate							
Acquisition, Development & Construction	$ -	$ -	$ -	$ -	$ -	$ 32,073,393	$ 32,073,393
Commercial	-	-	-	-	-	175,596,682	175,596,682
Multifamily	-	-	-	-	-	32,630,758	32,630,758
Owner Occupied	-	-	-	-	-	183,763,598	183,763,598
Commercial and Industrial							
Small Commercial Equipment	471,959	127,344	-	177,823	777,126	73,139,715	73,916,841
U.S. SBA PPP	-	-	-	-	-	9,889,710	9,889,710
Other Commercial & Industrial	-	-	-	210,678	210,678	100,622,148	100,832,826
Consumer							
Secured	99,600	-	-	-	99,600	15,670,088	15,769,688
Unsecured	-	-	-	-	-	2,242,883	2,242,883
Total	$ 571,559	$ 127,344	$ -	$ 388,501	$ 1,087,404	$ 625,628,975	$ 626,716,379
Percentage of Total Portfolio	0.09%	0.02%	0.00%	0.06%	0.17%	99.83%	100.00%

The following is an analysis of impaired loans as of December 31, 2022:

	Impaired Loans with Allowance			Impaired Loans without Allowance		Total Impaired Loans	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Recorded Investment	Unpaid Principal Balance
Real Estate							
Owner Occupied							
Nonaccrual	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	6,139,699	6,108,375	162,743	-	-	6,139,699	6,108,375
Subtotals	6,139,699	6,108,375	162,743	-	-	6,139,699	6,108,375
Commercial and Industrial							
Small Commercial Equipment							
Nonaccrual	515,266	563,064	168,919	-	-	515,266	563,064
Other	-	-	-	-	-	-	-
Other Commercial & Industrial							
Nonaccrual	82,459	80,827	12,124	-	-	82,459	80,827
Other	-	-	-	-	-	-	-
Subtotals	597,725	643,891	181,043	-	-	597,725	643,891
Totals	$ 6,737,424	$ 6,752,266	$ 343,786	$ -	$ -	$ 6,737,424	$ 6,752,266

The following is an analysis of impaired loans as of December 31, 2021:

	Impaired Loans with Allowance			Impaired Loans without Allowance		Total Impaired Loans	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Recorded Investment	Unpaid Principal Balance
Real Estate							
Owner Occupied							
Nonaccrual	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	-	-	-	-	-	-	-
Subtotals	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial and Industrial							
Small Commercial Equipment							
Nonaccrual	222,127	224,265	67,280	-	-	222,127	224,265
Other	-	-	-	-	-	-	-
Other Commercial & Industrial							
Nonaccrual	212,658	210,678	139,680	-	-	212,658	210,678
Other	-	-	-	-	-	-	-
Subtotals	$ 434,785	$ 434,943	$ 206,960	$ -	$ -	$ 434,785	$ 434,943
Totals	$ 434,785	$ 434,943	$ 206,960	$ -	$ -	$ 434,785	$ 434,943

The following tables present the average recorded investment in impaired loans and interest income recognized for the periods indicated:

	Year Ended December 31, 2022	
	Average Recorded Investment	Interest Recognized on Impaired Loans
Real Estate		
Acquisition, Development & Construction	$ -	$ -
Commercial	-	-
Multifamily	-	-
Owner Occupied	5,101,079	313,370
Commercial and Industrial	-	-
Small Commercial Equipment	280,321	159,911
Other Commercial & Industrial	91,337	-
Consumer	-	-
Secured	-	-
Unsecured	-	-
Total	$ 5,472,737	$ 473,281

	Year Ended December 31, 2021	
	Average Recorded Investment	Interest Recognized on Impaired Loans
Real Estate		
Acquisition, Development & Construction	$ -	$ -
Commercial	-	-
Multifamily	-	-
Owner Occupied	377,764	19,067
Commercial and Industrial	-	-
Small Commercial Equipment	348,124	31,728
Other Commercial & Industrial	213,246	-
Consumer	-	-
Secured	-	-
Unsecured	-	-
Total	$ 939,134	$ 50,795

The cash basis interest income on impaired loans was not materially different than the interest recognized on impaired loans as shown in the above tables.

There was a single loan modified during 2022 and reported as a TDR accruing interest at December 31 2022 with a principal balance of $6,108,375. There were no loans reported as TDRs accruing interest as of December 31, 2021 and there were no loans modified as TDRs during 2021. There were no TDR loans restructured during 2022 or 2021, nor were there any TDRs which incurred a payment default within twelve months of the restructure date during 2022 or 2021. There were no commitments to lend additional funds to borrowers whose loans have been modified and recorded as TDRs at December 31, 2022. Determination of the allowance for loan losses for TDR loans does not differ materially from the process for other impaired loans in the Bank’s portfolio.

5. **Premises and Equipment**:

Premises and equipment at December 31 consists of the following:

	2022	2021
Land	$ 1,862,215	$ 1,862,215
Building and improvements	6,527,439	5,816,711
Computer equipment and software	1,201,653	1,108,464
Furniture and equipment	2,241,793	1,901,314
Total	11,833,100	10,688,704
Accumulated depreciation	(4,786,273)	(4,257,719)
Premises and equipment, net	$ 7,046,827	$ 6,430,985

The Bank owns its headquarters building and leases to others approximately 20% of the building. Rental income recorded under noncancelable leases as well as other month-to-month agreements totalled $50,502 and $47,749 for the years ended December 31, 2022 and 2021, respectively, and is recorded in noninterest income. At December 31, 2022, future expected rental revenues to be received under such noncancelable leases are as follows:

2023	$ 32,990
2024	9,880
Total	$ 42,870

6. **Time Deposits**:

Individual time deposits that met or exceeded the FDIC standard insurance coverage limit of $250,000 totalled $1,767,882 and $1,662,599 at December 31, 2022 and 2021, respectively.

At December 31, 2022, the scheduled annual maturities of time deposits are as follows:

2023	$ 42,529,295
2024	2,062,270
2025	52,255
Thereafter	-
	$ 44,643,820

7. **Borrowings**:

During 2021, the Holding Company issued a total of $20,000,000 aggregate principal in fixed to floating rate subordinated notes. The notes will mature on December 1, 2031 and bear an interest rate of 3.25% through November 30, 2026 and thereafter will bear an interest rate equal to Three-Month Term Secured Overnight Funding Rate (SOFR) plus 0.217% payable quarterly in arrears.

The Bank has repurchase agreements (REPOs) of $1,489,141 (average rate 0.40%) and $1,490,035 (average rate 0.43%) at December 31, 2022 and 2021, respectively. A REPO represents an agreement between the Bank and a customer to collateralize funds deposited by the customer in an interest-bearing repurchase sweep account. Investment securities are pledged by the Bank as collateral in an amount equal to the REPOs.

The Bank has a borrowing line with the FHLB equal to a maximum of 35% of the Bank's total assets, subject to limits based on collateral consisting of FHLB stock, funds on deposit with FHLB and eligible portions of the Bank's loan and securities portfolios. The available borrowing line at December 31, 2022 is approximately $71,000,000. The Bank had no outstanding borrowings against this line at December 31, 2022 nor 2021.

The Bank has secured and unsecured federal funds borrowing lines available with correspondent banks totalling $33,000,000 at December 31, 2022. The Bank had no outstanding borrowings against these lines at December 31, 2022. The Bank also has a borrowing line available with the Federal Reserve Discount Window totalling approximately $3,780,000 at December 31, 2022, which is secured by a portion of the Bank's loan portfolio. The Bank had no outstanding borrowings against this line at December 31, 2022 nor 2021.

8. **Benefit Plans**:

The Bank has a defined contribution 401(k) profit sharing plan covering substantially all employees. Employer contributions are discretionary and are determined annually by the Board of Directors. Employer contributions were $583,224 and $478,106 in 2022 and 2021, respectively.

The Bank has a deferred cash incentive plan for the benefit of certain key employees and a directors' deferred compensation plan for the Bank's directors. Bank contributions to these plans totalled $226,000 and $78,850 in 2022 and 2021, respectively. The liability for benefits under these plans totalled $1,248,598 and $713,995 as of December 31, 2022 and 2021, respectively, and is included in other liabilities in the accompanying consolidated balance sheets.

9. **Stock Option and Equity Compensation Plans**:

The Bank has employee and nonemployee equity compensation plans (the Plans) that reserve shares of stock for issuance to employees and directors in the form of stock options, restricted stock, or restricted stock units (RSUs). Under the Plans, the exercise price (for options) or the fair value (for restricted stock and RSUs) of awards granted must equal the market price of the Bank's stock on the date of the grant. Options granted under the Plans have a maximum term of ten years. Vesting generally occurs over periods ranging from one to four years. At December 31, 2022 and 2021, there were 754,129 and 103,505 shares of common stock available for future grants under the Plans.

During 2022, the Company's shareholders approved an amendment to the Plans that authorized an additional 711,485 shares available for future grants under the Plans.

The following table presents the activity related to stock options under the Plans for the years ended December 31:

	2022		2021	
	Options outstanding	Weighted-average exercise price	Options outstanding	Weighted-average exercise price
Balance, beginning of year	240,221	$9.61	189,622	$8.71
Granted:				
Directors	3,750	13.65	14,019	13.84
Employees	47,674	14.52	51,539	10.36
Exercised	(44,538)	6.39	(13,333)	4.53
Forfeited or expired	(17,744)	10.34	(1,626)	10.05
Balance, end of year	229,363	11.27	240,221	9.61
Exercisable, end of year	139,940	$ 9.97	164,828	$ 8.80

The total intrinsic value of stock options exercised was $349,667 and $93,136 for the years ended December 31, 2022 and 2021, respectively.

The following table presents additional information regarding stock options outstanding as of December 31, 2022:

Expiration	Weighted average exercise price per share	Weighted average remaining contractual life	December 31, 2022 Exercisable	December 31, 2022 Outstanding
2025	$ 5.98	2.31	18,688	18,688
2027	7.92	4.24	22,097	22,097
2028	10.21	5.09	32,317	32,317
2029	12.35	6.24	38,363	39,927
2030	10.57	7.25	8,098	16,182
2031	11.51	8.28	20,377	48,728
2032	14.46	9.21	-	51,424
			139,940	229,363
Aggregate intrinsic value			$600,586	$700,841

The fair value of options granted under the Plans is estimated on the date of the grant using the Black-Scholes option pricing model. The fair value of the grants is amortized on a straight line basis over the requisite vesting periods. The expected life of options granted represents the period of time that they are expected to be outstanding. The expected life is determined based on the actual historical weighted average life of the Bank's options. Expected volatility is estimated at the date of grant based on the historical volatility of the Bank's common stock over a period similar to the expected life of the option. Dividends during the expected life are assumed to be zero. The risk-free interest rate is derived from the trailing twenty day U.S. Treasury yield at the time of the grant for a term equivalent to the expected life of the option. The Black-Scholes model used the following assumptions for the stock options granted during the years indicated:

	Expected Life (years)	Expected Volatility	Expected Dividends	Risk Free Rate
2022	7.0	8.2%	0.00%	2.03%
2021	7.0	16.4%	0.00%	0.95%

The weighted average fair value of options granted in 2022 and 2021 was $2.35 and $2.21, respectively. As of December 31, 2022, the total unrecognized compensation expense related to options granted amounted to $171,707, which is expected to be recognized during 2022-2025, a weighted average period of 1.2 years.

The fair value of restricted stock and RSUs awarded under the Plans is measured based on the number of shares granted and the market price of the Bank's common stock on the date of grant. This amount is recognized as an expense over the corresponding requisite service period. As of December 31, 2022, the total unrecognized compensation expense related to restricted stock awards granted amounted to $359,264, which is expected to be recognized during 2023-2025. Weighted average years to vest for outstanding restricted stock grants as of December 31, 2022 is 0.9 years. The following presents the Bank's restricted stock and RSU activity for the years ended December 31, 2022 and 2021:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2020	28,393	$ 11.78
Granted	38,546	9.79
Vested	(19,042)	11.79
Forfeited	(139)	11.68
Unvested as of December 31, 2021	47,758	10.17
Granted	31,416	14.53
Vested	(24,963)	10.09
Forfeited	(4,235)	10.82
Unvested as of December 31, 2022	49,976	$ 12.88

There were a total of 82,840 shares of restricted stock and options granted during 2022, none of which vested in 2022, 950 were surrendered unvested and the remaining 81,890 expected to vest during 2023-2025. There were 25,978 and 50,164 options that vested during the years ended December 31, 2022 and 2021 with a total fair value of $62,678 and $123,777, respectively. There were 24,963 and 19,042 shares of restricted stock that vested during years ended December 31, 2022 and 2021 with a total fair value of $251,843 and $224,423, respectively.

Weighted average shares outstanding for the years ended December 31 are as follows:

	2022	2021
Basic	7,621,409	7,552,744
Common stock equivalents attributable to stock based grants outstanding	81,940	77,244
Fully Diluted	7,703,349	7,629,988

10. **Revenue from Contracts with Customers**:

In accordance with ASC 606, revenues are recognized when goods or services are transferred to a customer in exchange for the consideration the Bank expects to be entitled to receive. The largest portion of the Bank's revenue is from interest income, which is excluded from the scope of ASC 606. All of the Bank's revenue from contracts with customers which is within the scope of ASC 606 is recognized in noninterest income.

If a contract is determined to be within the scope of ASC 606, the Bank recognizes revenue as it satisfies a performance obligation. Payments from customers are generally collected at the time services are rendered, monthly, or quarterly. For contracts with customers within the scope of ASC 606, revenue is either earned at a point in time or revenue is earned over time. Examples of revenue earned at a point in time are automated teller machine ("ATM") transaction fees, wire transfer fees, overdraft fees and interchange fees. Revenue is primarily based on the number and type of transactions that are generally derived from transactional information accumulated by the Bank's systems and is recognized immediately as the transactions occur or upon providing the service to complete the customer's transaction. The Bank is generally the principal in these contracts, with the exception of interchange fees, in which case the Bank is acting as the agent and records revenue net of expenses paid to the principal. Examples of revenue earned over time, which generally occur on a monthly basis, are deposit account maintenance fees, merchant revenue, and safe deposit box fees. Revenue is generally derived from transactional information accumulated by the Bank's systems or those of third-parties and is recognized as the related transactions occur or services are rendered to the customer.

The following table includes the Bank's noninterest income disaggregated by type of service for the years ended December 31, 2022 and 2021:

	2022	2021
Bank card and interchange fees	$ 819,987	$ 585,004
Loan servicing fees [1]	198,044	302,940
Other noninterest loan income	952,485	503,766
Service charges on deposit accounts	109,858	133,658
Bank-owned life insurance income [1]	89,606	91,388
Real estate lease income [1]	50,502	47,749
Gains (losses) on sales and write-downs of repossessed assets, net	(66,294)	50,059
Other	605,898	235,192
Total noninterest income	$ 2,760,086	$ 1,949,756

[1] Not in the scope of ASC 606

For the years ended December 31, 2022 and 2021, substantially all of the Bank's revenues within the scope of ASC 606 are for performance obligations satisfied at a specified date. Revenues recognized within the scope of ASC 606 include:

Bank card and interchange fees: Bank card and interchange fees are earned when a debit card issued by the Bank is used. The Bank earns interchange fees from debit cardholder transactions through the Visa® payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder. The performance obligation is satisfied and the fees are earned when the cost of the transaction is charged to the cardholders' debit card. Certain expenses directly associated with the debit cards are recorded on a net basis with the interchange income.

Other noninterest loan income: Other noninterest loan income includes early termination fees and other income from loans that the Bank services. These fees are recognized on a daily, monthly, quarterly or annual basis, depending on the type of service.

Service charges on deposit accounts: Fees are earned on the Bank's deposit accounts for various products offered to or services performed for the Bank's customers. Fees include business account fees, non-sufficient fund fees, stop payment fees, wire services, safe deposit box and others. These fees are recognized on a daily, monthly or quarterly basis, depending on the type of service.

Losses on sales and write-downs of repossessed assets, net: The Bank records a gain or loss from the sale of repossessed assets when control of the property transfers to the buyer, which generally occurs at the time of an executed deed or title.

Other: Fees earned on other services, such as merchant services or occasional non-recurring type services, are recognized at the time of the event or the applicable billing cycle.

As of December 31, 2022, the Bank had no significant contract liabilities where the Bank had an obligation to transfer goods or services for which the Bank had already received consideration. In addition, the Bank had no material unsatisfied performance obligations as of this date.

11. **Other Expense**:

Other expense for the years ended December 31 is comprised of the following:

	2022	2021
Professional services	$ 519,062	$ 461,460
Printing, supplies and postage	440,020	319,105
Regulatory assessments	394,872	551,799
Advertising, marketing and public relations	715,241	603,937
Loan expenses and collection	238,391	277,543
Communications	207,412	180,919
Correspondent bank fees	180,335	129,558
Other operating expenses	1,068,582	992,810
Total other expense	$ 3,763,915	$ 3,517,131

12. **Income Taxes**:

The income tax provision consists of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Current		
Federal	$ 3,484,571	$ 2,763,655
State	897,328	884,260
Deferred	93,830	78,648
Total income tax provision	$ 4,475,729	$ 3,726,563

The income tax provision results in effective tax rates that are different than the federal income tax statutory rate. The nature of the differences for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Expected federal income tax provision at statutory rates	$ 3,786,038	$ 3,065,413
State taxes	806,355	942,104
Permanent differences	(23,072)	(33,274)
Other	(93,592)	(247,680)
Total income tax provision	$ 4,475,729	$ 3,726,563

The tax effects of temporary differences that give rise to deferred tax assets and liabilities as of December 31, 2022 and 2021 are as follows:

	2022	2021
Deferred tax assets:		
Allowance for loan losses	$ 2,994,355	$ 2,642,875
Accrued vacation	15,325	20,000
Other accrued expenses	33,043	16,000
Repossessed assets	1,284	3,500
Deferred compensation	320,518	183,784
Share-based compensation	-	18,000
Unrealized losses on investment securities	1,430,000	107,635
Secondary accrued interest	72,494	125,000
Operating lease liability	162,721	73,000
Other	49,447	35,000
Total deferred tax assets	5,079,187	3,224,794
Deferred tax liabilities:		
Depreciation	(371,405)	(275,000)
Loan origination costs	(1,598,594)	(1,115,645)
Prepaid expenses and other	(108,365)	(100,000)
Share-based compensation	(25,901)	-
Operating lease right-of-use asset	(165,543)	(78,000)
Other	(157,850)	(202,302)
Total deferred tax liabilities	(2,427,658)	(1,770,947)
Total net deferred tax assets	$ 2,651,529	$ 1,453,847

The Bank has determined that it is not required to establish a valuation allowance for the net deferred tax assets as of December 31, 2022 and 2021, as management believes it is more likely than not that the net deferred tax assets will be realized through reversals of existing taxable temporary differences and future taxable income.

13. Commitments and Contingencies:

In order to meet the financing needs of its clients, the Bank commits to extensions of credit and issues standby letters of credit. The Bank'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 Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Commitments to extend credit are agreements to lend to a client as long as there is no violation of any conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Standby letters of credit written are conditional commitments issued by the Bank to guarantee the performance of a client to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to clients.

To manage interest rate risk, the Bank enters into interest rate swaps that effectively convert fixed rate loans into variable rate instruments earning a margin over a short term index, typically SOFR. These fair value hedges have been structured in most cases to be perfectly effective. Any ineffectiveness is recognized in earnings. Cash and investment securities at December 31, 2022 totalling $2,238,662 are held by counterparties and are pledged as security for these interest rate swaps.

Financial instruments with off-balance-sheet risk at December 31 are as follows:

	2022	2021
Commitments to extend credit	$ 230,841,980	$ 164,534,003
Standby letters of credit	1,233,948	1,259,403
Interest rate swaps (receive variable - pay fixed, maturing 2023-2048):		
Principal amount of hedged loans	143,548,715	122,792,107
Fair value adjustment, included in other liabilities (assets)	(8,010,000)	6,688,000
Total fair value of hedged loans	$ 135,538,715	$ 129,480,107

Due to the nature of its activities, the Bank is periodically subject to litigation arising in the ordinary course of business, which is generally expected to not have a material effect on the Bank's consolidated financial position, results of operations, and cash flows as of and for the year ended December 31, 2022.

The Bank has entered into employment agreements with certain key employees, which provide for contingent payments upon a change in control of the Bank, as defined in the agreements.

14. **Related Party Transactions**:

In the normal course of business, the Bank has granted loans to officers and directors and to companies with which they are associated. Such loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties. Activity with respect to these loans during the years ended December 31 was as follows:

	2022	2021
Balance, beginning of year	$ 5,325,457	$ 6,020,680
Additions or renewals	200,000	300,000
Principal repayments	(721,258)	(995,223)
Balance, end of year	$ 4,804,199	$ 5,325,457

In addition, there were $1,161,776 in commitments to extend credit to officers and directors, including related entities, at December 31, 2022 which are included as part of commitments in Note 13.

Deposits from officers and directors totalled $10,984,270 and $6,235,071 at December 31, 2022 and 2021, respectively.

15. **Fair Value Measurements**:

Fair value is defined as 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. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based upon the underlying inputs, each fair value measurement in its entirety is reported in one of the three levels. These levels are:

- Level 1: Fair value of the asset or liability is determined using unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value of the asset or liability is determined using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Fair value of the asset or liability is determined using unobservable inputs that are significant to the fair value measurement and reflect management's own assumptions regarding the applicable asset or liability.

The following disclosures are made in accordance with provisions of GAAP. The use of different assumptions and estimation methods could have a significant effect on fair value amounts. Accordingly, the estimates of fair value herein are not necessarily indicative of the amounts that might be realized in a current market exchange.

The carrying amount and estimated fair value of the Bank’s financial instruments are as follows at the dates indicated:

December 31, 2022	Carrying Amount	Level I	Level II	Level III	Estimated Fair Value
Assets:					
Cash and cash equivalents	$ 140,319,583	$ 140,319,583	$ -	$ -	$ 140,319,583
Investment securities available-for-sale	62,960,462	-	62,960,462	-	62,960,462
Hedged loans, net of allowance for loan losses	135,538,715	-	135,538,715	-	135,538,715
Other loans, net of allowance for loan losses	596,596,353	-	554,797,682	6,393,638	561,191,320
Interest receivable	3,169,999	-	3,169,999	-	3,169,999
FHLB and PCBB stock	1,517,700	-	1,517,700	-	1,517,700
Cash surrender value of bank-owned life insurance	8,185,532	-	8,185,532	-	8,185,532
Liabilities:					
Time deposits	44,643,820	-	44,853,767	-	44,853,767
Repurchase agreements and secured borrowings	1,489,141	-	1,489,141	-	1,489,141
Term borrowings	19,633,799	-	19,633,799	-	19,633,799
Interest rate swap agreements	112,000	-	112,000	-	112,000

December 31, 2021	Carrying Amount	Level I	Level II	Level III	Estimated Fair Value
Assets:					
Cash and cash equivalents	$ 196,994,542	$ 196,994,542	$ -	$ -	$ 196,994,542
Investment securities available-for-sale	68,125,073	-	68,125,073	-	68,125,073
Hedged loans, net of allowance for loan losses	129,480,107	-	129,480,107	-	129,480,107
Other loans, net of allowance for loan losses	489,144,758	-	503,922,195	227,825	504,150,020
Interest receivable	2,248,268	-	2,248,268	-	2,248,268
FHLB and PCBB stock	1,353,600	-	1,353,600	-	1,353,600
Cash surrender value of bank-owned life insurance	6,085,714	-	6,085,714	-	6,085,714
Liabilities:					
Time deposits	11,389,114	-	11,395,060	-	11,395,060
Repurchase agreements and secured borrowings	1,490,035	-	1,490,035	-	1,490,035
Term borrowings	19,592,723	-	19,592,723	-	19,592,723
Interest rate swap agreements	6,688,000	-	6,688,000	-	6,688,000

The following methods were used to estimate the fair value of each class of financial instrument above that is measured and recorded at estimated fair value on a recurring basis:

Investment Securities Available-for-Sale– Fair value is estimated using quoted market prices for similar securities.

Hedged Loans – Fair value of hedged fixed-rate loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit characteristics and for the same remaining maturities.

Interest Rate Swap Agreements – Fair value of interest rate swap agreements is estimated based upon quoted prices for similar instruments in the over the counter swaps market.

The following tables present assets that are measured at estimated fair value on a nonrecurring basis at the dates indicated:

		Estimated fair value measurements using		
December 31 2022	Total estimated fair value	Level I	Level II	Level III
Repossessed assets	$ 342,610	$ -	$ -	$ 342,610
Impaired loans	$ 6,393,638	$ -	$ -	$ 6,393,638
December 31 2021				
Repossessed assets	$ 28,530	$ -	$ -	$ 28,530
Impaired loans	$ 227,825	$ -	$ -	$ 227,825

	Valuation technique	Significant unobservable inputs
Repossessed assets	Market approach	Appraised value of collateral less selling costs
Impaired loans	Market and income approach	Discounted cash flows or appraised value of collateral less selling costs

The Bank considers third party appraisals in determining the fair value of repossessed assets and impaired loans. Appraisals are adjusted by the Bank in consideration of economic and market conditions that could impact the value of the assets.

The fair values presented above represent management's best estimates based on a range of methodologies and assumptions. Where appropriate, expected cash flows are discounted using an applicable rate considering the time of collection, credit risk, and the discount for the uncertainty of the cash flows.

There were no transfers to or from Level III during 2022 or 2021.

16. **Leases**:

During 2022, the Bank entered into noncancelable operating lease agreements for office space that requires future minimum rental payments. The Bank does not have any operating leases with an initial term of 12 months or less. The Bank's operating leases contain various provisions for increases in rental rates based on predetermined escalation schedules. The Bank's operating leases also provide the Bank with options to extend the lease terms one or more times following expiration of the initial terms. Lease extensions are not reasonably certain, and the Bank generally does not recognize payments occurring during option periods in the calculation of its operating lease right-of-use assets and operating lease liabilities.

The table below presents the operating lease right-of-use assets and operating lease liabilities recorded in the consolidated balance sheets as of December 31, 2022 and 2021:

	2022	2021	Balance sheet classification
Operating lease right-of-use assets	$ 616,524	$ 282,556	Other assets
Operating lease liabilities	635,724	302,758	Other liabilities
Operating lease weighted-average remaining lease term	2.81 years	2.83 years	
Operating lease weighted-average discount rate	3.39%	2.54%	

Costs of operating leases for the years ended December 31, 2022 and December 31, 2021 totalled $159,994 and 103,788, respectively and are recorded in occupancy and equipment expense in the consolidated statements of income.

Supplemental cash flow information – Operating cash flows paid for the operating lease amounts included in the measurement of the lease liability were $160,996 and $104,813 for the years ended December 31, 2022 and 2021, respectively. The following table reconciles the undiscounted cash flows for the periods indicated related to the Bank's operating lease liabilities as of December 31, 2022:

Years ending December 31	
2023	$ 291,056
2024	209,947
2025	90,600
2026	53,798
2027	22,645
Total minimum lease payments	668,046
Less: amount of lease payment representing interest	(32,322)
Lease liability	$ 635,724

17. Regulatory Matters:

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

Regulatory capital regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. As of December 31, 2022 and 2021, the most recent regulatory notification classified the Bank as well capitalized under the prompt corrective action regulatory framework. There are no conditions or events since that notification that management believes have changed the Bank's category

In 2019, the federal banking agencies jointly issued a final rule that provides for an optional, simplified measure of capital adequacy, the community bank leverage ratio framework (CBLR framework), for qualifying community banking organizations, consistent with Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The final rule became effective on January 1, 2021 and was elected by the Bank as of March 31, 2021. In April 2021, the federal banking agencies issued an interim final rule that makes temporary changes to the CBLR framework, pursuant to section 4012 of the CARES Act, and a second interim final rule that provides a graduated increase in the CBLR requirement after the expiration of the temporary changes implemented pursuant to section 4012 of the CARES Act.

The CBLR framework eliminates the requirement for qualifying banking organizations to calculate and report risk-based capital in favour of a single Tier 1 capital to average assets (leverage) ratio. Qualifying banking organizations that elect to use the CBLR framework and that maintain a leverage ratio of greater than the required minimums are considered to have satisfied the generally applicable risk based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, are considered to have met the well capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. Under the interim final rules, the CBLR minimum requirement was 8.5% for the calendar year 2021, and 9.0% for the calendar year 2022 and beyond. The interim rule allows for a two-quarter grace period to correct a ratio that falls below the required amount, provided that the Bank maintains a leverage ratio of 7.5% as of December 31, 2022 and 8.0% for calendar year 2022 and beyond.

Under the final rule, an eligible banking organization can opt out of the CBLR framework and revert back to the risk weighting framework without restriction. As of December 31, 2022, both the Holding Company and the Bank were qualifying community banking organizations as defined by federal banking agencies and have elected to measure capital adequacy under the CBLR framework.

The Bank's actual and required capital amounts (in thousands) and ratios are as follows for the year ended December 31, 2022:

	Actual		To be Well Capitalized Under Prompt Corrective Action Provisions (CBLR Framework)	
	Amount	Ratio	Amount	Ratio
Tier I capital to average total assets ($ in thousands)	$ 104,419	10.51%	$ 89,381	9.00%

The Bank's actual and required capital amounts (in thousands) and ratios were as follows for the year ended December 31, 2021:

	Actual		To be Well Capitalized Under Prompt Corrective Action Provisions (CBLR Framework)	
	Amount	Ratio	Amount	Ratio
Tier I capital to average total assets	$ 89,601	9.69%	$ 78,618	8.50%

RICHARD M. ABRAHAM, MD
Dr. Abraham has been a practicing Emergency and Occupational Medicine physician with Cascade Medical Associates since 1979. He is a founding member of NovaHealth (formally Eugene Urgent Care) walk-in clinics and the past President and current COO of Drs. Emergency Room Corporation dba Cascade Medical Associates. He is a founding Director of Summit Bank and also serves on the boards of Cascade Health Solutions, AttWill Vascular Technologies, NovaHealth and McKenzie Willamette Medical Center. He has previously served on the boards of MWMC Foundation, PacificSource, the Health and Safety Institute and the Marist Foundation. Director since 2003.

PATRICIA O. BUEHLER, MD
Dr. Buehler joined Summit Bank Board of Directors in 2016. She is a surgeon specializing in cataract and Lasik surgery and an owner of two small businesses. Dr. Buehler is a managing partner of InFocus Eye Care, a specialty vision correction facility in Bend with 32 employees and an owner of the Bend Surgery Center which has 120 employees. She is active at the St. Charles Health System and is on the board of directors of Lines for Life, a statewide substance abuse and suicide prevention non-profit. Director since 2016.

ALAN V. EVANS
Mr. Evans is a founder and president of Evans, Elder, Brown, & Seubert Inc., a commercial real estate brokerage active in sales, leasing, and development of commercial properties. He is a founding Director of the Bank and also serves on the board of directors of the Arts and Business Alliance of Eugene. Director since 2003.

DANIEL P. HOBIN
Mr. Hobin has more than 25 years of experience building and selling technology companies and most recently was the co-founder and CEO of G5, a company located in Bend that is a leading provider of digital marketing in the property management sector. He joined the Summit Bank Board of Directors in 2016. Mr. Hobin is a co-founder of the Bend Venture Conference and participates on the advisory board for Oregon State University Cascades and the Central Oregon Forest Stewardship Foundation. Director since 2016.

STEVEN J. KORTH
Mr. Korth is a partner and the director of real estate and development for his family business, McKay Investment Company. He has been a Director of the Bank since 2008 and has served on the boards of the Eugene Chamber of Commerce, Lane Metro Partnership, and the Oregon Community Foundation. He is also active in local government, having served on the Mayor of Eugene's Economic Development Committee, the Eugene Enterprise Zone Committee, and as a member of the Eugene School Districts "Shaping 4-J's Future" task force. Director since 2008.

ANN MARIE MEHLUM
Ms. Mehlum is the founding President & Chief Executive Officer of Summit Bank. Prior to re-joining Summit's Board, she served as Associate Administrator of the US Small Business Administration, where she oversaw SBA's loan guarantee programs that together with participating banks all over the country provided access to capital for small businesses and a portfolio that exceeded $100 billion. She has served on the FDIC Community Bank Advisory Council, the US Treasury CDFI Advisory Board and as President of the Oregon Bankers Association. Locally, she has served on non-profit boards including the United Way of Lane County and the Eugene Area Chamber of Commerce. In 2015, she was inducted into the State of Oregon Bankers Hall of Fame for lifetime contributions to the industry. Initial Director from 2004 to 2013. Current Director since 2017.

BOARD OF DIRECTORS

JAMIE H. MOFFITT

Ms. Moffitt is the Senior Vice President for Finance and Administration and CFO of The University of Oregon. She holds degrees from Harvard College, the Fletcher School of Law and Diplomacy, and Harvard Law School. Prior to joining the University of Oregon in 2003, Ms. Moffitt spent seven years working in the private sector including as a consultant with McKinsey and Company. She has served on the Board and audit committee of Anixter, Inc., (formerly NYSE: AXE), a company with over $8.5 billion in annual revenue and on the audit committee of the PAC-12 Athletic Conference. Currently, she serves in an ex-officio capacity on the Board and investment committee of the University of Oregon Foundation. Ms. Moffit was appointed as a Director in 2022.

J. ANDREW MOORE

Mr. Moore is co-president of Bigfoot Beverages. He has been a Director of Summit Bank for more than eleven years and also serves on the boards of the Oregon Beverage Association, the American Beverage Association, Cascade Health Solutions, Pepsi Northwest Beverages, and the Pepsi-Cola Bottlers Association. Director since 2010.

DENNIS G. OREM

Mr. Orem is the CEO of Jerry's Home Improvement Centers located in Eugene and Springfield. He is a founding Director of the Bank and has been an active participant in local, regional, and national industry trade organizations including serving on the boards of the Western Building Materials Association, the Home Center Institute, and the Eugene Chamber of Commerce. Director since 2003.

ANDY J. STORMENT

Mr. Storment is a founding director of the Bank and current Board Vice Chair. He also manages investments in commercial real estate and operating companies primarily in the Northwest. He serves on the boards of Jerry's Home Improvement Centers, The Ford Family Foundation, Oregon Equipment Sales, and Stahlbush Island Farms, Inc. Director since 2003.

CRAIG A. WANICHEK

Mr. Wanichek currently serves as the President and Chief Executive Officer of Summit Bank and Summit Bank Group, Inc. Mr. Wanichek joined Summit Bank in 2009 holding various Executive Management positions including President and Chief Credit Administrator prior to succeeding Summit Bank's founding CEO in 2013. Mr. Wanichek previously served in several management positions with a local NYSE- traded manufacturing company following seventeen years in banking. He is Past Chairman of the Board of Directors for the Oregon Bankers Association. He was previously a Federal Delegate representing Oregon for the Independent Community Bankers of America (ICBA). He is currently serving on the Board of Directors for ICBA Securities. Mr. Wanichek has served as chair of the Eugene Chamber of Commerce and Cascade Health. He is a graduate of the University of Oregon with a Bachelor's degree in Economics. Director since 2013.

R. PAUL WEINHOLD

Mr. Weinhold is the President and Chief Executive Officer of the University of Oregon Foundation. He is a founding Director of Summit Bank and currently serves as the Board Chair. He has served in leadership roles for a variety of local non-profits and served as the Chair of Oregon22, the organization responsible for hosting the World Track and Field Championship in Oregon. Prior to joining the University of Oregon Foundation, he spent more than twenty years in leadership roles in the commercial insurance industry. Director since 2003.

CORPORATE & INVESTOR INFORMATION

EUGENE OFFICE
96 EAST BROADWAY
EUGENE, OREGON 97401
541-684-7500

CENTRAL OREGON OFFICE
560 SW COLUMBIA ST.
BEND, OREGON 97702
541-317-8000

PORTLAND OFFICE
222 SW COLUMBIA, Suite 200
PORTLAND, OREGON 97201
971-940-1911

INVESTOR INFORMATION
SCOTT GOLDSTEIN
541-684-7505
sgoldstein@sbko.bank

PORTLAND WESTSIDE OFFICE
LOAN PRODUCTION/DEPOSIT PRODUCTION OFFICE
1915 NE Stucki Ave #155
HILLSBORO, OR 97006
971-940-1951

Website: sbko.bank

Stock Symbol: SBKO

SUMMIT BANK TEAM

CENTRAL OREGON OFFICE

DAVID AXBERG, AVP Portfolio Manager
RACHAEL BAKER, VP Compliance Officer
LAURA BEST, AVP Branch Operations Supervisor
JORDAN BURCHAM, AVP Portfolio Manager
CARLYN CARMICHAEL, VP Business Client Advisor
NOELLE COOK, Business Banking Associate
JILL L CUMMINGS, VP Central Oregon Market Manager
SARA DANNIS, Business Client Courier
REXANNE DOVE, Commercial Loan Support Specialist
MATTHEW DYNICE, SVP Credit Administrator
MYLES FUCHS, Client Services Representative I
CHRISTIAN HASLINGER, Credit Administration Associate
ROGER LEE, VP Business Client Advisor
MAARTY LEUNEN, AVP Market Development Officer
DEVON MYERS, Marketing Coordinator
KAYLA MINNEY-KUPER, Universal Banker I
SAVANNAH MONTGOMERY, Universal Banker II
GARY O CONNELL, EVP Central Oregon President
ZACHARY SUNDSTEN, VP Business Client Advisor
STEPHEN WHEELER, Associate Business Client Advisor

PORTLAND OFFICE

JOSH ADAMS, SVP Business Client Advisor
TIFFANI BEAM, Universal Banker I
ANNA BERG, Portfolio Manager
JENNIFER BILLINGSLEY, Commercial Loan Support Specialist
CHRIS BARRON, Business Banking Associate
JACQUELINE COSTELLO, VP Business Client Advisor
KEVIN DONOVAN, Associate Business Client Advisor
FERNANSO LIRA, Business Banking Associate
ROCHELLE LUNSFORD, Branch Operations Supervisor
GREGORY OAKES, SVP Commercial Banking Team Leader
REBEKAH PRATT, VP Business Client Advisor
ANDREW SCHAER, AVP Portfolio Manager
LOGAN SHERWOOD, Associate Business Client Advisor
BRIAN THOMAS, SVP Commercial Banking Team Leader
STEVEN WATTS, SVP Business Client Advisor
ZACHERY WEBER, AVP Senior Associate Business Client Advisor
SCOTT WELLS, Commercial Banking Team Leader

EUGENE OFFICE

SHELLY ADAIR, EFG Support Specialist II
MIKE ALBIN, Technology Support Specialist III
LINDA ALGER, EFG Sr. Collections Specialist
RACHEL ARBOGAST, Loan Servicing Representative I
SARAH AUSTIN, Universal Banker I
THOMAS BALL, VP Business Client Advisor
AUSTIN BANKS, Client Services Advisor
JENNY BENNETT, EVP Eugene/Springfield Market President
JAMIE BROCKETT, Loan Documentation Specialist I
MEGAN BROWN, HR Specialist
PIOTREK BUCIARSKI, SVP Commercial Banking Team Leader
ALYSSA CLARE, Branch Operations Support Specialist
KYLE COOK, SBA Portfolio Associate
NATASHA CRAWFORD, Support Specialist II
RACHAEL CRAWFORD, Branch Operations Supervisor
VICKIE CUSSINS, VP Corporate Secretary, Administration
DARRYL DARE, SVP Director Information Technology Services
JEAN DARMASI, Associate Business Client Advisor
GRACE DAVIS, Client Services Representative I
JULIE DEATON, Loan Documentation Specialist II
MICHAEL DEMING, Associate Business Client Advisor
LISA DEUEL, Support Specialist I
ROBERT DVORAK, EFG Collections Specialist I
MELANIE ELMORE, AVP SBA Portfolio Manager
TRACI EWING, AVP eBanking Manager
DARVIN FOWLER, SVP Commercial Banking Team Leader
MAGGIE FRITCHMAN, Teller Coordinator
DANIELLE GILLETTE, Compliance & Deposit Ops Specialist
WESLEY GODELL, Finance Associate
RODNEY GOEBEL, Business Client Courier
SCOTT GOLDSTEIN, EVP Chief Financial Officer
JEFF GUSINOW, Senior Lending Consultant
COLLEEN HARFORD, EFG Funding Specialist I
T'KEYAH HAY, SBA Portfolio Associate
JACKSON HEATH, Associate Business Client Advisor
CHRIS HEMMINGS, EVP Chief Operating Officer
ARIANA HERNANDEZ, Lead Support Specialist
ALYSSA HEW, Associate Business Client Advisor
TYLAN HIBBARD, Client Services Representative I
ASHLEY HORNER, EVP SBA Program Administrator
MONICA HYDE, AVP Loan Documentation Manager
CATHRYN JENKINS, Commercial Loan Support Specialist
DENALEE JOHNSON, Universal Banker I
JAMES JOHNSON, EFG Program Manager
KAITLYNN JOURNEY, Support Specialist II - Operations
STACY KOOS, SVP Market Development Officer
ED LACKINGTON, EFG Servicing Specialist II
KERRI LANE, Loan Documentation Specialist I
TRACEY LARSON, AVP Loan Servicing Manager & Core System Liaison
STEVEN LIVELY, Technology Support Specialist I
KRISTI LOCKE, Loan Documentation Assistant
MICHAELA MARCOTTE, VP Human Resources Director
TIMOTHY MARCOTTE, VP Business Client Advisor
HANS MCKNIGHT, AVP Treasury Management Officer
TERRI MITCHELL, Support Specialist II
SUZETTE MOLINSKI, AVP EFG Operations Manager
JENNA MONASTERSKY, Network & Systems Administrator
ALEXA MONTGOMERY, Administrative Coordinator
MEGAN MORELAND, VP Business Client Advisor
TANNER NELSON, VP SBA Portfolio Manager
JACK OMLIN, AVP Central Operations Manager
SAMANTHA PARDY, Concierge Banker
GARY PARKER, EFG Administrative Manager
CHASE PEARSON, SBA Portfolio Associate
CHRISTINE PERLOW, AVP Credit Administration Project Manager
AVERY PETERSEN, Client Services Representative I
RACHAEL PLANT, EFG Collections Specialist I
PAMELA PLILER, VP Bank Secrecy Act and Compliance Officer
ADAM POWELL, Portfolio Manager
GREGORY REMEDIOS, VP Internal Auditor
MONTANA RENFRO, Client Services Advisor
RAMONA RUDEK, EFG Servicing Specialist I
RENEE SCHUCK, Associate Business Client Advisor
ANTOINETTE SPRAGUE, Loan Servicing Lead Support Specialist
CARRIE STAMOS, EFG Funding Supervisor
LEAKSMEY STRUEBY, Loan Servicing Representative II
SHANNON THOMPSON, Client Services Representative I
CHLOE TIRABASSO, VP Business Client Advisor
HEATHER WALING, Loan Documentation Specialist II
AARON WALKER, EVP Chief Credit Officer
CRAIG WANICHEK, President and CEO
TATIANA WINDON, Support Specialist II- Card Operations
RENDA WOLFORD, SVP Director of Operations
HILARY YOUNG, EFG Funding Specialist III
ANGELA ZASH, AVP Controller

SUMMITBANK GROUP, INC.

SUMMITBANK
GROUP, INC.

Member FDIC

EUGENE
96 East Broadway
Eugene, OR 97401

CENTRAL OREGON
560 SW Columbia Street
Bend, OR 97702

PORTLAND DOWNTOWN
222 SW Columbia, Suite 200
Portland, OR 97201

PORTLAND WESTSIDE
Loan Production Office
Deposit Production Office
1915 NE Stucki Ave #155
Hillsboro, OR 97006

WWW.SBKO.BANK