



FOR IMMEDIATE RELEASE

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SUMMIT BANK REPORTS 1ST QUARTER EARNINGS

April 20, 2017, Eugene, OR – (OTC Pink: SBKO) Summit Bank reported net income for the first quarter of 20 cents per fully diluted share, up 24% compared to first quarter 2016 earnings of 16 cents per fully diluted share. Net interest income for the quarter was \$3.5 million, up 23% from \$2.8 million in first quarter of 2016. Total non-interest income increased from \$156 thousand in first quarter 2016 to \$391 thousand in first quarter 2017, largely the result of a \$148 thousand increase in SBA loan activity. Non-interest expense was controlled, relative to revenue growth, increasing 14% from \$1.8 million in first quarter 2016 to \$2.1 million in this first quarter of 2017. Our Bank increased the provision for loan losses from \$271 thousand to \$554 thousand. Net income for the quarter increased by 31.4% compared to first quarter 2016 at \$762 thousand versus \$580 thousand.

Our Bank continues to experience significant growth in its loan and deposit portfolios. Total net loans as of March 31, 2017, were \$233.6 million, representing a 21.4% increase over the first quarter 2016 total of \$192.5 million. Total deposits increased by \$41.8 million to \$259.9 million or 19.2% over the previous year.

“Increases in loan volumes over this time last year and a robust quarter from our SBA group propelled the first quarter results,” said Craig Wanichek, president and CEO. “These factors, as well as managing expenses, in light of the growth, and increased contribution from our Central Oregon group, more than offset the higher loan loss provision for the quarter and culminated in solid earnings growth. Our year-to-date ROE of 11.3% and ROA of 1.1% remain strong relative to other banks in the region.”

“One of our goals this year is to attract more manufacturing, wholesale and distribution clients who utilize lines of credit and equipment loans,” said Wanichek. “We were very encouraged this loan category grew 25% over this time last year. Additionally, we believe because of the structure of our balance sheet we will be in a position to help our clients capitalize on rising interest rates. We have already increased the earnings credit on our client’s business deposits.”

Our Bank concluded a very successful capital raise during the quarter and together with solid earnings over the last four quarters, Summit has increased its levels of capital simultaneously with strong loan and deposit growth. Total shareholders’ equity at March 31, 2017, was \$31.3 million, compared to the Bank’s \$22.3 million total as of March 31, 2016.

“Our cash and securities portfolio of \$49.2 million is larger than it has ever been and our capital has also grown 40.2% from last year at this time,” said Scott Goldstein, CFO. “At the same time, our non-performing assets have remained very low at 0.5% of total assets.”

“We were humbled by the support and trust of the community during our capital raise,” said Wanichek. “The encouragement we have received by both the Eugene/Springfield and Central Oregon communities we serve has been tremendous. The additional capital will allow us to help more clients in both of our markets. Our Bank was also honored this quarter to be recognized by S&P Global Market Intelligence as one of the top performing community banks in the nation for 2016.”

Summit Bank will hold its Annual Shareholder meeting at 5:00 pm, Thursday April 20 at The Downtown Athletic Club in its Club Room.

With offices in Eugene and Bend, Summit Bank is a business bank that specializes in providing high-level service to professionals and medium-sized businesses and their owners. Summit Bank is quoted on the NASDAQ Over-the-Counter Bulletin Board as SBKO. Summit is the number one community bank lender in Oregon for SBA Financing. Summit Bank is designated this year as a 100 Best Company to Work for in Oregon, according to *Oregon Business Magazine*.

END

QUARTERLY FINANCIAL REPORT – MARCH 2017

(in thousands except per share data)

	Unaudited As of Mar. 31, 2017	Unaudited As of Mar. 31, 2016
Summary Statements of Condition		
Cash and short term investments	\$ 42,362	\$ 35,404
Securities	6,873	6,591
Loans:		
Commercial	77,553	61,977
Commercial real estate	129,143	109,450
Other	31,214	24,444
Loan loss reserve and unearned income	(4,310)	(3,418)
Total net loans	<u>233,601</u>	<u>192,453</u>
Property and other assets	10,839	10,059
Repossessed property	1,157	1,056
Total assets	<u>\$ 294,831</u>	<u>\$ 245,563</u>
Deposits:		
Noninterest-bearing demand	\$ 76,226	\$ 65,117
Interest-bearing demand	153,753	129,309
Certificates of deposit	29,895	23,664
Total deposits	<u>259,875</u>	<u>218,090</u>
Other liabilities	3,596	5,104
Shareholders' equity	31,360	22,369
Total liabilities and shareholders' equity	<u>\$ 294,831</u>	<u>\$ 245,563</u>
Book value per share	\$ 7.85	\$ 6.38

	Unaudited For the three months ending Mar. 31, 2017	Unaudited For the three months ending Mar. 31, 2016
Summary Statements of Income		
Interest income	\$ 3,585	\$ 2,909
Interest expense	(129)	(96)
Net interest income	<u>3,456</u>	<u>2,813</u>
Provision for loan losses	(554)	(271)
Noninterest income	391	156
Noninterest expense	(2,050)	(1,802)
Net income before income taxes	<u>1,243</u>	<u>895</u>
Provision for income taxes	(482)	(315)
Net income	<u>\$ 762</u>	<u>\$ 580</u>
Net income per share, basic	\$ 0.21	\$ 0.17
Net income per share, fully diluted	\$ 0.20	\$ 0.16