

Quarterly Earnings Report – March 31, 2018

Summit Bank reported net income for the first quarter of \$1.15 million or 28 cents per fully diluted share. Comparable earnings for the first quarter of 2017 were \$762,000 or 20 cents per fully diluted share, representing an increase of 51 percent to earnings and 37 percent to earnings per fully diluted share. Fully diluted earnings per share for the trailing four quarters totaled \$0.89.

Total net loans as of March 31, 2018 were \$297.3 million, an increase of \$20.1 million for the quarter and an increase of \$63.7 million or 27.3 percent over March 31, 2017. The Bank has achieved year over year net loan growth in excess of 15 percent during 20 of the previous 21 quarters. Deposit growth continues to be robust as well. Total deposits as of March 31, 2018 were \$328.8 million, an increase of \$30.2 million or 10.1 percent and \$68.9 million or 26.5 percent over December 31, 2017 and March 31, 2017, respectively.

“We were pleased to welcome a number of new clients to Summit Bank in the first quarter,” said Craig Wanichek, President and C.E.O. “As the only bank headquartered in Eugene/Springfield our personal level of service was well received by business clients as well as non-profit organizations.”

The Bank reported \$58.2 million of cash & short-term investments in securities as of March 31, 2018. This is an 18.5 percent increase over \$49.1 million held in cash & short-term investments in securities at the end Q1 2017. The Bank continues to hold very low levels of non-performing assets. Total non-performing assets at March 31, 2018 consisted primarily of one parcel of other real estate owned and represented just 0.3 percent of total assets, a reduction from 0.5 percent at March 31, 2017 and 0.4 percent at December 31, 2017.

“Our credit quality, growth and level of earnings, again placed us in the top 5 percent of all community banks in the nation as rated by S&P Global Market Intelligence,” said Wanichek. “In addition, because of our strong capital levels and credit quality we were honored to again be rated, the highest rating, 5-stars, by BauerFinancial an independent bank and credit union rating agency.”

With offices in Eugene and Bend, Summit Bank is a community 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 was designated this year as a 100 Best Company to Work for in Oregon, according to *Oregon Business Magazine*.

Paul Weinhold
Board Chair

Craig Wanichek
President & Chief Executive Officer



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| (in thousands except per share data) | Unaudited As of | Unaudited As of |
|--|--|--|
| Summary Statements of Condition | Mar. 31, 2018 | Mar. 31, 2017 |
| Cash and short term investments | \$ 51,413 | \$ 42,362 |
| Securities | 7,051 | 6,873 |
| Loans: | | |
| Commercial | 94,750 | 77,553 |
| Commercial real estate | 176,236 | 129,143 |
| Other | 31,742 | 31,214 |
| Loan loss reserve and unearned income | (5,439) | (4,310) |
| Total net loans | 297,289 | 233,600 |
| Property and other assets | 12,024 | 10,839 |
| Repossessed property | 910 | 1,157 |
| Total assets | <u>\$ 368,687</u> | <u>\$ 294,831</u> |
| Deposits: | | |
| Noninterest-bearing demand | \$ 81,721 | \$ 76,226 |
| Interest-bearing demand | 199,774 | 153,753 |
| Certificates of deposit | 47,273 | 29,895 |
| Total deposits | 328,768 | 259,874 |
| Other liabilities | 4,231 | 3,596 |
| Shareholders' equity | 35,688 | 31,360 |
| Total liabilities and shareholders' equity | <u>\$ 368,687</u> | <u>\$ 294,831</u> |
| Book value per share | \$ 8.69 | \$ 7.85 |
| | Unaudited | Unaudited |
| | For the three months ending | For the three months ending |
| Summary Statements of Income | Mar. 31, 2018 | Mar. 31, 2017 |
| Interest income | \$ 4,775 | \$ 3,585 |
| Interest expense | (329) | (129) |
| Net interest income | 4,446 | 3,456 |
| Provision for loan losses | (614) | (554) |
| Noninterest income | 415 | 391 |
| Noninterest expense | (2,647) | (2,050) |
| Net income before income taxes | 1,600 | 1,244 |
| Provision for income taxes | (450) | (482) |
| Net income | <u>\$ 1,150</u> | <u>\$ 762</u> |
| Net income per share, basic | \$ 0.28 | \$ 0.21 |
| Net income per share, fully diluted | \$ 0.28 | \$ 0.20 |