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**SUMMIT BANK REPORTS THIRD QUARTER EARNINGS
BOARD OF DIRECTORS APPROVES (3 FOR 2) STOCK SPLIT**

October 26 2016, Eugene, OR – (OTC Pink: SBKO) Summit Bank reported net income for the third quarter of \$840 thousand or 35 cents per fully diluted share. Earnings for the comparable period one year ago were \$705 thousand or 30 cents per fully diluted share. The Bank's third quarter earnings were the highest that the Bank has achieved in its history. Year to date earnings were \$2.1 million or 88 cents per fully diluted share, compared to the \$2.1 million or 92 cents that the Bank earned during the first nine months of 2015. The Bank's earnings for the first nine months of 2016 matched those of the similar period in 2015 despite a higher provision for loan loss expense in the Bank's small business equipment lending operation and expected startup losses associated with Summit's Central Oregon office in Bend. Fully diluted earnings per share for the trailing four quarters totaled \$1.13.

"We are pleased that this quarter's results, which did not include any material one-time items, represented the fundamental strong earnings power of the Bank," said Craig Wanichek, president and CEO. "The continued growth and on-plan improvement in Central Oregon is beginning to positively influence our results."

The Bank's board of directors, at its most recent meeting, has unanimously approved a three for two stock split of the company's shares of common stock payable in the form of a stock dividend. The ex-dividend date will be November 21 2016. Shareholders of record as of November 28 will receive one additional share for every two shares they own.

The Bank continues to add quality new loans and deposits to its balance sheet. Total net loans as of September 30, 2016, were \$210.4 million, representing a 17.4 percent increase over the third quarter 2015 total of \$179.2 million. Total deposits increased by \$29.0 million or 13.9 percent over the previous year. Solid earnings over the last four quarters combined with new capital resulting from the Bank's 2015 common stock offering have allowed Summit to increase its already strong levels of regulatory capital. Total shareholders' equity at September 30, 2016, was \$24.1 million, an increase of \$3.5 million or 17.1% over Summit's September 30, 2015 total of \$20.6 million.

"The success of our clients this year has generated a number of new loans and deposits opportunities as they continue to grow and expand," said Wanichek. "We have also been fortunate to begin work with some great new businesses this year."

The Bank continues to hold very low levels of non-performing assets. Total non-performing assets at September 30, 2016 represented just 0.7 percent of total assets, an increase from 0.5 percent as of September 30, 2015.

Headquartered in Eugene at 96 E. Broadway, the Bank 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.

END

QUARTERLY FINANCIAL REPORT – SEPTEMBER 2016

(in thousands except per share data)

	Unaudited As of Sep. 30, 2016	Unaudited As of Sep. 30, 2015
Summary Statements of Condition		
Cash and short term investments	\$ 38,832	\$ 37,329
Securities	6,882	7,002
Loans:		
Commercial	64,672	57,851
Commercial real estate	122,727	102,264
Other	26,865	22,361
Loan loss reserve and unearned income	(3,862)	(3,303)
Total net loans	210,403	179,173
Property and other assets	9,982	9,673
Repossessed property	988	830
Total assets	<u>\$ 267,087</u>	<u>\$ 234,007</u>
Deposits:		
Noninterest-bearing demand	\$ 71,786	\$ 58,721
Interest-bearing demand	147,222	138,426
Certificates of deposit	18,502	11,385
Total deposits	237,511	208,532
Other liabilities	5,480	4,896
Shareholders' equity	24,096	20,579
Total liabilities and shareholders' equity	<u>\$ 267,087</u>	<u>\$ 234,007</u>
Book value per share	\$ 10.21	\$ 8.91

	Unaudited For the nine months ending Sep. 30, 2016	Unaudited For the nine months ending Sep. 30, 2015	Unaudited For the three months ending Sep. 30, 2016	Unaudited For the three months ending Sep. 30, 2015
Summary Statements of Income				
Interest income	\$ 9,272	\$ 7,740	\$ 3,221	\$ 2,786
Interest expense	(306)	(225)	(103)	(85)
Net interest income	8,966	7,515	3,118	2,701
Provision for loan losses	(971)	(682)	(258)	(305)
Noninterest income	799	1,127	356	420
Noninterest expense	(5,413)	(4,598)	(1,828)	(1,682)
Net income before income taxes	3,381	3,362	1,387	1,134
Provision for income taxes	(1,276)	(1,269)	(546)	(429)
Net income	<u>\$ 2,105</u>	<u>\$ 2,093</u>	<u>\$ 840</u>	<u>\$ 705</u>
Net income per share, basic	\$ 0.90	\$ 0.94	\$ 0.36	\$ 0.31
Net income per share, fully diluted	\$ 0.88	\$ 0.92	\$ 0.35	\$ 0.30