



FOR IMMEDIATE RELEASE

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SUMMIT BANK REPORTS 3RD QUARTER EARNINGS

October 24, 2017, Eugene, OR – (OTCBB: SBKO) Summit Bank reported net income for the third quarter of \$955 thousand up 13.7 percent from \$840 thousand in the third quarter of 2016. Total assets were up 24.5 percent to \$334.8 million compared to \$267.1 million a year ago. Earnings per share for the third quarter were 23 cents per fully diluted share, which is unchanged from the comparable period one year ago. Year-to-date earnings for the nine months ending September 30, 2017 were \$2.7 million or 67 cents per fully diluted share, compared to \$2.1 million or 59 cents during the first nine months of 2016, an increase of 13.6 percent. Summit's Central Oregon office in Bend continues to contribute strongly to overall Bank performance during 2017 as compared to 2016 as it continues to add profitable new loan and deposit relationships. This success, combined with solid performance from the Eugene/Springfield office and the SBA lending operation, allowed the Bank to achieve earnings per share growth. The earnings growth came despite lower profits related to higher provision for loan losses during 2017 from its equipment finance group and a stock offering that successfully raised just under \$6 million in new capital during Q1 2017.

“The overall growth in assets from last year provides resources that increase both flexibility and stability, enabling Summit to continue to respond to the demands in our markets,” said Craig Wanichek, president and CEO. “As we continue to grow, we are also in a better position to manage through the challenging regulatory environment.”

Loan and deposit growth continues to be robust for Summit. Total net loans as of September 30th, 2017 were \$268.3 million, representing a \$57.9 million or 27.5 percent increase over the September 30th 2016 total of \$210.4 million. Total deposits increased by \$60.3 million or 25.4 percent over the same period.

“This quarter marked our 13th consecutive quarter of year-over-year loan growth exceeding 15 percent,” said Wanichek. “The loan and deposit growth is noteworthy and reflects the strong activity of clients in our local markets. We continue to be excited to work with so many business owners and individuals who value banking with a community bank. We are also proud of our professional bankers and the close relationships they have forged with new and existing clients”

The Bank has increased both its liquidity and capital positions over the year through profitable growth and a successful Q1 2017 capital offering. Cash and short term investments increased by \$8.6 million or 22.2 percent to \$47.4 million over the trailing twelve months since September 30th 2016. Over the same period, total shareholders' equity increased by \$9.5 million to \$33.6 million, an increase of 39.5 percent.

The Bank continues to hold very low levels of non-performing assets despite a recent up-tick in loan losses in its equipment lending operation. Total non-performing assets at September 30th, 2016 represented just 0.76 percent of total assets, an increase from 0.71 percent at September 30th 2016.

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 2017

(in thousands except per share data)

	Unaudited As of Sep. 30, 2017	Unaudited As of Sep. 30, 2016
Summary Statements of Condition		
Cash and short term investments	\$ 47,437	\$ 38,832
Securities	6,898	6,882
Loans:		
Commercial	88,208	64,672
Commercial real estate	149,776	122,727
Other	35,182	26,865
Loan loss reserve and unearned income	(4,866)	(3,862)
Total net loans	<u>268,300</u>	<u>210,402</u>
Property and other assets	10,916	9,982
Repossessed property	1,258	988
Total assets	<u>\$ 334,809</u>	<u>\$ 267,087</u>
Deposits:		
Noninterest-bearing demand	\$ 85,967	\$ 71,786
Interest-bearing demand	188,853	147,222
Certificates of deposit	23,001	18,502
Total deposits	<u>297,821</u>	<u>237,510</u>
Other liabilities	3,368	5,480
Shareholders' equity	33,620	24,096
Total liabilities and shareholders' equity	<u>\$ 334,809</u>	<u>\$ 267,087</u>
Book value per share	\$ 8.34	\$ 6.82

	Unaudited For the nine months ending Sep. 30, 2017	Unaudited For the nine months ending Sep. 30, 2016	Unaudited For the three months ending Sep. 30, 2017	Unaudited For the three months ending Sep. 30, 2016
Summary Statements of Income				
Interest income	\$ 11,899	\$ 9,272	\$ 4,348	\$ 3,221
Interest expense	(468)	(306)	(201)	(103)
Net interest income	<u>11,431</u>	<u>8,966</u>	<u>4,147</u>	<u>3,118</u>
Provision for loan losses	(1,768)	(971)	(640)	(258)
Noninterest income	1,056	802	280	356
Noninterest expense	(6,332)	(5,413)	(2,223)	(1,828)
Net income before income taxes	<u>4,387</u>	<u>3,384</u>	<u>1,563</u>	<u>1,387</u>
Provision for income taxes	(1,708)	(1,276)	(608)	(547)
Net income	<u>\$ 2,679</u>	<u>\$ 2,108</u>	<u>\$ 955</u>	<u>\$ 840</u>
Net income per share, basic	\$ 0.69	\$ 0.60	\$ 0.24	\$ 0.24
Net income per share, fully diluted	\$ 0.67	\$ 0.59	\$ 0.23	\$ 0.23