

Quarterly Earnings Report – September 30, 2018

Summit Bank reported net income for the third quarter of \$1.4 million or 27 cents per fully diluted share. Earnings for the quarter were 45 percent, or 9 cents per share higher than the third quarter of 2017, when the Bank earned \$955 thousand, or 18 cents per fully diluted share. Year to date earnings for the nine months ended September 30, 2018 were \$3.8 million or 72 cents per fully diluted share, compared to \$2.7 million or 54 cents during the same period for 2017, an increase of 35 percent. Strong performance in both the Eugene/Springfield and Central Oregon market areas combined with the Bank's Small Business Administration (SBA) and Equipment Finance Divisions allowed the Bank to achieve its earnings per share growth, while remaining one of Oregon's fastest growing banks.

"The Bank's strong support of the communities we serve and close business relationships with new and existing clients, coupled with our tailored, technologically-focused approach to banking, have led to the increase in both lending and deposits," said Craig Wanichek, President and CEO. He noted a Business Online Banking upgrade as one of the many enhancements in which Summit has invested this year.

Loan and deposit growth continue to be robust. The third quarter is the Bank's 23rd consecutive quarter of year-over-year loan growth exceeding 14 percent. Total net loans as of September 30, 2018 were \$323.2 million, representing a \$54.9 million or 20.5 percent increase over the September 30, 2017 total of \$268.3 million. Total deposits increased by \$57.0 million or 19.2 percent over the same period. Summit's liquidity and capital positions have remained strong as deposit growth and earnings have supported the Bank's loan growth. Cash and short term investments increased by \$7.1 million or 13.1 percent over the trailing twelve months since September 30, 2017. Over the same period, total shareholders' equity increased by \$4.8 million to \$38.4 million, an increase of 14.3 percent.

Summit Bank's long-term sustained growth has led to completed physical expansions in both locations. Over the last year, the number of Bank colleagues has increased by 20 percent in Eugene and 100 percent in Central Oregon.

"We are fortunate to have hired quality, experienced colleagues in both markets," said Wanichek. "Together with our existing team, we are laying a strong foundation on which to capitalize on opportunities in our markets."

The Bank continues to hold very low levels of non-performing assets with total non-performing assets at September 30, 2018 representing just 0.68 percent of total assets, a slight increase from 0.53 percent at September 30, 2017.

Paul Weinhold
Board Chair

Craig Wanichek
President & Chief Executive Officer



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(in thousands except per share data)

	Unaudited	
	As of	As of
Summary Statements of Condition	Sep. 30, 2018	Sep. 30, 2017
Cash and short term investments	\$ 54,047	\$ 47,437
Securities	7,394	6,898
Loans:		
Commercial	105,395	88,208
Commercial real estate	189,658	149,776
Other	34,285	35,182
Loan loss reserve and unearned income	(6,151)	(4,866)
Total net loans	323,187	268,300
Property and other assets	11,929	10,916
Repossessed property	1,050	1,258
Total assets	\$ 397,607	\$ 334,809

Deposits:		
Noninterest-bearing demand	\$ 96,478	\$ 85,967
Interest-bearing demand	238,651	188,853
Certificates of deposit	19,739	23,001
Total deposits	354,868	297,821
Other liabilities	4,316	3,368
Shareholders' equity	38,423	33,620
Total liabilities and shareholders' equity	\$ 397,607	\$ 334,809

Book value per share	\$ 7.46	\$ 6.67
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	Unaudited		Unaudited	
	For the nine	For the nine	For the three	For the three
Summary Statements of Income	months ending	months ending	months ending	months ending
	Sep. 30, 2018	Sep. 30, 2017	Sep. 30, 2018	Sep. 30, 2017
Interest income	\$ 15,481	\$ 11,899	\$ 5,527	\$ 4,348
Interest expense	(1,442)	(468)	(592)	(201)
Net interest income	14,039	11,430	4,935	4,146
Provision for loan losses	(1,734)	(1,768)	(590)	(640)
Noninterest income	1,296	1,056	470	280
Noninterest expense	(8,331)	(6,332)	(2,865)	(2,223)
Net income before income taxes	5,269	4,386	1,950	1,563
Provision for income taxes	(1,479)	(1,708)	(545)	(608)
Net income	\$ 3,790	\$ 2,678	\$ 1,404	\$ 955
Net income per share, basic	\$ 0.74	\$ 0.55	\$ 0.27	\$ 0.19
Net income per share, fully diluted	\$ 0.72	\$ 0.54	\$ 0.27	\$ 0.18