

Quarterly Earnings Report – December 31, 2015

Summit Bank reported net income for the fourth quarter of \$647 thousand or 27 cents per fully diluted share. Comparable earnings for the fourth quarter before the impact of startup expenses associated with the Bank's Central Oregon office in Bend were \$779 thousand or 33 cents per share, an increase of 3 cents per share over Q4 2014's earnings of \$675 thousand or 30 cents per fully diluted share. Fiscal year earnings were \$2.74 million or \$1.20 per fully diluted share, representing a 9.0 percent increase over the \$1.10 per share that the Bank earned during 2014. 2015 earnings before the impact of the Central Oregon startup activity were \$1.32 per share. Non-interest income in 2015 continued to be a significant driver of the Bank's profitability, increasing from \$1.2 million in 2014 to \$1.5 million in 2015, an increase of 32%. Summit's new Central Oregon office in Bend, which opened in Q3, finished the fiscal year ahead of projections for asset growth and operating performance.

"We are proud of our results this year and expect that our 1.3% return on assets and 14.3% return on equity will again place Summit in the top of our peer group," said Craig Wanichek, president and CEO. "These strong results were achieved during a year when we made a large investment in our new Central Oregon office."

Summit continues to achieve robust loan and deposit growth in both of its Eugene/Springfield and Central Oregon market areas. Total net loans as of December 31, 2015, were \$184.4 million, representing a 25.4 percent increase over the fourth quarter 2014 total of \$147.0 million. Total deposits increased by \$52.0 million or 33.0 percent over the previous year, which further strengthened the Bank's liquidity position as evidenced by cash and marketable securities increasing from \$22.9 million as of December 31, 2014, to \$39.2 million as of December 31st 2015.

"Our outstanding growth in loans and deposits was the reflection of the strength of our current clients who also had successful years, as well as Summit's ability to add significant new banking relationships during 2015," said Craig Wanichek, president and CEO.

Strong earnings over the last four quarters combined with new capital resulting from the Bank's recent common stock offering have allowed Summit to increase its already strong levels of regulatory capital. Total shareholders' equity at December 31, 2015, was \$21.8 million, an increase of 29.1% over Summit's December 31, 2014, total of \$16.8 million.

The Bank continues to hold very low levels of non-performing assets. Total non-performing assets at December 31, 2015, consisted primarily of one parcel of other real estate owned and represented just 0.5 percent of total assets, up slightly from 0.4 percent at December 31, 2014.

"Summit is pleased with its capital level and is in a very strong liquidity position," said Scott Goldstein, CFO. "The small increase in non-performing assets is related to our Equipment Finance Group."

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		
	Dec. 31, 2015	Dec. 31, 2014
Cash and short term investments	\$ 34,389	\$ 17,986
Securities	6,295	6,284
Loans:		
Commercial	60,685	52,301
Commercial real estate	103,923	80,640
Other	23,183	16,790
Loan loss reserve and unearned income	(3,382)	(2,721)
Total net loans	<u>184,409</u>	<u>147,010</u>
Property and other assets	10,223	7,263
Repossessed property	988	723
Total assets	<u>\$ 236,305</u>	<u>\$ 179,266</u>
Deposits:		
Noninterest-bearing demand	\$ 59,410	\$ 49,079
Interest-bearing demand	132,601	93,200
Certificates of deposit	<u>17,718</u>	<u>15,447</u>
Total deposits	209,729	157,726
Other liabilities	4,822	4,692
Shareholders' equity	21,754	16,848
Total liabilities and shareholders' equity	<u>\$ 236,305</u>	<u>\$ 179,266</u>
Book value per share	\$ 9.30	\$ 7.77
	Unaudited	Unaudited
	For the twelve	For the twelve
	months ending	months ending
Summary Statements of Income		
	Dec. 31, 2015	Dec. 31, 2014
Interest income	\$ 10,656	\$ 8,522
Interest expense	<u>(318)</u>	<u>(247)</u>
Net interest income	10,338	8,275
Provision for loan losses	(977)	(463)
Noninterest income	1,479	1,117
Noninterest expense	<u>(6,427)</u>	<u>(5,139)</u>
Net income before income taxes	4,412	3,790
Provision for income taxes	(1,671)	(1,389)
Net income	<u>\$ 2,740</u>	<u>\$ 2,402</u>
Net income per share, basic	\$ 1.22	\$ 1.12
Net income per share, fully diluted	\$ 1.20	\$ 1.10