



INTRODUCING....

Craig Wanichak
SVP, Chief Banking Officer

INTEGRITY

CONFIDENTIALITY

SERVICE

ACCOUNTABILITY

TRUST

THRIVE.
BANK ON IT!

Member
FDIC

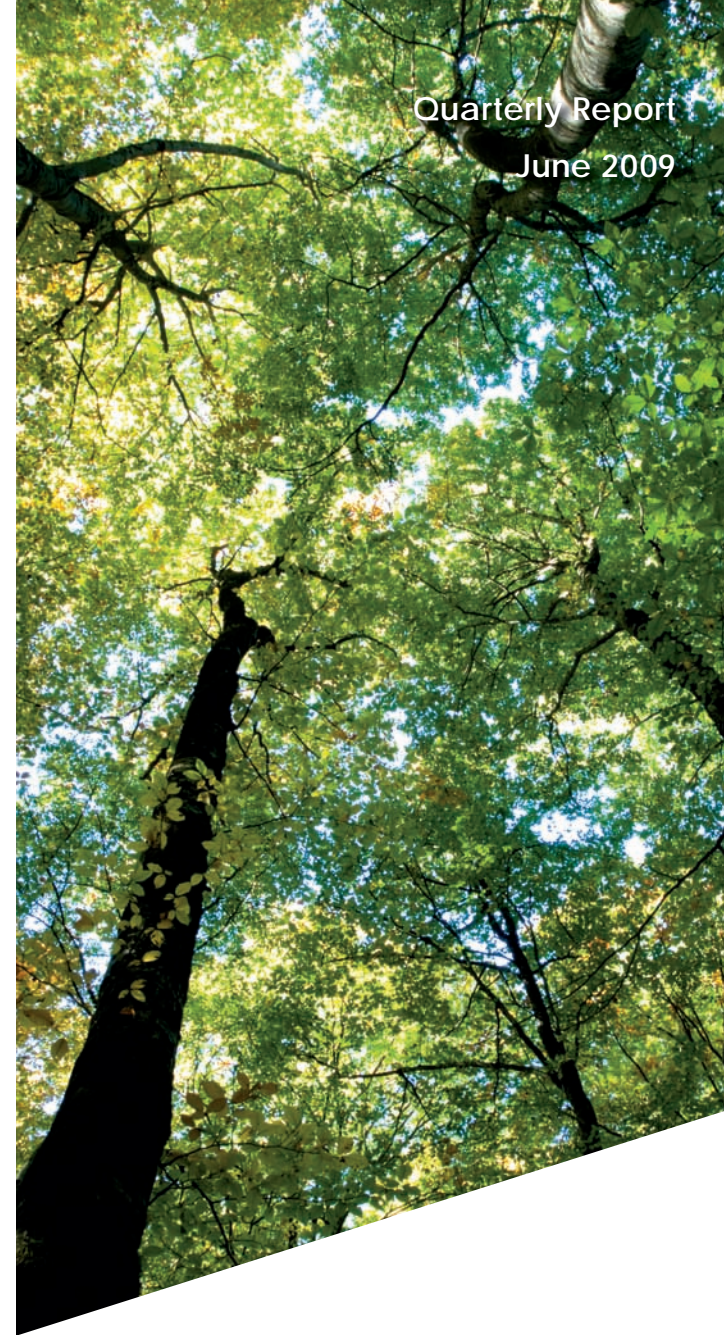


SUMMITBANK

96 EAST BROADWAY EUGENE OR 97401

IMPORTANT SHAREHOLDER
INFORMATION

Quarterly Report
June 2009



To our shareholders:

We have completed the first half of what most expected to be a difficult year for banks in the US and around the world. The current recession, at 18 months and counting, is the longest since the start of the Great Depression in 1929. As we look for signs of recovery, we see the continuing fallout from the sub-prime mortgage collapse in the form of high unemployment, bank failures, and depressed consumer confidence. Despite the challenging environment, Summit Bank has completed another strong quarter with solid growth in both assets and earnings. Year over year, total assets increased by 13 percent to \$111 million and net loans increased 12 percent to \$90 million. The Bank has also achieved robust deposit growth over the same period with total deposits increasing by 14 percent to \$92 million.

The current state of the real estate markets and the near term economic outlook continue to present challenges for all banks. Summit added \$120,000 to its allowance for loan losses and wrote down the carrying value of foreclosed real estate by \$227,000 during the first half of the year. Summit's percentage of past due loans and foreclosed real estate was 0.8 percent of total assets at June 30, the lowest level for the Bank since the economic crisis peaked in September 2008.

Summit's earnings continue to hold up well during this difficult period. Net income for the second quarter and the year to date were \$127,000 and \$226,000 respectively, exceeding earnings for the corresponding periods last year by 40 and 22 percent.

Summit Bank made an exciting addition to the executive team during the second quarter with the hiring of Senior Vice President and Chief Banking Officer, Craig Wanichek. Craig comes to Summit with extensive local banking experience managing significant business relationships with family-owned businesses in the Willamette Valley. Most recently, Craig was an executive at Monaco Coach Corporation.

A commonly heard catchphrase in recent weeks has been the search for "green shoots" of an economic recovery. Small- to medium-sized businesses will most likely lead the recovery when it happens and Summit Bank will support these "green shoots" by doing what we do best: providing innovative financial solutions for professionals and businesses throughout Eugene and Springfield.

Gretchen Pierce
Board Chair

Ann Marie Mehlum
President and CEO

(in thousands except per share data)	Unaudited	Unaudited
Summary Statements of Condition	As of June 30, 2009	As of June 30, 2008
Cash and short term investments	\$ 9,209	\$ 7,319
Securities	6,199	5,832
Loans:		
Commercial	23,167	24,677
Commercial real estate	43,729	32,992
Other	24,314	23,950
Loan loss reserve and unearned income	(1,308)	(1,108)
Total net loans	89,901	80,511
Property and other assets	5,227	4,869
Foreclosed real estate	689	0
Total assets	\$111,224	98,531
Deposits:		
Noninterest-bearing demand	\$18,215	\$ 12,116
Interest-bearing demand	38,345	47,421
Certificates of deposit	35,239	20,953
Total deposits	91,800	80,491
Other liabilities	8,691	8,008
Shareholders' equity	10,734	10,032
Total liabilities and shareholders' equity	\$111,224	\$ 98,531
Book value per share	\$10.75	\$10.20
Summary Statements of Income	Unaudited	Unaudited
	For the six months ending June 30, 2009	For the six months ending June 30, 2008
Interest income	\$ 2,692	\$ 2,695
Interest expense	(466)	(1,001)
Net interest income	2,226	1,693
Provision for loan losses	(120)	(109)
Asset charge-offs	(227)	0
Noninterest income	202	219
Noninterest expense	(1,733)	(1,515)
Net income before income taxes	348	288
Provision for income taxes	(123)	(103)
Net income	\$ 226	\$ 185
Net income per share, basic	\$0.23	\$0.19
Net income per share, fully diluted	\$0.23	\$0.19