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SUMMITBANK



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96 EAST BROADWAY EUGENE OR 97401

IMPORTANT SHAREHOLDER
INFORMATION



Quarterly Report
September 2009



SUMMITBANK

To our shareholders:

The current economic stagnation has exceeded most analysts' expectations in depth and duration. Like many of you, the management team at Summit Bank continuously analyzes economic data for clues as to the direction of our industry and the economy. Unfortunately, as much as we would like to see signs of improvement, the data continues to suggest that more difficulties may lie ahead and that future recovery will be slow.

Summit Bank continues to manage its way through the turbulence and has completed another quarter of solid operating results. Year over year growth in total assets at September 30th was \$10 million or 9.5%. Net loan growth over the same period was \$9 million, or 10.8%. The Bank's total deposits increased by \$8 million, or 8.9%, over the last twelve months, and more than half of that growth is in core business checking accounts.

Summit continued to report earnings progress. Net income for the nine months ended September 30, 2009, was \$362,000 up 13.5% as compared to \$319,000 for the same period last year. These results were achieved despite significant increases in FDIC insurance premiums and additional provisions for potential future loan losses.

Confidence in one's bank is built on a foundation of consistent results and has never been more important. Summit has performed solidly amidst one of the worst years in banking history. We appreciate your continued confidence. Please feel free to contact us if you have any questions or would like additional information about your Bank's performance.

Gretchen Pierce
Board Chair

Ann Marie Mehlum
President and CEO

(in thousands except per share data)	Unaudited	Unaudited
Summary Statements of Condition	As of Sept 30, 2009	As of Sept 30, 2008
Cash and short term investments	\$ 13,686	\$ 9,845
Securities	4,986	7,968
Loans:		
Commercial	22,898	24,228
Commercial real estate	44,858	37,252
Other	25,696	22,671
Loan loss reserve and unearned income	(1,521)	(1,184)
Total net loans	91,931	82,957
Property and other assets	5,194	4,926
Foreclosed real estate	689	700
Total assets	\$ 116,486	\$ 106,396
Deposits:		
Noninterest-bearing demand	\$ 19,296	\$ 14,151
Interest-bearing demand	43,256	54,121
Certificates of deposit	35,000	21,299
Total deposits	97,551	89,572
Other liabilities	7,989	6,429
Shareholders' equity	10,945	10,395
Total liabilities and shareholders' equity	\$ 116,486	\$ 106,396
Book value per share	\$10.96	\$10.41
Summary Statements of Income	Unaudited For the nine months ending Sept 30, 2009	Unaudited For the nine months ending Sept 30, 2008
Interest income	\$ 4,154	\$ 4,127
Interest expense	(697)	(1,463)
Net interest income	3,457	2,664
Provision for loan losses	(323)	(169)
Asset charge-offs	(240)	0
Noninterest income	302	336
Noninterest expense	(2,637)	(2,335)
Net income before income taxes	559	496
Provision for income taxes	(197)	(177)
Net income	\$ 362	\$ 319
Net income per share, basic	\$0.36	\$0.32
Net income per share, fully diluted	\$0.36	\$0.32