



Strength. Vision. Prosperity.

2019 ANNUAL MEETING OF  
SHAREHOLDERS

May 21, 2019

# Welcome & Introductions

Oscar M. Bean, Chairman of the Board

# Recognition of Employees for Years of Service

Oscar M. Bean, Chairman of the Board

# Approval of Minutes of 2018 Annual Meeting

Oscar M. Bean, Chairman of the Board

# Judges' Report of Shareholder Vote

Rodney Crider & Russell Ratliff

# Overview of Financial Performance

H. Charles Maddy, III, President & CEO



# Forward-Looking Statements

This presentation contains information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. The information contained in this report should be read in conjunction with Summit's Form 10-K for the year ended December 31, 2018 and documents subsequently filed by Summit with the Securities and Exchange Commission ("SEC"), including Summit's Form 10-Q for the quarter ended March 31, 2019, which are available at the SEC's website, [www.sec.gov](http://www.sec.gov), or at Summit's website, [www.summitfji.com](http://www.summitfji.com).

Words such as "expects", "anticipates", "believes", "estimates" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could" are intended to identify such forward-looking statements. Although we believe the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially. Factors that might cause such a difference include changes in interest rates and interest rate relationships; changes in the national and local economies; demand for products and services; the degree of competition by traditional and non-traditional competitors; changes in banking laws and regulations; changes in tax laws; the impact of technological advances; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; and our ability to successfully complete and integrate acquisitions. We undertake no obligation to revise these statements following the date of this presentation.

# Who We Are



- Ø Headquartered in Moorefield, WV
  - ✓ *Founded in 1987*
  - ✓ *Approximately 360 Employees*
- Ø \$2.25 billion financial holding company
  - ✓ *4<sup>th</sup> largest bank headquartered in West Virginia*
- Ø 33 locations in West Virginia and Virginia
  - ✓ *Primarily in the Eastern Panhandle and Southern regions of West Virginia and the Northern, Shenandoah Valley and Southwestern regions of Virginia.*

## FINANCIAL HIGHLIGHTS at March 31, 2019

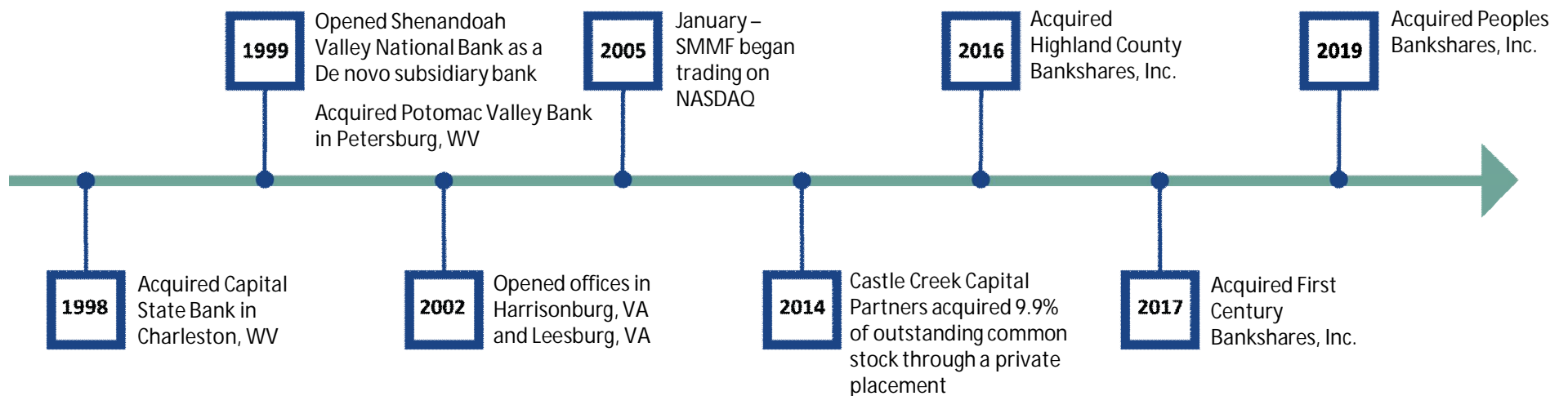
Total Assets	\$2,250,000	Loans/Deposits	97.15%
Total Loans	\$1,738,000	ROAA	1.27%
Deposits	\$1,789,000	ROATE	14.80%



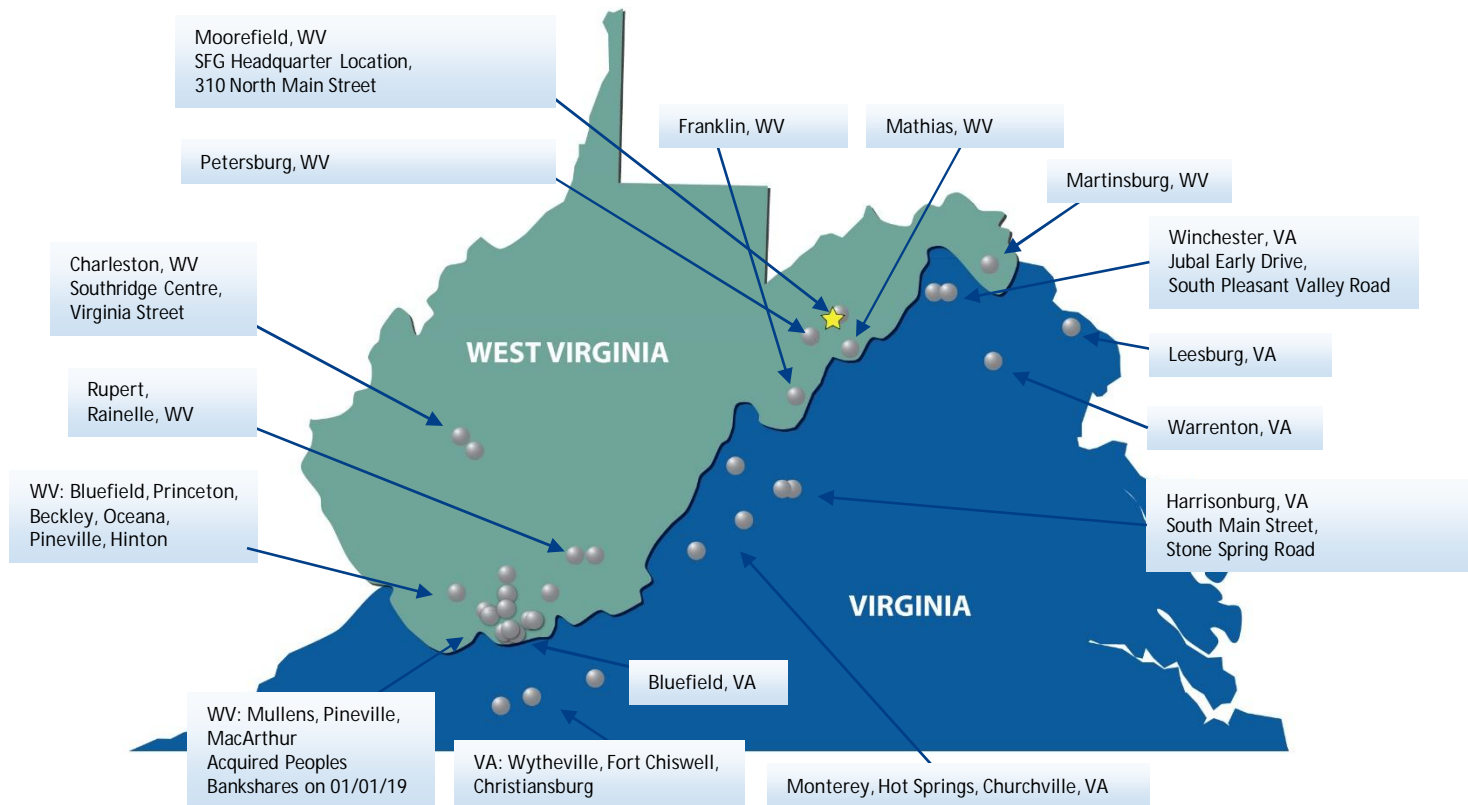
# Culture & Business Model

- Ø Hire the best and brightest ... hold them accountable and reward them for results
- Ø Emphasize community banking
- Ø Emphasize asset quality
- Ø Emphasize efficiency
- Ø Emphasize profitability
- Ø Seek M&A opportunities in WV to enhance funding costs
- Ø Seek M&A or lending opportunities in Metro DC, Lexington/Louisville/Northern KY and/or Columbus to enhance growth profile

# Significant Milestones



# Where We Are



# Financial Highlights

# Full Year Financial Performance

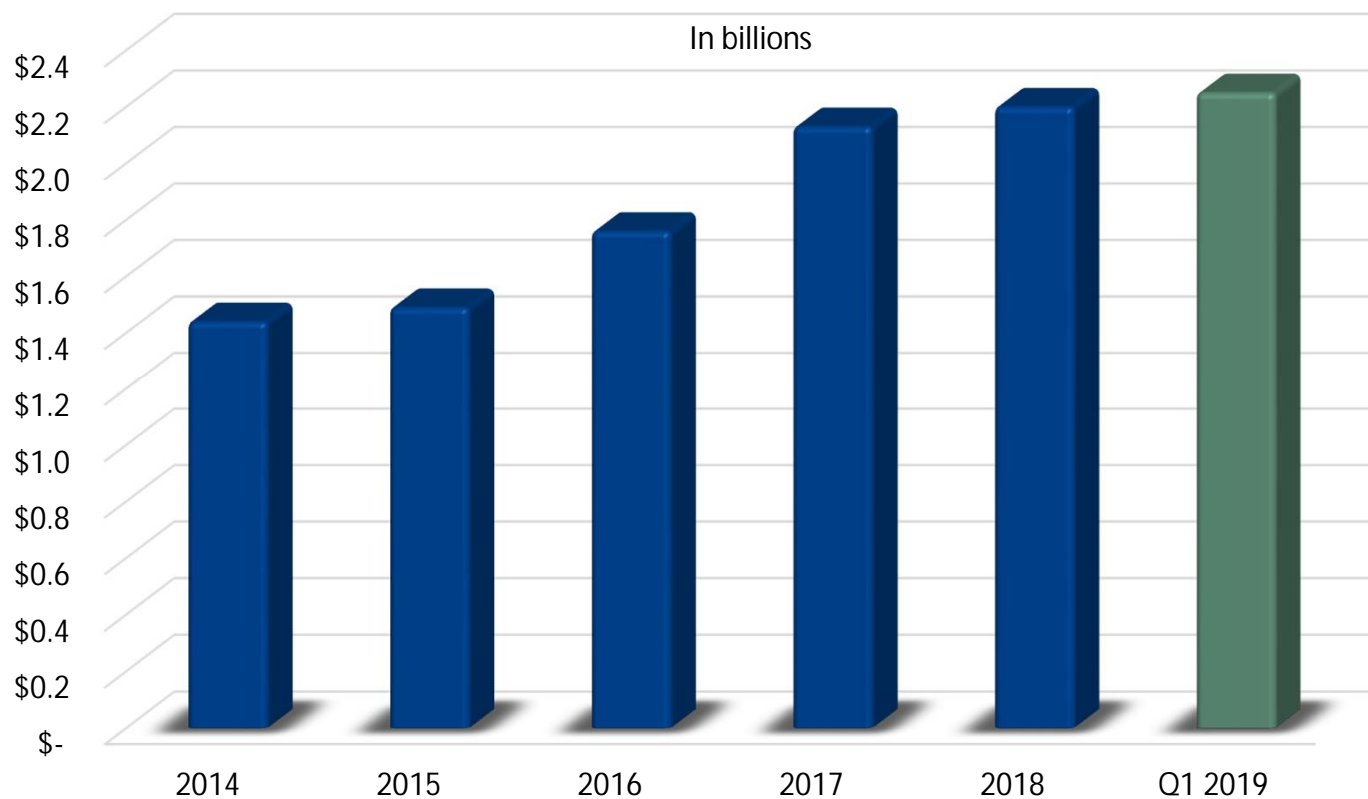
<i>\$ in millions, except EPS</i>	2018	2017	2016	2015	2014
Net income applicable to common shares	\$28.1	\$11.9 <sup>1</sup>	\$17.3	\$16.1	\$10.6
Diluted EPS	\$2.26	\$1.00 <sup>1</sup>	\$1.61	\$1.50	\$1.17
Loan Loss Provision	\$2.3	\$1.3	\$0.5	\$1.3	\$2.3
Writedowns of Foreclosed Properties	\$0.8	\$0.9	\$0.7	\$2.4	\$3.8
NPAs (excl. TDRs) / Total Assets	1.66%	1.73%	2.22%	2.77%	3.48%
Net Interest Margin	3.57%	3.67%	3.39%	3.50%	3.39%
Return on Average Tangible Equity	16.09%	8.01%	12.38%	12.39%	10.37%
Return on Average Assets	1.32%	0.59%	1.08%	1.10%	0.80%
Cash Dividends per Common Share	\$0.53	\$0.44	\$0.40	\$0.32	\$ -

<sup>1</sup> - Includes \$6.2 million after-tax litigation settlement charge (or \$0.52 per share) and \$3.5 million tax charge (or \$0.29 per share) relative to enactment of TCJA

# Balance Sheet Trends

## Assets

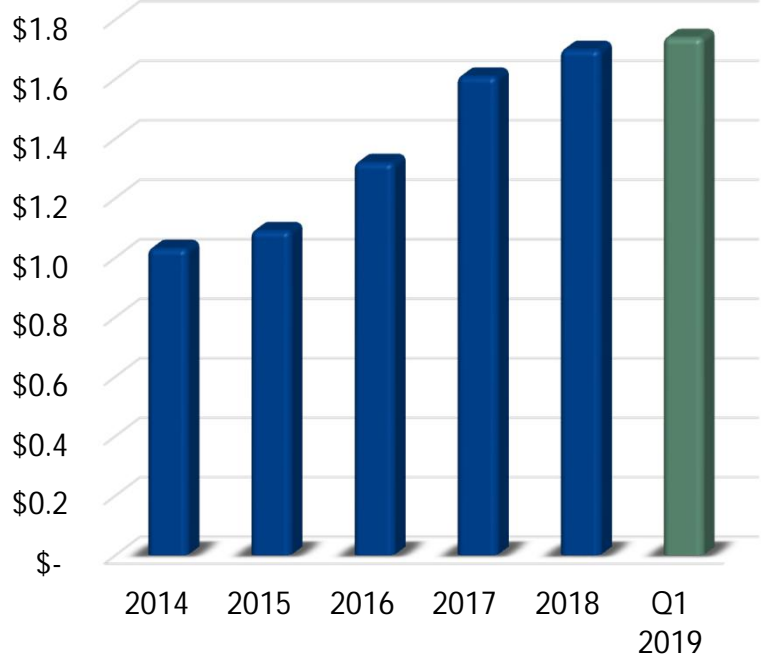
In billions



# Balance Sheet Trends

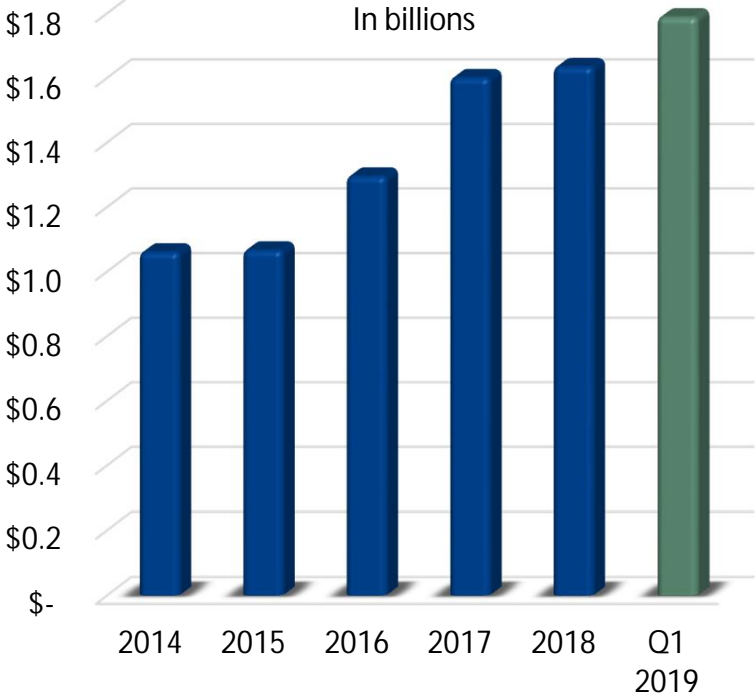
## Loans

In billions



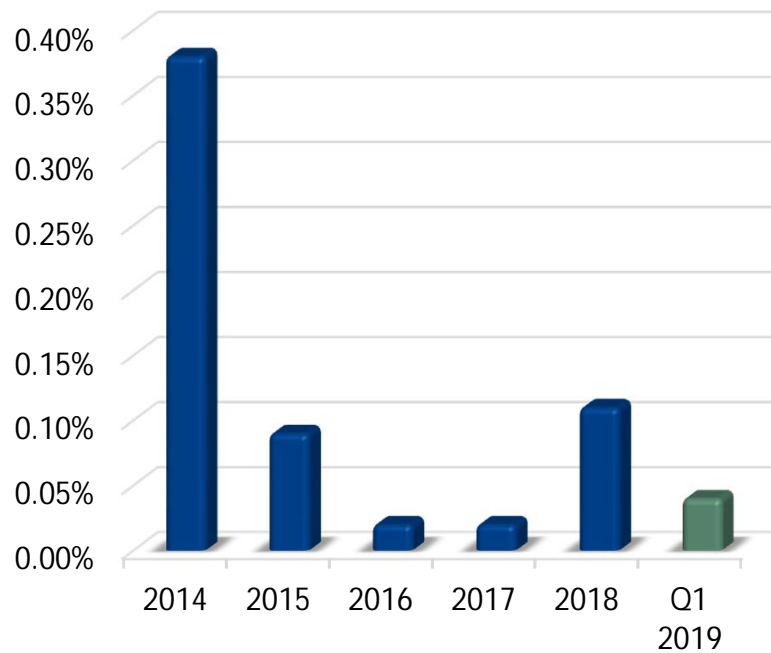
## Deposits

In billions



# Assets Quality Trends

## NCOs/Average Loans



## NPAs/Total Assets





# Quarterly Financial Performance

*\$ in millions, except EPS*

	Q1 2019	Q4 2018	Q1 2018
Net income	\$7.1	\$7.5	\$7.4
Diluted EPS	\$0.56	\$0.60	\$0.60
Loan Loss Provision	\$0.25	\$0.50	\$0.50
Writedowns of Foreclosed Properties	\$0.25	\$0.32	\$0.26
NPAs (excl. TDRs) / Total Assets	1.53%	1.66%	1.73%
Net Interest Margin	3.66%	3.61%	3.58%
Return on Average Tangible Equity	14.80%	16.41%	17.08%
Return on Average Assets	1.27%	1.38%	1.40%
Cash Dividends per Common Share	\$0.14	\$0.14	\$0.13

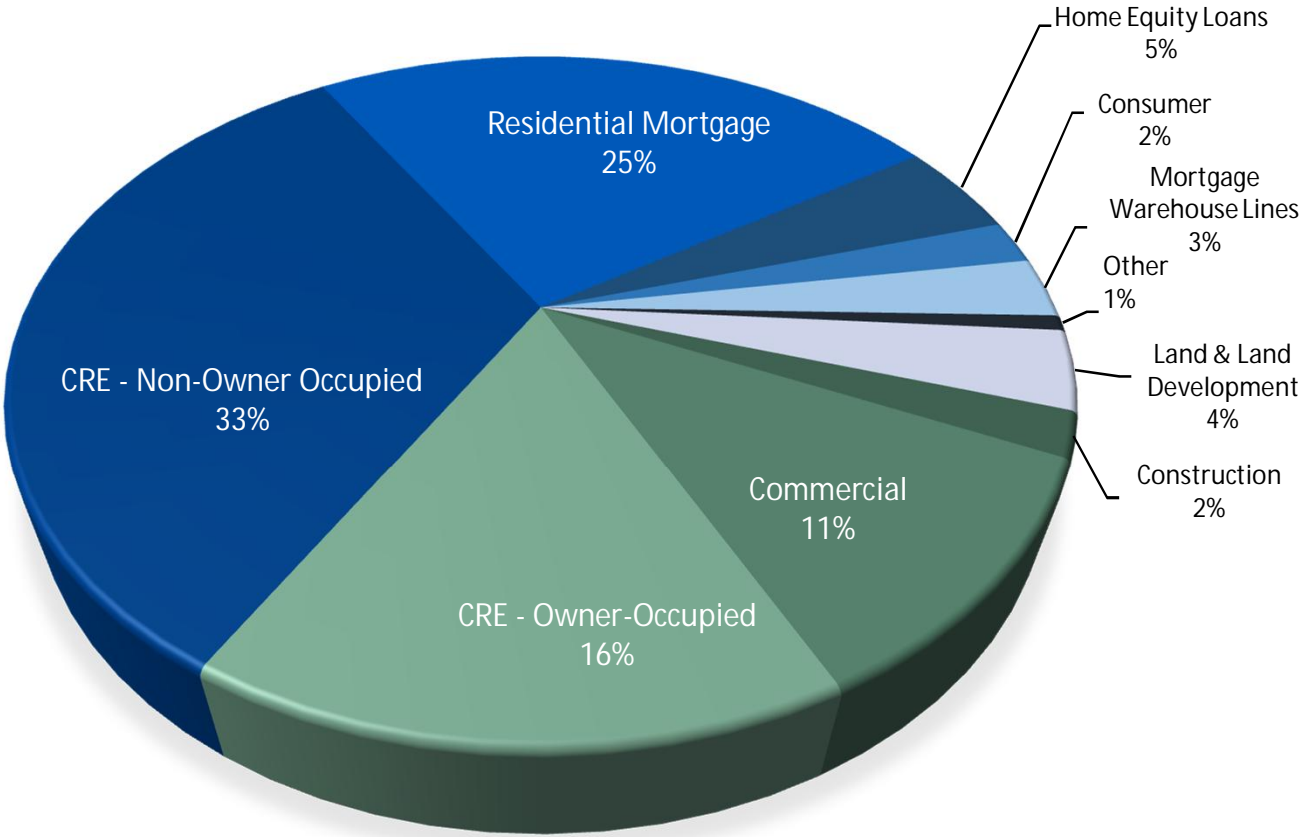
# Recent Financial and Operational Highlights

Ø **Securities:** Realized securities losses of \$3,000 in Q1 2019 compared to \$205,000 in Q4 2018; the Company realized securities gains of \$732,000 in Q1 2018.

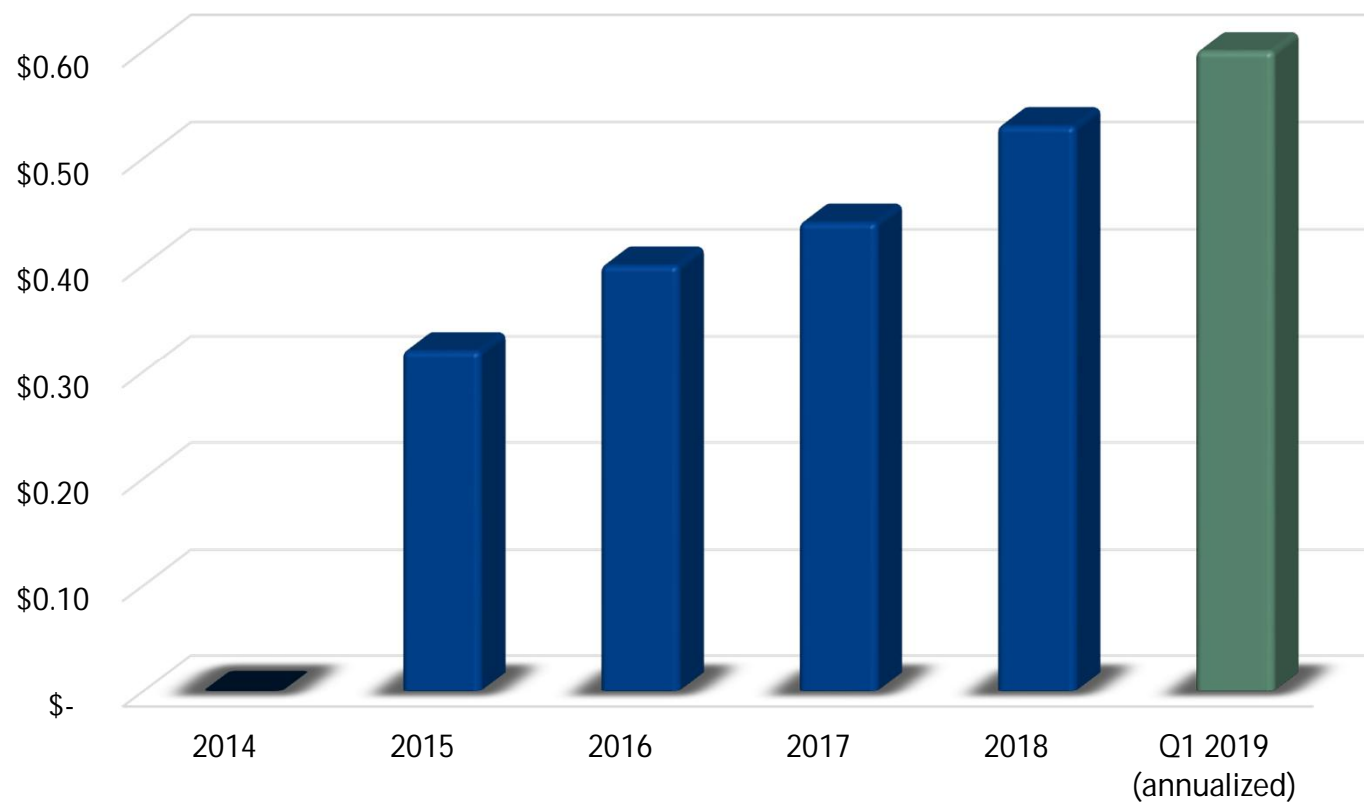
Ø **Nonperforming Assets:** Declined as a percentage of total assets to 1.53 percent compared to 1.66 percent for the linked quarter and to 1.73 percent a year-ago.

# Loan Portfolio

## Q1 2019



# Dividends per Share



# Summit Peer Group<sup>1</sup>

Q1 2019			ROAA	ROAE
\$ in Millions	Ticker	Assets	(LTM)	(LTM)
Access National Corporation	ANCX	\$3,039	1.21%	8.16%
American National Bankshares, Inc.	AMNB	\$1,868	1.24%	10.46%
C & F Financial Corporation	CFFI	\$1,549	1.18%	12.10%
Community Bankers Trust Corporation	ESXB	\$1,399	1.07%	10.98%
First Community Bankshares, Inc.	FCBC	\$2,242	1.62%	11.00%
MVB Financial Corp.	MVBF	\$1,790	0.74%	7.51%
National Bankshares, Inc.	NKSH	\$1,258	1.38%	9.24%
Premier Financial Bancorp, Inc.	PFBI	\$1,728	1.36%	10.64%
Southern National Bancorp of Virginia, Inc.	SONA	\$2,704	1.16%	9.18%

<sup>1</sup> - WV and VA publicly-traded bank holding companies with assets of \$1-\$3 billion

# How Summit Compares

Q1 2019

\$ in Millions

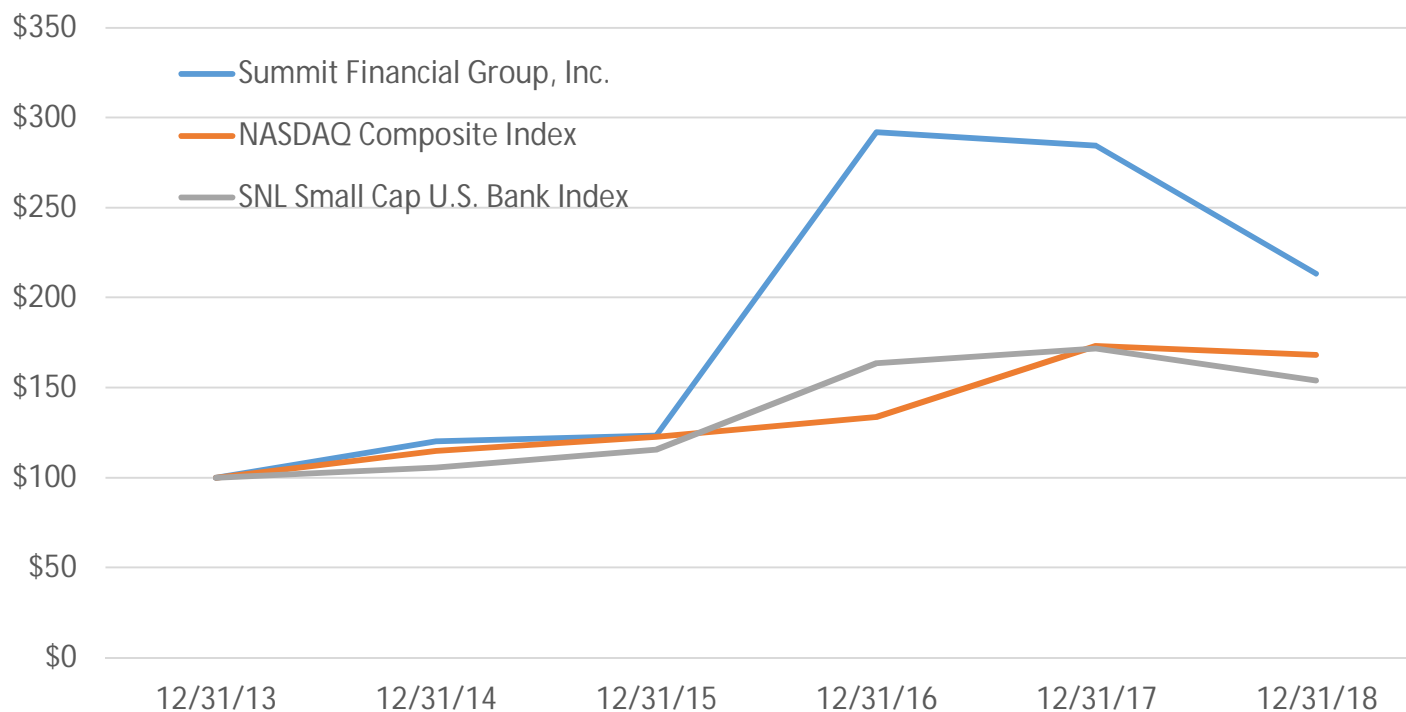
	Summit	Peer Average
Total Assets	\$2,250	\$1,452
Total Assets 3Y CAGR	14.25%	7.77%
Return on Avg Asset (LTM)	1.29%	1.22%
Return on Avg Equity (LTM)	12.82%	9.92%
Return on Avg Tang Equity (LTM)	15.34%	12.58%
Net Interest Margin (LTM)	3.60%	3.95%
Efficiency Ratio (LTM)	53.88%	60.97%
NPAs (excl. TDRs) / Assets	1.53%	1.07%
Net Charge-offs / Avg Loans (LTM)	0.07%	0.21%

# How SMMF Compares

Price Ratio	SMMF	Peer Average
Price <sup>1</sup> / LTM Earnings	11.6x	13.1x
Price <sup>1</sup> / Tangible Book Value	1.60x	1.50x

<sup>1</sup> - As of May 14, 2019

# 5-Year Total Return to Shareholders



*This graph assumes an initial investment of \$100.00 on December 31, 2013 and reinvestment of all dividends.*



# Investment Rationale

- Ø Strong focus on driving shareholder value through earnings growth
- Ø Solid current profitability profile, driven by a fundamental focus on cost control that delivers positive operating leverage
- Ø Favorable operating metrics compared to peers
- Ø Disciplined M&A growth strategy
- Ø SMMF presently trades at 3-4 earnings multiple discount to peer average, despite above peer operating performance

Your Questions are Welcome

# Adjournment & Refreshments