

The discussion of material U.S. federal income tax consequences set forth below does not purport to be a complete analysis or listing of all potential tax effects that may apply to a holder of First Century common stock. We strongly encourage shareholders of First Century to consult their tax advisors to determine the particular tax consequences to them of the merger.

Form **8937**
 (December 2011)
 Department of the Treasury
 Internal Revenue Service

**Report of Organizational Actions
 Affecting Basis of Securities**

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name FIRST CENTURY BANKSHARES, INC.		2 Issuer's employer identification number (EIN) 55-0628089	
3 Name of contact for additional information ROBERT S. TISSUE	4 Telephone No. of contact 304-530-1000 EXT 1552	5 Email address of contact rtissue@summitfqi.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact PO Box 179		7 City, town, or post office, state, and Zip code of contact MOOREFIELD WV 26836	
8 Date of action APRIL 1, 2017	9 Classification and description common stock		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol SMMF	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On April 1, 2017, First Century Bankshares, Inc. ("First Century") merged with and into FCB Merger Sub, LLC ("Merger Sub"), a wholly owned subsidiary of Summit Community Bank, Inc., ("Summit Community Bank") (which is the wholly owned banking subsidiary of Summit Financial Goup, Inc., ("Summit")), with Merger Sub surviving. For U.S. federal income tax purposes, the parties treated the merger as a reorganization described in Internal Revenue Code Section 368(a). Immediately prior to the merger, First Century had common stock outstanding. Pursuant to the merger, each share of First Century common stock was converted into (1) 1.2433 shares of Summit common stock, (2) cash in the amount of \$22.50 per share of First Century common stock held immediately prior to the merger, or (3) a combination of cash and shares of Summit common stock in accordance with the election procedures set forth in the Agreement and Plan of Merger, dated as of June 1, 2016, between Summit and First Century. No fractional shares of Summit common stock were issued in the merger, rather Summit paid cash in lieu of fractional shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Generally, the aggregate income tax basis in the Summit common stock received by each shareholder of First Century in the merger, including any fractional shares deemed received and redeemed for cash, equals the shareholder's aggregate adjusted income tax basis of the shares of First Century surrendered in the merger, decreased by the amount of cash received in the merger (other than cash received instead of fractional shares of Summit stock), and increased by the amount of any gain recognized; and in order to calculate the new per share basis, a holder of Summit shares received in the merger should divide the result from the preceding sentence by the number of such Summit shares. However, the calculation should be performed separately with respect to each separately acquired block of First Century shares, if any.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The calculations are based upon the exchange ratio agreed to in the merger agreement, as described in paragraph 14 above. Based on the closing price of \$17.30 of Summit common stock on the NASDAQ Global Select Market, or NASDAQ (trading symbol "SMMF"), on June 1, 2016, the last trading day before the public announcement of the merger, the 1.2433 exchange ratio represented approximately \$21.51 in value for each share of First Century common stock.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Sections 302, 354, 356, 358, and 368

18 Can any resulting loss be recognized? ▶ **A First Century shareholder receiving solely Summit stock in the merger, generally will not recognize loss, except possibly with respect to cash received instead of fractional shares of Summit common stock. A First Century shareholder receiving solely cash in the merger, generally will recognize loss in an amount equal to the excess of the shareholder's aggregate adjusted income tax basis in the shares of First Century stock surrendered over the amount of cash received, if any. A First Century shareholder receiving both cash (other than cash received instead of fractional shares of Summit stock) and Summit stock in the merger, generally will not recognize any loss. However, the calculation should be performed separately with respect to each separately acquired block of First Century shares, if any.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **Reportable year is 2017.**

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶	<i>Julie R. Markwood</i>	Date ▶	<i>4/20/17</i>
Paid Preparer Use Only	Print your name ▶	<i>Julie R. Markwood</i>	Title ▶	<i>VP, CAO</i>
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶	Phone no.	
	Firm's address ▶			