

SUMMIT FINANCIAL GROUP INC

Form S-4

August 28, 2018

Table of Contents

As filed with the Securities and Exchange Commission on August 28, 2018.

Registration No. []

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SUMMIT FINANCIAL GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

West Virginia
(State or Other Jurisdiction of
Incorporation or Organization)

6711
(Primary Standard Industrial
Classification Code Number)

55-0672148
(I. R. S. Employer
Identification Number)

300 North Main Street

Moorefield, West Virginia 26836

(304) 530-1000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

H. Charles Maddy, III

Summit Financial Group, Inc.

300 North Main Street

Moorefield, West Virginia 26836

(304) 530-1000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

with copies to:

Sandra M. Murphy, Esq.

Bowles Rice LLP

600 Quarrier Street

P.O. Box 1386

Charleston, West Virginia 25325

(304) 347-1100

Charles D. Dunbar, Esq.

Jackson Kelly PLLC

**500 Lee Street, East
Charleston, West Virginia**

(304) 340-1000

Approximate date of commencement of proposed sale to the public: as soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company.)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount	Proposed	Proposed	Amount of
Securities to Be Registered	to Be	Maximum	Maximum	Registration Fee
Common Stock, par value \$2.50 per share	Registered⁽¹⁾	Offering Price	Offering Price⁽²⁾	Per Unit
	465,967	Not applicable	\$10,290,667.37	\$1,281.19

(1) The maximum number of shares of Summit Financial Group, Inc., or Summit, common stock estimated to be issuable upon the completion of the merger between Summit, and Peoples Bankshares, Inc., or Peoples, in accordance with the Agreement and Plan of Merger, dated July 24, 2018, by and between Summit and Peoples

attached to this prospectus and proxy statement as Appendix A. The number is based on the estimated maximum number of shares of Peoples common stock that may be exchanged for stock consideration and the exchange of such shares of Peoples common stock for 1.7193 shares of Summit common stock.

- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rule 457(f) of the Securities Act, based on a rate of \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price. The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the book value of shares of Peoples common stock (the securities to be cancelled in the merger) as of the latest practicable date prior to the date of filing of this registration statement as follows: the product of (A) \$37.97, the book value per share of Peoples common stock on June 30, 2018 and (B) 271,021, the estimated maximum number of shares of Peoples common stock that may be exchanged for the stock consideration.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus and proxy statement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED AUGUST [], 2018

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On July 24, 2018, Summit Financial Group, Inc., or Summit, and Peoples Bankshares, Inc., or Peoples, announced a strategic business combination in which Peoples will merge with and into PB Merger Sub LLC, a wholly-owned subsidiary of Summit's wholly-owned subsidiary, Summit Community Bank, Inc., or Summit Community Bank. The combined company, which will retain the Summit name, will have approximately \$2.2 billion in assets and operate 31 full-service branches across the states of West Virginia and Virginia. Peoples is sending you this prospectus and proxy statement to invite you to attend a special meeting of Peoples shareholders to allow you to vote on the plan of merger. The special meeting will be held on [], 2018, at [] a.m., local time, at [], located at [].

If the merger is completed, holders of Peoples common stock may elect to receive (i) 1.7193 shares of Summit common stock, par value \$2.50 per share, in exchange for each share of Peoples common stock, par value \$1.00 per share, held immediately prior to the merger, which is referred to as the stock consideration, (ii) cash in the amount of \$47.00 per share of Peoples common stock held immediately prior to the merger, which is referred to as the cash consideration or (iii) 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 July 24, 2018, between Summit and Peoples, which we refer to as the merger agreement. However, the aggregate number of Peoples shares that will be converted for cash consideration will be equal to 271,020 shares, and the aggregate cash consideration will be equal to \$12,737,940, or approximately 50% of the merger consideration. The remaining 50% of the merger consideration will be stock consideration consisting of an aggregate of 271,021 shares of Peoples common stock converting to a maximum of 465,967 shares of Summit common stock after applying the exchange ratio. The merger agreement provides for pro rata adjustments to and reallocation of the stock and cash elections made by Peoples shareholders in order to achieve a 50% cash and 50% stock consideration mix.

The merger consideration is subject to adjustment if Peoples' total shareholders' equity decreases, as specified under "The Merger Agreement - Shareholders' Equity" beginning on page 58, and Peoples has the right to terminate the merger agreement if Summit's stock price falls below a certain floor, as specified under "The Merger Agreement - Termination of the Merger Agreement" beginning on page 73.

The number of shares of Summit common stock that Peoples shareholders making a stock election will receive in the merger for each share of Peoples common stock is fixed. The implied value of the stock consideration that Peoples shareholders will receive in the merger will change depending on changes in the market price of Summit common stock and will not be known at the time you vote on the merger.

The market value of the stock consideration will fluctuate with the market price of Summit common stock, however the cash consideration will remain a fixed amount regardless of any change in the market value of the stock consideration. The following table presents the closing prices of Summit common stock on July 24, 2018, the last trading day before public announcement of the merger, and on [], 2018, the last practicable trading day before the distribution of this prospectus and proxy statement. The table also presents the implied value of the stock consideration proposed for each share of Peoples common stock converted into the stock consideration on those dates, as determined by multiplying the closing price of Summit common stock on those dates by the exchange ratio of 1.7193 provided for in the merger agreement. This table also presents the value of the cash consideration proposed for each share of Peoples common stock converted into the cash consideration, which will remain a fixed amount regardless of any change in the market value of the stock consideration.

	Summit Common Stock (NASDAQ: SMMF)	Implied Value of One Share of Peoples Common Stock	Value of the Cash Consideration for One Share of Peoples Common Stock
At July 24, 2018	\$ 26.79	\$ 46.06	\$ 47.00
At [], 2018	\$ []	\$ []	\$ 47.00

The common stock of Summit is listed on the NASDAQ Capital Market. Summit and Peoples urge you to obtain current market quotations for Summit (trading symbol SMMF).

The merger and the bank merger are intended to be treated as a single integrated transaction qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of Peoples common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of Peoples common stock for shares of Summit common stock in the merger, except to the extent of the total cash consideration and cash in lieu of any fractional shares of Summit common stock.

At the special meeting of Peoples shareholders to be held on [], 2018, holders of Peoples common stock will be asked to vote to (1) approve the merger agreement, which is the plan of merger, and (2) approve the adjournment of the special meeting, if necessary or appropriate, in order to further solicit proxies in favor of approval of the merger agreement. Approval of the merger agreement requires the affirmative vote of a majority of the votes cast at the Peoples special meeting at which a quorum is present.

The Peoples board of directors unanimously recommends that holders of Peoples common stock vote FOR approval of the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, in order to further solicit proxies in favor of the merger agreement.

This prospectus and proxy statement describes the special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire document, including Risk Factors beginning on page 17 for a discussion of the risks relating to the proposed merger and owning Summit common stock after the merger. You also can obtain information about Summit from documents that it has filed with the Securities and Exchange Commission.

Sincerely,

Ronald L. Bowling

President and Chief Executive Officer

Peoples Bankshares, Inc.

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the Summit common stock to be issued in the merger or passed upon the adequacy or accuracy of this prospectus and proxy statement. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings and deposit accounts of any bank or non-bank subsidiary of Summit or of Peoples and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this prospectus and proxy statement is [], 2018 and it is first being mailed or otherwise delivered to Peoples shareholders on or about [], 2018.

Table of Contents

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On [], 2018

Notice is hereby given that a special meeting of shareholders of Peoples Bankshares, Inc, or Peoples, a West Virginia corporation, will be held at [], on [] 2018, at [] Eastern Time, to consider and vote upon the following matters described in the accompanying prospectus and proxy statement:

1. A proposal to approve the Agreement and Plan of Merger, dated as of July 24, 2018, by and between Summit Financial Group, Inc., or Summit, a West Virginia corporation, and Peoples, which provides for, among other things, the merger of Peoples into PB Merger Sub LLC, a wholly-owned subsidiary of Summit's wholly-owned subsidiary, Summit Community Bank, Inc., or Summit Community Bank; and

2. A proposal to approve the adjournment of the Peoples special meeting, on one or more occasions, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement, or the Peoples adjournment proposal.

The merger agreement is more completely described in the accompanying prospectus and proxy statement, and a copy of the merger agreement is attached as *Appendix A* to the prospectus and proxy statement. **Please review these materials carefully and consider fully the information set forth therein.**

Only holders of record of Peoples common stock at the close of business on [], 2018 will be entitled to notice of, and to vote at, the Peoples special meeting and any adjournment thereof. Provided that a quorum exists for the special meeting, approval of the merger agreement requires that the number of votes cast favoring approval of the merger agreement exceeds the number of votes cast opposing approval of the merger agreement. Similarly, approval of any other proposal to be voted on at the Peoples special meeting requires the number of votes cast favoring the proposal exceeds the number of votes cast opposing the proposal.

The Peoples board of directors has carefully considered the terms of the merger agreement and believes that the merger is in the best interests of Peoples and its shareholders. The Peoples board of directors has unanimously approved the merger agreement and unanimously recommends that shareholders vote: FOR the approval of the merger agreement; and FOR the approval of the adjournment of the Peoples special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Peoples special meeting to approve the proposal to approve the merger agreement. In addition, directors, executive officers of Peoples and certain significant shareholders have entered into voting agreements with Summit in which the officer, director or shareholder has each agreed to vote the Peoples shares that he or she controls and beneficially owns in favor of approval of the merger agreement. See Other Material Agreements Relating to the Merger Voting Agreements.

Under Section 31D-13-1302 of the West Virginia Business Corporation Act, or the WVBCA, Peoples has concluded that its shareholders will have appraisal rights in connection with the merger. To exercise appraisal rights, Peoples shareholders must strictly follow the procedures prescribed by the laws of West Virginia. These procedures are summarized under the section entitled Proposal No. 1 Approval of the Merger Agreement Dissenters or Appraisal Rights beginning on page 30 of the accompanying prospectus and proxy statement, and Sections 31D-13-1301 through 31D-13-1331 of the WVBCA, which are attached in the accompanying prospectus and proxy statement as *Appendix C*.

Your vote is important. Whether or not you plan on attending the Peoples special meeting, we urge you to read the prospectus and proxy statement carefully and to please vote your shares as promptly as possible. You may vote your shares by completing and sending in the enclosed proxy card or by attending the Peoples special meeting and voting in person. You may revoke your proxy at any time before it is voted by signing and returning a properly executed proxy card with a later date with respect to the same shares, by delivering written notice that you wish to revoke your proxy to Ronald L. Bowling, at 200 First Street, Mullens, West Virginia 25882, before the Peoples special meeting or at the special meeting or by attending the Peoples special meeting and voting in person.

If you beneficially hold your shares through a bank, broker, nominee or other holder of record, you should follow the voting instructions you receive from that holder of record to vote your shares.

By Order of the Board of Directors,

Ronald L. Bowling

President and Chief Executive Officer

Mullens, West Virginia

[], 2018

YOUR VOTE IS VERY IMPORTANT

TO VOTE YOUR SHARES, PLEASE COMPLETE, DATE, SIGN AND MAIL THE ENCLOSED PROXY CARD PRIOR TO THE PEOPLES SPECIAL MEETING, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This prospectus and proxy statement incorporates by reference important business and financial information about Summit from documents filed with or furnished to the Securities and Exchange Commission, which is referred to as the SEC, that are not included in or delivered with this prospectus and proxy statement.

You can obtain documents incorporated by reference in this prospectus and proxy statement with respect to Summit free of charge through the SEC's website (<http://www.sec.gov>) or by requesting them in writing or by telephone by contacting Summit or Peoples, as the case may be, at the following addresses:

Summit Financial Group, Inc.	Peoples Bankshares, Inc.
300 North Main Street	200 First Street
Moorefield, West Virginia 26836	P. O. Box 817
Attention: Robert S. Tissue	Mullens, West Virginia 25882
Telephone: (304) 530-1000	Attention: Ronald L. Bowling
	Telephone: (304) 294-7115

You will not be charged for any of these documents that you request. Peoples shareholders requesting documents should do so by [], 2018, in order to receive them before their special meeting.

In addition, if you have questions about the merger or the Peoples special meeting, need additional copies of this prospectus and proxy statement or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Ronald L. Bowling, President and Chief Executive Officer of Peoples, at the following address and telephone number:

Peoples Bankshares, Inc.
200 First Street
P. O. Box 817
Mullens, West Virginia 25882
Attention: Ronald L. Bowling
Telephone: (304) 294-7115

ABOUT THIS PROSPECTUS AND PROXY STATEMENT

This prospectus and proxy statement, which forms part of a registration statement on Form S-4 filed with the SEC by Summit, constitutes a prospectus of Summit under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, with respect to the shares of Summit common stock to be issued to the Peoples

shareholders pursuant to the merger. This prospectus and proxy statement also constitutes a proxy statement for Peoples. It also constitutes a notice of meeting with respect to the special meeting of Peoples shareholders.

Peoples does not have a class of securities registered under Section 12 of the Securities and Exchange Act of 1934, as amended, referred to as the Exchange Act, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and accordingly does not file documents or reports with the SEC.

You should rely only on the information contained or incorporated by reference into this prospectus and proxy statement. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this prospectus and proxy statement. This prospectus and proxy statement is dated [], 2018, and you should assume that the information in this prospectus and proxy statement is accurate only as of such date. You should assume that the information incorporated by reference into this prospectus and proxy statement is accurate as of the date of such document. Neither the mailing of this prospectus and proxy statement to Peoples shareholders nor the issuance by Summit of shares of Summit common stock in connection with the merger will create any implication to the contrary.

Information on the websites of Summit or Peoples, or any subsidiary of Summit or Peoples, is not part of this prospectus and proxy statement. You should not rely on that information in deciding how to vote.

This prospectus and proxy statement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this prospectus and proxy statement regarding Peoples has been provided by Peoples and information contained in this prospectus and proxy statement regarding Summit has been provided by Summit.

See [Where You Can Find More Information](#) on page 91.

Table of Contents

	Page
<u>QUESTIONS AND ANSWERS</u>	1
<u>SUMMARY</u>	8
<u>RISK FACTORS</u>	17
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SUMMIT</u>	23
<u>PRICE RANGE OF COMMON STOCK AND DIVIDENDS</u>	24
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	25
<u>THE PEOPLES SPECIAL MEETING</u>	27
<u>Matters to be Considered</u>	27
<u>Other Business</u>	27
<u>Proxies</u>	27
<u>Solicitation of Proxies</u>	28
<u>Record Date</u>	28
<u>Quorum and Voting Rights</u>	28
<u>Voting Agreement Executed by Directors, Executive Officers and Certain Significant Shareholders of Peoples</u>	29
<u>Attending the Special Meeting</u>	29
<u>PROPOSALS TO BE CONSIDERED AT THE PEOPLES SPECIAL MEETING</u>	30
<u>PROPOSAL NO. 1 APPROVE THE MERGER AGREEMENT</u>	30
<u>Required Vote</u>	30
<u>Recommendation of the Peoples Board of Directors</u>	30
<u>PROPOSAL NO. 2 APPROVE GRANTING THE BOARD OF DIRECTORS AUTHORITY TO ADJOURN THE PEOPLES SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO PERMIT FURTHER</u>	31
<u>Required Vote</u>	31
<u>Recommendation of the Peoples Board of Directors</u>	31
<u>THE MERGER</u>	32
<u>Background and Negotiation of the Merger</u>	32
<u>Peoples' Reasons for the Merger; Recommendation of the Peoples Board of Directors</u>	34
<u>Summit's Reasons for the Merger</u>	38
<u>Opinion of Peoples' Financial Advisor</u>	39
<u>Certain Peoples Unaudited Prospective Financial Information</u>	50
<u>Certain Summit Unaudited Prospective Financial Information</u>	51
<u>Public Trading Markets</u>	53
<u>Dissenters' or Appraisal Rights</u>	53
<u>Interests of Certain Peoples Directors and Executive Officers in the Merger</u>	55
<u>Accounting Treatment of the Merger</u>	56
<u>THE MERGER AGREEMENT</u>	57
<u>Terms of the Merger</u>	57
<u>Merger Consideration</u>	57
<u>Shareholders' Equity</u>	58
<u>Election Procedures; Surrender of Peoples Stock Certificates</u>	58
<u>Conditions to Completion of the Merger</u>	61
<u>Representations and Warranties</u>	62
<u>Waiver and Amendment</u>	64
<u>Indemnification; Directors' and Officers' Insurance</u>	64

<u>Acquisition Proposals</u>	65
<u>Closing Date; Effective Time</u>	66
<u>Regulatory Approvals</u>	67
<u>Conduct of Business Pending the Merger</u>	68
<u>Regulatory Matters</u>	71
<u>NASDAQ Listing</u>	72

Table of Contents

<u>Employee Matters</u>	72
<u>Expenses</u>	72
<u>Termination of the Merger Agreement</u>	73
<u>Termination Fee</u>	74
<u>Effect of Termination</u>	74
<u>Surrender of Stock Certificates</u>	74
<u>No Fractional Shares</u>	75
<u>Accounting Treatment</u>	75
<u>Management and Operations after the Merger</u>	75
<u>Resales of Summit Common Stock</u>	75
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	75
<u>Tax Consequences of the Merger Generally</u>	76
<u>Cash Instead of Fractional Shares</u>	78
<u>Net Investment Income Tax</u>	78
<u>Possible Treatment of Merger as a Taxable Transaction</u>	79
<u>Tax Treatment of Special Distribution</u>	79
<u>Information Reporting and Backup Withholding</u>	79
<u>Certain Reporting Requirements</u>	80
<u>INFORMATION ABOUT SUMMIT</u>	80
<u>INFORMATION ABOUT PEOPLES</u>	81
<u>General</u>	81
<u>Properties</u>	81
<u>Description of Peoples Capital Stock</u>	81
<u>Certain Provisions of the Articles of Incorporation</u>	82
<u>DESCRIPTION OF SUMMIT CAPITAL STOCK</u>	82
<u>General</u>	82
<u>Common Stock</u>	83
<u>Certain Provisions of the Articles of Incorporation</u>	84
<u>Shares Eligible for Future Sale</u>	85
<u>COMPARATIVE RIGHTS OF SHAREHOLDERS</u>	85
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF PEOPLES</u>	90
<u>LEGAL MATTERS</u>	91
<u>EXPERTS</u>	91
<u>PEOPLES ANNUAL MEETING</u>	91
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	91

APPENDICES

<u>APPENDIX A</u>	Agreement and Plan of Merger, dated as of July 24, 2018, by and between Summit Financial Group, Inc. and Peoples Bankshares, Inc.	A-1
<u>APPENDIX B</u>	Opinion of Ambassador Financial Group, Inc.	B-1
<u>APPENDIX C</u>	Sections 31D-13-1301 through 31D-13-1331 of the West Virginia Business Corporation Act	C-1

Table of Contents

QUESTIONS AND ANSWERS

The following are answers to certain questions that you may have regarding the Peoples special meeting and the merger. Summit and Peoples urge you to read carefully the remainder of this prospectus and proxy statement because the information in this section may not provide all the information that might be important to you with respect to the merger or the Peoples special meeting or in determining how to vote, including the risk factors beginning on page 17. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this prospectus and proxy statement. Unless the context requires otherwise, references in this prospectus and proxy statement to Summit refer to Summit Financial Group, Inc., a West Virginia corporation, and/or its consolidated subsidiaries, references in this prospectus and proxy statement to Peoples refer to Peoples Bankshares, Inc., a West Virginia corporation, and/or its consolidated subsidiaries, and references in this prospectus and proxy statement to we, our and us refer to Summit and Peoples collectively.

Q: What are holders of Peoples common stock being asked to vote on?

A: Holders of Peoples common stock are being asked to vote to approve the Agreement and Plan of Merger, dated as of July 24, 2018, between Summit and Peoples, as it may be amended from time to time, referred to as the merger agreement and such proposal being referred to as the Peoples merger proposal, and to approve the adjournment of the special meeting, on one or more occasions, if necessary or appropriate, to solicit additional proxies in favor of the Peoples merger proposal, referred to as the Peoples adjournment proposal.

Q: How does the Peoples board of directors recommend I vote at the Peoples special meeting?

A: The Peoples board of directors unanimously recommends that you vote **FOR** the Peoples merger proposal and **FOR** the Peoples adjournment proposal.

Q: When and where is the special meeting of Peoples shareholders?

A: The special meeting of Peoples shareholders will be held on [], [], 2018, at [], local time, at the [], located at [].

Q: What do holders of Peoples common stock need to do now?

A: After you have carefully read this prospectus and proxy statement and have decided how you wish to vote your shares, please vote your shares as soon as possible. If you are a shareholder of record, to vote by proxy card, indicate on your proxy card how you want your shares to be voted with respect to each of the matters indicated. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you beneficially hold your shares through a bank, broker, nominee or other holder of record, you should follow the voting instructions you receive from that holder of record to vote your shares.

Submitting your proxy by mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the Peoples special meeting. If you would like to attend the Peoples special meeting to vote your shares in person, see **The Peoples Special Meeting Attending the Special Meeting** beginning on page 29.

Q: What votes are required to pass each proposal at the Peoples special meeting?

A: The approval of the merger agreement requires the affirmative vote of a majority of the votes cast at the Peoples special meeting at which a quorum is present. The approval of the Peoples adjournment proposal requires the affirmative vote of a majority of the votes cast at the Peoples special meeting. Abstentions, broker non-votes and any

shares that are not voted will have no effect on the outcome of either the Peoples merger proposal or the Peoples adjournment proposal.

Table of Contents

Q: What constitutes a quorum for the Peoples special meeting?

A: The presence at the Peoples special meeting, in person or by proxy, of the holders of a majority of the Peoples common stock issued and outstanding and entitled to vote will constitute a quorum for the transaction of business. If a quorum is not present, the Peoples special meeting will be postponed until the holders of the number of shares of Peoples common stock required to constitute a quorum attend. If you submit a properly executed proxy card, even if you abstain from voting, your shares of Peoples common stock will be counted for purposes of determining whether a quorum is present at the Peoples special meeting. If additional votes must be solicited to approve the merger agreement and the Peoples adjournment proposal is approved, it is expected that the Peoples special meeting will be adjourned to solicit additional proxies.

Q: Who may solicit proxies on Peoples behalf?

A: In addition to solicitation of proxies by Peoples by mail, proxies may also be solicited by Peoples directors and employees personally and by telephone, facsimile or other means. For more information on solicitation of proxies in connection with the special meeting of Peoples shareholders, see The Peoples Special Meeting-Solicitation of Proxies beginning on page 28.

Q: Why is my vote as a holder of Peoples common stock important?

A: If you do not vote by proxy card or vote in person at the Peoples special meeting, it will be more difficult for Peoples to obtain the necessary quorum to hold its special meeting. In addition, approval of the Peoples merger proposal requires the affirmative vote of a majority of the votes cast at the Peoples special meeting at which a quorum is present. **The Peoples board of directors recommends that you vote to approve the merger agreement.** Further, due to the importance of the vote to approve the merger agreement, Peoples is also seeking authority from shareholders through the Peoples adjournment proposal to adjourn the special meeting to a later date, if necessary or appropriate, in order to further solicit proxies in favor of approval of the Peoples merger proposal.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. Without instructions, your shares will not be voted, which will have the effect described below.

Q: What if I abstain from voting or fail to vote or instruct my broker or other holder of record how to vote?

A: If you are a record holder of Peoples common stock and you submit a proxy card in which you abstain from voting, the abstention will be counted toward a quorum at the Peoples special meeting, but it will have no effect on the outcome of the Peoples merger proposal or the Peoples adjournment proposal.

If you are a record holder of Peoples common stock and you fail to vote, it will have no effect on the outcome of the Peoples merger proposal or the Peoples adjournment proposal.

If your bank, broker, nominee or other holder of record holds your shares of Peoples common stock in street name, for each proposal your bank, broker, nominee or other holder of record generally will vote such shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank, nominee or other holder of record with this prospectus and proxy statement. Your shares held in street name generally will not be voted on any proposal with respect to which you do not provide voting instructions (referred to as broker non-votes). Broker

non-votes will have no effect on the outcome of the Peoples merger proposal or any other proposal at the Peoples special meeting.

Table of Contents

Q: Can I attend the Peoples special meeting and vote my shares in person?

A: Yes. All holders of Peoples common stock, including shareholders of record and shareholders who beneficially own their shares through banks, brokers, nominees or any other holder of record, at the close of business on [], 2018, which is the record date for the special meeting, are invited to attend the Peoples special meeting. Holders of record of Peoples common stock as of the record date can vote in person at the Peoples special meeting. If you wish to vote in person at the special meeting and if you are a shareholder of record, you should bring the enclosed proxy card and proof of identity. If you hold your shares in street name, through your broker or beneficially own your shares through another holder of record, you will need to bring with you proof of identity and a letter from your bank, broker, nominee or other holder of record confirming your beneficial ownership of common stock as of the record date (a written proxy from your holder of record). At the appropriate time during the special meeting, the shareholders present will be asked whether anyone wishes to vote in person. You should raise your hand at this time to receive a ballot to record your vote. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting distributed at the meeting.

Even if you plan to attend the special meeting, you are encouraged to vote your shares as soon as possible by submitting a properly executed proxy card in the enclosed prepaid envelope.

Q: Will Peoples be required to submit the Peoples merger proposal to its shareholders even if the Peoples board of directors has withdrawn or modified its recommendation?

A: Yes. Unless the merger agreement is terminated before the Peoples special meeting, Peoples is required to submit the Peoples merger proposal to its shareholders even if the Peoples board of directors has withdrawn or modified its recommendation, consistent with the terms of the merger agreement.

Q: If I am a holder of Peoples common stock, can I change or revoke my vote?

A: Yes. If you are a shareholder of record of common stock on the record date, you may change your vote and revoke your proxy by:

before the meeting, submitting a properly executed proxy card with a later date;

voting in person at the Peoples special meeting; or

delivering written notice that you wish to revoke your proxy to Ronald L. Bowling, at 200 First Street, P.O. Box 817, Mullens, West Virginia, 25882, at or before the Peoples special meeting.

If you hold shares in street name, you must follow your broker's instructions to change your vote. Any record holder of Peoples common stock, or street name holder with a written proxy from the record holder, entitled to vote in person at the Peoples special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence of a Peoples shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: If I am a Peoples shareholder, do I have appraisal or dissenters' rights?

A: Yes. Under West Virginia law, holders of Peoples common stock will be entitled to exercise appraisal or dissenters rights in connection with the Peoples merger proposal. To exercise appraisal rights, Peoples shareholders must strictly follow the procedures prescribed by the laws of West Virginia. These procedures are summarized under the section entitled *The Merger Dissenters or Appraisal Rights* beginning on page 53, and Sections 31D-13-1301 through 31D-13-1331 of the West Virginia Business Corporation Act, which are attached to this prospectus and proxy statement as Appendix C.

Q: If I am a holder of Peoples common stock with shares represented by stock certificates, should I send in my Peoples stock certificates now?

A: No. You should not send in your Peoples stock certificates at this time. After completion of the merger, Summit will send you instructions for exchanging Peoples stock certificates for the merger consideration. The

Table of Contents

shares of Summit common stock that Peoples shareholders will receive in the merger will be issued in book-entry form. **Please do not send in your stock certificates with your proxy card.**

Q: Who can I contact if I cannot locate my Peoples stock certificate(s)?

A: If you are unable to locate your original Peoples stock certificate(s), you should contact Ronald L. Bowling, President and Chief Executive Officer or Terri L. Lusk, Corporate Secretary of Peoples at 200 First Street, Mullens, West Virginia 25882, (304) 294-7115.

Q: What will I receive for my Peoples common stock?

A: In exchange for each of your shares of Peoples common stock, you may elect to receive (i) 1.7193 shares of Summit common stock for each share of Peoples common stock held immediately prior to the merger, which is referred to as the stock consideration, (ii) cash in the amount of \$47.00 per share of Peoples common stock, which is referred to as the cash consideration, or (iii) a combination of cash and shares of Summit common stock in accordance with the election procedures set forth in the merger agreement. The stock consideration and the cash consideration are referred to collectively as the merger consideration.

However, the aggregate number of Peoples shares that will be converted for cash consideration will be equal to 271,020 shares, and the aggregate cash consideration will be equal to \$12,737,940, or approximately 50% of the merger consideration. The remaining 50% of the merger consideration will be stock consideration consisting of an aggregate of 271,021 shares of Peoples common stock converting to a maximum of 465,967 shares of Summit common stock after applying the exchange ratio.

No guarantee can be made that you will receive the amount of the cash consideration or the stock consideration you elect. As a result of the proration procedures provided for in the merger agreement, as described in this prospectus and proxy statement, you may receive the stock consideration or the cash consideration in amounts that are different from the amounts you elect to receive.

Q: Is the merger consideration subject to adjustment?

A: Yes. The merger consideration could be subject to downward adjustment if, as of the last day of the calendar quarter immediately preceding the effective time, Peoples' total adjusted shareholders' equity is less than \$20,100,000. In such an event, there will be a dollar-for-dollar downward adjustment to the aggregate merger consideration equal to the amount of the deficit, allocated proportionately to the cash consideration and stock consideration. If, as of the last day of the calendar quarter immediately preceding the effective time, Peoples' total adjusted shareholders' equity is more than \$21,100,000, then Peoples will issue a special distribution in the amount of such excess to its shareholders, subject to certain limitations due to the structure of the merger and the bank merger as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. These potential adjustments are described more fully in this prospectus and proxy statement. See "The Merger Agreement Shareholders Equity" for further explanation.

In addition, there may be an adjustment to the fixed number of shares of Summit common stock that will be issued to Peoples shareholders based upon changes in the market price of Summit common stock and the NASDAQ Bank Index (IBIX) prior to the closing. However, any changes to the fixed number of shares of Summit common stock will not increase the per share value that Peoples shareholders will receive in the merger from the value calculated using the pre-announcement market price of Summit common stock. Furthermore, the Peoples board of directors may terminate the merger agreement if the average closing price of Summit common stock falls more than 15% on an actual basis

and 15% on a relative basis to the NASDAQ Bank Index (IBIX) prior to the effective time, in which case the merger will not occur, unless Summit agrees to increase the number of shares of Summit common stock to be issued to holders of Peoples common stock.

Table of Contents

Q: How do I elect common stock, cash or both?

A: You may indicate a preference to receive Summit common stock, cash or a combination of both in the merger by completing the stock/cash election form and letter of transmittal, referred to herein as the election form, that you will receive under separate cover. You should carefully review the instructions that will be included with the election form. The deadline to make an election is 5:00 p.m. Eastern Time on the 25th day following the mailing date of the election form.

Q: How does the consideration proration work?

A: Under the merger agreement, the number of shares of Peoples common stock to be converted into cash will equal approximately 50% of the total merger consideration. The remaining shares of Peoples common stock outstanding will be converted into a right to receive shares of Summit common stock that will equal approximately 50% of the merger consideration. In the event that Peoples shareholders elect to receive, in the aggregate, a particular form of consideration in an amount that exceeds the allocation established in the merger agreement, all shareholders who elected to receive such form of consideration will have their election prorated as contemplated in the merger agreement to the extent necessary to cause the aggregate mix of consideration to be equal to the allocation set forth in the merger agreement. Accordingly, Peoples shareholders may receive a consideration mix that is different from the consideration that they elect to receive. See The Merger Agreement Election Procedures; Surrender of Peoples Stock Certificates beginning on page 58 for further explanation.

Q: Is the value of the per share consideration that I receive for my shares of Peoples common stock expected to be the same regardless of which election I make?

A: No. The value of the cash consideration will not change and is fixed at \$47.00 per share. However, the value of the stock consideration will vary based on the market price of Summit common stock. There will be no adjustment to the fixed number of shares of Summit common stock that will be issued to Peoples shareholders who receive the stock consideration based upon changes in the market price of Summit common stock or Peoples common stock prior to the effective time of the merger. As result, the value of the merger consideration received by holders of Peoples common stock who receive the cash consideration may differ from the value of the merger consideration received by holders of Peoples common stock who receive the stock consideration.

The market price of Summit common stock at the time the merger is completed may vary from the price of Summit common stock on the date the merger agreement was executed, on the date of this prospectus and proxy statement, on the date of the Peoples special meeting and at the effective time of the merger as a result of various factors that are beyond the control of Summit and Peoples, including but not limited to, general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. In addition to the adoption and approval of the merger agreement by Peoples shareholders, consummation of the merger is subject to satisfaction of certain conditions that may not occur until after the Peoples special meeting. See The Merger Agreement Conditions to Completion of the Merger beginning on page 61 for further explanation. Therefore, at the time of the Peoples special meeting you will not know the precise value of the stock consideration, if any, that you will receive at the effective time of the merger. You should obtain current market quotations for shares of Summit common stock.

Q: What happens if I do not make an election or my election form is not received before the election deadline?

A: Any shares of Peoples common stock with respect to which the exchange agent does not receive a properly completed election form by the election deadline, including stock certificate(s) and other transmittal materials, will be

treated as no election shares. No election shares will be converted into the right to receive Summit common stock and/or cash according to the allocation procedures specified in the merger agreement. See The Merger Agreement Merger Consideration beginning on page 57.

Table of Contents

Q: How will I receive the merger consideration to which I am entitled?

A: After receiving the proper documentation from you and determining the proper allocations of shares of Summit common stock and cash to be paid or issued to Peoples shareholders, the exchange agent will forward to you the Summit common stock and/or cash to which you are entitled. See *The Merger Agreement Election Procedures; Surrender of Peoples Stock Certificates* beginning on page 58. Peoples shareholders will not receive any fractional shares of Summit common stock in the merger. Instead, they will receive an amount in cash equal to the fractional share interest multiplied by \$47.00, the per share cash consideration.

Q: When do you expect to complete the merger?

A: Summit and Peoples currently expect to complete the merger during the first quarter of 2019. However, they cannot assure you when or if the merger will occur. Summit and Peoples must, among other things, obtain the approval of Peoples shareholders at its special meeting and satisfy the other conditions described below in *The Merger Agreement Conditions to Completion of the Merger* beginning on page 61.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of Peoples common stock will not receive any consideration for their shares in connection with the merger. Instead, Peoples will remain an independent private company. In addition, in certain circumstances, a termination fee may be required to be paid by Peoples. See *The Merger Agreement Effect of Termination; Termination Fee* beginning on page 74 for a complete discussion of the circumstances under which termination fees will be required to be paid.

Q: Who will be soliciting proxies?

A: In addition to soliciting proxies by mail, the directors and certain employees of Peoples may be soliciting proxies for the Peoples special meeting. See *The Peoples Special Meeting Solicitation of Proxies* beginning on page 28 for more information.

Q: What are the U.S. federal income tax consequences of the merger to Peoples shareholders?

A: The merger is intended to qualify, and the obligation of Summit and Peoples to consummate the merger is conditioned upon, the receipt of an opinion from their respective legal counsel to the effect that the merger will qualify, as a reorganization within the meaning of Section 368(a) of the Code and that Peoples and Summit will each be treated as a party to each reorganization within the meaning of Section 368(b) of the Code. Neither Summit nor Peoples currently intends to waive this opinion condition to its obligation to consummate the merger. If either Summit or Peoples waives this opinion condition after this prospectus and proxy statement is declared effective by the SEC, and if the tax consequences of the merger to Peoples shareholders have materially changed, Summit and Peoples will recirculate appropriate soliciting materials to resolicit the votes of Peoples shareholders. Assuming that the merger and the bank merger so qualifies as a reorganization, which Peoples and Summit anticipate, in general, for U.S. federal income tax purposes:

 Holders of Peoples common stock who receive solely the cash consideration in the merger will generally recognize gain or loss;

Holders of Peoples common stock who receive solely the stock consideration in the merger generally will not recognize any gain or loss as a result of the exchange (other than for cash received in lieu of any fractional share of Summit common stock); and

Holders of Peoples common stock who receive a combination of the cash consideration and the stock consideration in the merger will not generally recognize any loss but will generally recognize gain, if any, equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the Summit common stock received pursuant to the merger over that holder's adjusted tax basis in his, her or its shares of Peoples common stock surrendered, and (2) the amount of cash consideration received by that holder pursuant to the merger.

Table of Contents

For further information, see Material U.S. Federal Income Tax Consequences of the Merger beginning on page 75.

The U.S. federal income tax consequences described above may not apply to all holders of Peoples common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q: Whom should I call with questions?

A: Peoples shareholders should contact Ronald L. Bowling at Peoples by telephone at (304) 294-7115.

Table of Contents

SUMMARY

*This summary highlights selected information from this prospectus and proxy statement. It does not contain all of the information that may be important to you. We urge you to carefully read this entire prospectus and proxy statement and the other documents to which this prospectus and proxy statement refers to fully understand the merger and the other matters to be considered at the special meeting. See *Where You Can Find More Information* on page 91 to obtain the information incorporated by reference into this prospectus and proxy statement without charge. Each item in this summary includes a page reference directing you to a more complete description of that item.*

The Companies (page 80)

Summit Financial Group, Inc.

300 North Main Street

Moorefield, West Virginia 26836

(304) 530-1000

Summit is a West Virginia corporation registered as a financial holding company pursuant to the Bank Holding Company Act of 1956, as amended, or the BHCA. Summit was incorporated and organized on March 5, 1987. Summit's banking subsidiary offers a full range of commercial and retail banking services and products. Summit provides these services through its community bank subsidiary, Summit Community Bank, with 29 full service offices located throughout West Virginia, Northern Virginia and the Shenandoah Valley. Summit also operates Summit Insurance Services, LLC in Moorefield, West Virginia and Leesburg, Virginia.

As of June 30, 2018, Summit had total assets of \$2.1 billion, total deposits of \$1.64 billion, and shareholders' equity of \$210 million.

Peoples Bankshares, Inc.

200 First Street

P. O. Box 817

Mullens, West Virginia 25882

(304) 294-7115

Peoples is a West Virginia corporation registered as a bank holding company pursuant to the BHCA. Peoples was incorporated in 1989. Through First Peoples Bank, Inc., or First Peoples Bank, a West Virginia banking corporation, Peoples offers a full line of business-related loan, deposit and cash management products through experienced professionals. Peoples operates three full service offices in Raleigh and Wyoming Counties of West Virginia.

As of June 30, 2018, Peoples had total assets of \$134.7 million, total deposits of \$114.9 million, and total stockholders' equity of \$19.7 million.

The Merger (page 32)

We have attached the merger agreement to this prospectus and proxy statement as Appendix A. We encourage you to read the merger agreement. It is the legal document that governs the merger. All descriptions in this summary and elsewhere in this prospectus and proxy statement of the terms and conditions of the merger are qualified by reference to the merger agreement.

In the merger, Summit will acquire Peoples by means of the merger of Peoples into PB Merger Sub LLC, a West Virginia limited liability company and wholly-owned subsidiary of Summit's wholly-owned banking

Table of Contents

subsidiary, Summit Community Bank, or merger sub, with merger sub as the surviving entity in the merger. Immediately following the merger, merger sub will be liquidated so that Summit Community Bank will own all of the outstanding shares of Peoples wholly owned banking subsidiary, First Peoples Bank. Immediately following the liquidation of merger sub, First Peoples Bank will be merged with and into Summit Community Bank, or the bank merger, with Summit Community Bank surviving as the surviving bank in the bank merger.

Each share of Peoples common stock outstanding will be converted in the merger into the merger consideration as further described below. We expect to complete the merger in the first quarter of 2019, although there can be no assurance in this regard.

Merger Consideration (page 57)

Upon completion of the merger, each Peoples shareholder will receive (i) 1.7193 shares of Summit common stock in exchange for each share of Peoples common stock held immediately prior to the merger, which is referred to herein as the stock consideration, (ii) cash in the amount of \$47.00 per share of Peoples common stock, which is referred to herein as the cash consideration, or (iii) a combination of cash and shares of Summit common stock in accordance with the election procedures set forth in the merger agreement. However, the aggregate number of Peoples shares that will be converted for cash consideration will be equal to 271,020 shares, and the aggregate cash consideration will be equal to \$12,737,940 or approximately 50% of the merger consideration. The remaining 50% of the merger consideration will be stock consideration consisting of an aggregate of 271,021 shares of Peoples common stock converting to a maximum of 465,967 shares of Summit common stock after applying the exchange ratio. Accordingly, elections by Peoples shareholders to receive a particular form of consideration, whether cash or shares of Summit common stock, will be prorated as necessary to cause the aggregate mix of consideration received by Peoples shareholders in the merger to comply with the foregoing allocation. Any shares of Peoples common stock for which no valid election has been made will be converted into the right to receive shares of Summit common stock and/or cash in accordance with the allocation procedures specified by the merger agreement.

Summit will not issue any fractional shares. A Peoples shareholder entitled to a fractional share of Summit common stock will instead receive an amount in cash equal to the fractional share interest to which such shareholder would otherwise be entitled multiplied by \$47.00, the per share cash consideration.

In addition, the merger consideration could be subject to downward adjustment if, as of the last day of the calendar quarter immediately preceding the effective time, Peoples total adjusted shareholders equity is less than \$20,100,000. In such an event, there will be a dollar-for-dollar downward adjustment to the aggregate merger consideration equal to the amount of the deficit, allocated proportionately to the cash consideration and stock consideration. If, as of the last day of the calendar quarter immediately preceding the effective time, Peoples total adjusted shareholders equity is more than \$21,100,000, then Peoples will issue a special distribution in the amount of such excess to its shareholders, subject to certain limitations due to the structure of the merger and the bank merger as a reorganization under Section 368(a) of the Code.

The exchange ratio may be adjusted if the outstanding shares of Summit Common Stock shall have been increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar change in capitalization.

Upon completion of the merger, we expect that Summit shareholders will own approximately 96.4% of the combined company and former Peoples shareholders will own approximately 3.6% of the combined company.

The market price of Summit common stock will fluctuate prior to the merger. Summit and Peoples urge you to obtain current market quotations for Summit (trading symbol SMMF).

Table of Contents**Cash and Stock Elections (page 58)**

An election form will be mailed separately to Peoples shareholders and Peoples shareholders should carefully review and follow the instructions that will be included with the election form. The deadline to make an election and return the election form along with the Peoples stock certificates will be 5:00 p.m. Eastern Time on the 25th day following the mailing date of the election form. In the event that Peoples shareholders elect to receive, in the aggregate, a particular form of consideration in an amount that exceeds the allocation established in the merger agreement, all shareholders who elected to receive such form of consideration will have their elections prorated as necessary to cause the aggregate mix of consideration to equal, as closely as possible, the allocation set forth in the merger agreement. Accordingly, Peoples shareholders may receive a consideration mix that is different from the consideration that they elect to receive.

Peoples Reasons for the Merger (page 34)

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the merger agreement, the Peoples board of directors evaluated the merger and the merger agreement in consultation with executive management, Ambassador Financial Group, Inc., or Ambassador, its financial advisor, and Jackson Kelly PLLC, or Jackson Kelly, its legal counsel. The Peoples board of directors carefully considered the terms of the merger agreement and the value of the merger consideration to be received by Peoples shareholders and ultimately determined that it was in the best interests of Peoples and its shareholders for Peoples to enter into the merger agreement with Summit. For more detail concerning the factors considered by the Peoples board of directors in reaching its decision to approve the merger and the merger agreement, which is the plan of merger, see the section entitled *The Merger Peoples Reasons for the Merger; Recommendation of the Peoples Board of Directors* on page 34.

Peoples Recommendation (page 34)

The Peoples board of directors believes that the merger is fair to and in the best interests of the Peoples shareholders. Peoples board of directors unanimously recommends that Peoples shareholders vote *FOR* the Peoples merger proposal. For the factors considered by the Peoples board of directors in reaching its decision to approve the merger and the merger agreement, which is the plan of merger, see the section entitled *The Merger Peoples Reasons for the Merger; Recommendation of the Peoples Board of Directors* on page 34.

Opinion of Peoples Financial Advisor (page 39 and Appendix B)

In connection with the merger, Peoples financial advisor, Ambassador, delivered a written opinion, dated July 23, 2018, to the Peoples board of directors as to the fairness of the merger consideration, from a financial point of view and as of the date of the opinion, to the holders of Peoples common stock. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Ambassador in preparing the opinion, is attached as Appendix B to this prospectus and proxy statement. **The opinion was for the information of, and was directed to, the Peoples board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of Peoples to engage in the merger or enter into the merger agreement or constitute a recommendation to the Peoples board in connection with the merger, and it does not constitute a recommendation to any holder of Peoples common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.**

Dissenters or Appraisal Rights (page 53)

Under Section 31D-13-1302 of the West Virginia Business Corporation Act, or the WVBCA, Peoples shareholders will have appraisal rights in connection with the merger. To exercise appraisal rights, Peoples

Table of Contents

shareholders must strictly follow the procedures prescribed by the laws of West Virginia. These procedures are summarized under the section entitled "The Merger Dissenters or Appraisal Rights" beginning on page 53, and Sections 31D-13-1301 through 31D-13-1331 of the WVBCA, which are attached to this prospectus and proxy statement as Appendix C.

Accounting Treatment (page 56)

Summit will account for the merger using acquisition accounting in accordance with U.S. generally accepted accounting principles.

The Merger Is Intended to Be Tax-Free to Holders of Peoples Common Stock as to the Shares of Summit Common Stock They Receive (page 75)

The merger and the bank merger are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and, as a condition to the respective obligations of Summit and Peoples to complete the merger, each of Summit and Peoples shall receive an opinion from its legal counsel to that effect. Accordingly, the merger generally will be tax-free to a holder of Peoples common stock for U.S. federal income tax purposes who receives solely the stock consideration for all of his, her or its shares, except for any gain or loss that may result from the receipt of cash instead of fractional shares of Summit common stock that such holder of Peoples common stock would otherwise be entitled to receive. If the holder of Peoples common stock receives solely the cash consideration for all of his, her or its shares, the holder of Peoples common stock generally will recognize gain or loss equal to the difference between the amount of cash received and the adjusted tax basis in his, her or its shares of Peoples common stock as set forth below. If the holder of Peoples common stock receives a combination of cash consideration and stock consideration in the merger, the holder will not generally recognize any loss but will generally recognize gain, if any, equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the Summit common stock received pursuant to the merger over that holder's adjusted tax basis in his, her or its shares of Peoples common stock surrendered, and (2) the amount of cash consideration received by that holder pursuant to the merger. For further information, see the section entitled "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 75.

The Peoples Special Meeting (page 27)

The Peoples special meeting will be held on [], [], 2018, at [], local time, at the [], located at []. At the special meeting, Peoples shareholders will be asked:

To approve the Peoples merger proposal; and

To approve the Peoples adjournment proposal.

Record Date; Vote Required (page 31)

Peoples shareholders can vote at the special meeting if they owned shares of Peoples common stock at the close of business on [], 2018, which is the record date for the special meeting. On the record date, Peoples had approximately [542,041] shares of common stock outstanding and entitled to vote at the Peoples special meeting. Each Peoples shareholder can cast one vote for each share of Peoples common stock owned on that date.

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Peoples common stock entitled to vote at the Peoples special meeting is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular

Table of Contents

proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Although brokers have discretionary power to vote your shares of Peoples common stock with respect to routine matters, they do not have discretionary power to vote your shares of Peoples common stock on non-routine matters. All proposals for consideration at the Peoples special meeting are non-routine and therefore your broker will not be able to vote your shares of Peoples common stock with respect to these proposals unless the broker received appropriate instructions from you.

The approval of the merger agreement requires that the number of votes cast favoring approval of the merger agreement exceeds the number of votes cast opposing approval of the merger agreement at the Peoples special meeting at which a quorum is present. Abstentions, broker non-votes and any shares that are not voted will have no effect on the outcome of either the Peoples merger proposal or the Peoples adjournment proposal.

The approval of the Peoples adjournment proposal requires that the number of votes cast favoring approval of the adjournment proposal exceeds the number of votes cast opposing the adjournment proposal at the Peoples special meeting. Abstentions, broker non-votes and any shares that are not voted will have no effect on the outcome of either the Peoples merger proposal or the Peoples adjournment proposal.

As of the record date, Peoples directors and executive officers, and their affiliates, held approximately []% of the outstanding shares of Peoples common stock entitled to vote at the special meeting. Peoples directors, executive officers and certain significant shareholders have entered into voting agreements, a form of which is included as an exhibit to Appendix A attached to this prospectus and proxy statement, that obligate each party to vote shares of Peoples common stock over which each such party has voting and dispositive power for approval of the merger agreement.

At this time, the Peoples board of directors anticipates that the 150,000 shares of Peoples common stock held by the co-trustees of the Trust under the Will of H. E. Lilly, which represents 27.67% of the outstanding shares of Peoples common stock as of the record date, will be present at the special meeting for the purposes of establishing a quorum. However, the Peoples board of directors expects that the co-trustees will abstain from voting on the Peoples merger proposal or the Peoples adjournment proposal due to a potential limitation contained in the trust's governing document relating to the co-trustees' power to vote shares on the matters brought before the meeting.

Conditions to Completion of the Merger (page 61)

The obligations of Summit and Peoples to complete the merger depend on a number of conditions being satisfied or waived. These conditions include:

Peoples shareholders' approval of the merger agreement;

Approval of the merger by the necessary federal and state regulatory authorities;

The effectiveness of the registration statement filed on Form S-4 of which this prospectus and proxy statement is a part and no stop order suspending the effectiveness thereof shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the Securities and Exchange Commission, or SEC;

Authorization for the listing on the NASDAQ Capital Market, or NASDAQ, of the shares of Summit common stock to be issued in the merger;

Absence of any law or court order prohibiting the merger;

Receipt of opinions from counsel to Peoples and Summit that the merger will be treated as a reorganization under Section 368(a) of the Code;

Table of Contents

The accuracy of the other party's representations and warranties subject to the material adverse effect standard in the merger agreement;

The performance in all material respects of all obligations of the other party contained in the merger agreement;

The parties use of commercially reasonable efforts to execute the key employment contract referenced in the merger agreement;

Less than 5.0% of the outstanding shares of Peoples common stock exercising dissenters' rights;

Receipt of a voting agreement executed by each of the individuals set forth on the disclosure schedules; and

Receipt of a director support agreement executed by each of the directors of Peoples.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Regulatory Approvals (page 67)

In addition to the approval of the Peoples shareholders, the merger is subject to the approval of the Federal Deposit Insurance Corporation, Board of Governors of the Federal Reserve System (unless a waiver is granted), and the West Virginia Board of Banking and Financial Institutions. These governmental authorities may impose conditions for granting approval of the merger. Neither Summit nor Peoples can offer any assurance that all necessary approvals will be obtained or the date when any such approvals will be obtained. As of the date of this prospectus and proxy statement, we have not yet received the required regulatory approvals.

See The Merger Agreement Regulatory Approvals on page 67 for further explanation.

Termination of the Merger Agreement (page 73)

Peoples and Summit may mutually agree to terminate the merger agreement at any time.

Either Peoples or Summit may terminate the merger agreement if the merger is not completed by March 31, 2019, unless the failure of the merger to be consummated arises out of or results from the knowing action or inaction of the party seeking to terminate.

Summit may terminate the merger agreement if any of the following occurs:

The approval of any governmental entity required for consummation of the merger is denied by a final non-appealable action of such governmental entity, any such regulatory approval contains a burdensome condition on Summit, or the Peoples shareholders do not approve the merger agreement;

Peoples materially breaches any of its representations or obligations under the merger agreement, and does not cure the breach within 30 days of written notice of the breach;

Peoples is not able to confirm, as of the effective time of the merger, (i) the continued accuracy of its representations and warranties in the merger agreement as of the effective time of the merger or (ii) the performance in all material respects of all of its obligations in the merger agreement;

Peoples experiences a material adverse effect since the date of the merger agreement; or

Peoples board of directors fails to recommend approval of the merger agreement, withdraws its recommendation or modifies its recommendation in a manner adverse to Summit; Peoples enters into

Table of Contents

an acquisition agreement in the limited contexts set forth in the merger agreement; or Peoples breaches its obligations to call the Peoples shareholder meeting or its obligations not to solicit alternative acquisition proposals under the terms of the merger agreement.

Peoples may terminate the merger agreement if any of the following occurs:

The approval of any governmental entity required for consummation of the merger is denied by a final non-appealable action of such governmental entity or the Peoples shareholders do not approve the merger agreement;

Summit materially breaches any of its representations or obligations under the merger agreement, and does not cure the breach within 30 days of written notice;

Summit is not able to confirm, as of the effective time of the merger, (i) the continued accuracy of its representations and warranties in the merger agreement as of the effective time of the merger or (ii) the performance in all material respects of all of its obligations in the merger agreement;

Summit experiences a material adverse effect since the date of the merger agreement; or

The average closing price of Summit common stock declines by more than 15% from \$27.10 and underperforms an index of banking companies by more than 15% over a designated measurement period, unless Summit agrees to increase the number of shares of Summit common stock to be issued to holders of Peoples common stock.

Additionally, Peoples may terminate the merger agreement in order to enter into an agreement with respect to an unsolicited acquisition proposal that if consummated would result in a transaction more favorable to Peoples shareholders from a financial point of view, provided that Summit does not make a counteroffer that is at least as favorable to the other proposal (as determined by the Peoples board of directors) and Peoples pays the termination fee described below.

Termination Fee (page 74)

In the event that the merger agreement is terminated (i) by Peoples because it has received an unsolicited acquisition proposal that is more favorable to Peoples shareholders from a financial point of view than the merger with Summit and Summit does not make a counteroffer that the Peoples board of directors determines is at least as favorable to the unsolicited acquisition proposal or (ii) by Summit because the Peoples board of directors fails to recommend, withdraws, modifies or changes its recommendation of the merger in a manner adverse in any respect to the interests of Summit and within 12 months after the date of termination of the merger agreement, Peoples enters into an agreement with respect to another acquisition proposal or consummates another acquisition proposal, then Peoples must pay Summit a termination fee of \$1,275,000.

Waiver and Amendment (page 64)

Summit and Peoples may jointly amend the merger agreement and each may waive its right to require the other party to adhere to the terms and conditions of the merger agreement. However, Summit and Peoples may not do so after Peoples shareholders approve the merger agreement if the amendment or waiver would violate the WVBCA, require further approval from Peoples shareholders or such amendment changes the form or amount of merger consideration in a manner that is adverse in any respect to Peoples shareholders.

Interests of Directors and Executive Officers in the Merger that Differ from Your Interests (page 55)

Some of the directors and executive officers of Peoples have interests in the merger that differ from, or are in addition to, their interests as shareholders of Peoples. These interests exist because of, among other things,

Table of Contents

rights that these executive officers and directors have under Peoples' benefit plans, arrangements to continue as employees and/or directors of Summit or its subsidiaries, including Summit Community Bank, following the merger, and rights to indemnification and directors and officers insurance following the merger. Peoples and Summit expect that Ronald L. Bowling, currently President and Chief Executive Officer of Peoples, will enter into an employment agreement with Summit Community Bank, the execution of which is a condition to the consummation of the merger, and which provides, among other things, for the payment of a certain retention bonus amount at the effective time and then an additional retention bonus amount contingent on continued employment with Summit Community Bank during the first year after the merger. The aggregate compensation that certain Peoples directors and named executive officers may receive as a result of the merger is described in greater detail under "The Merger: Interests of Certain Peoples Directors and Executive Officers in the Merger" beginning on page 55.

The members of the Peoples board of directors knew about these additional interests and considered them when they approved the merger agreement and the merger.

Material Differences in the Rights of Summit Shareholders and Peoples Shareholders (page 85)

The rights of Summit shareholders are governed by West Virginia law and by Summit's articles of incorporation and bylaws. The rights of Peoples shareholders are governed by West Virginia law and by Peoples' articles of incorporation and bylaws. Upon completion of the merger, the rights of the Summit shareholders, including former shareholders of Peoples, will be governed by West Virginia law and the articles of incorporation and bylaws of Summit.

This prospectus and proxy statement contains descriptions of the material differences in shareholder rights under each of the Summit and Peoples governing documents.

Risk Factors (page 17)

Before voting at the special meeting, you should carefully consider all of the information contained in or incorporated by reference into this document, including the risk factors set forth in the section entitled "Risk Factors" or described in Summit's Annual Report on Form 10-K for the year ended on December 31, 2017 and other reports filed with the SEC, which are incorporated by reference into this document. Please see "Where You Can Find More Information" beginning on page 91.

Market Prices of Securities (page 24)

Summit common stock is listed on the NASDAQ under the symbol "SMMF". Peoples common stock is not listed on any stock exchange or quoted on any interdealer quotation system.

The market value of the stock consideration will fluctuate with the market price of Summit common stock, however the cash consideration will remain a fixed amount regardless of any change in the market value of the stock consideration. The following table presents the closing prices of Summit common stock on July 24, 2018, the last trading day before public announcement of the merger, and on [], 2018, the last practicable trading day before the distribution of this prospectus and proxy statement. The table also presents the implied value of the stock consideration proposed for each share of Peoples common stock converted into the stock consideration on those dates, as determined by multiplying the closing price of Summit common stock on those dates by the exchange ratio of 1.7193 provided for in the merger agreement. This table also presents the value of the cash consideration proposed for each share of Peoples common stock converted into the cash consideration, which

Table of Contents

will remain a fixed amount regardless of any change in the market value of the stock consideration. **We urge you to obtain current market quotations for shares of Summit common stock.**

	Summit Common Stock (NASDAQ: SMMF)	Implied Value of One Share of Peoples Common Stock	Value of the Cash Consideration for One Share of Peoples Common Stock
At July 24, 2018	\$ 26.79	\$ 46.06	\$ 47.00
At [], 2018	\$ []	\$ []	\$ 47.00

Table of Contents

RISK FACTORS

*In addition to general investment risks and the other information contained in or incorporated by reference into this prospectus and proxy statement, including the matters addressed under the heading **Cautionary Statement Regarding Forward-Looking Statements** on page 25 and the matters described under the caption **Risk Factors** in the Annual Report on Form 10-K filed by Summit for the year ended December 31, 2017, Peoples shareholders should consider the matters described below in determining whether to approve the merger agreement.*

Because the exchange ratio is fixed, fluctuations in the trading price of Summit common stock will change the value of the shares of Summit common stock you receive in the merger.

The exchange ratio is set at 1.7193 shares of Summit common stock for each share of Peoples common stock. As a result, the market value of the Summit common stock that Peoples shareholders receive in the merger will depend on the market price of Summit common stock at the time the shares are issued. Because the exchange ratio is fixed, the value of the shares of Summit common stock that will be issued to Peoples shareholders in the merger will depend on the market price of Summit common stock at the time the shares are issued. After the merger, the market value of Summit common stock may decrease and be lower than the market value of Summit common stock that was used in calculating the exchange ratio in the merger. Except as described in this prospectus and proxy statement, there will be no adjustment to the fixed number of shares of Summit common stock that will be issued to Peoples shareholders based upon changes in the market price of Summit common stock or Peoples common stock prior to the closing.

There may be an adjustment to the fixed number of shares of Summit common stock that will be issued to Peoples shareholders based upon changes in the market price of Summit common stock and the NASDAQ Bank Index (IBIX) prior to the closing. However, any changes to the fixed number of shares of Summit common stock will not increase the per share value that Peoples shareholders will receive in the merger from the value calculated using the pre-announcement market price of Summit common stock. Furthermore, the Peoples board of directors may terminate the merger agreement if the average closing price of Summit common stock falls more than 15% on an actual basis and 15% on a relative basis to the NASDAQ Bank Index (IBIX) prior to the closing, in which case the merger will not occur, unless Summit agrees to increase the number of shares of Summit common stock to be issued to holders of Peoples common stock.

The market price of Summit common stock at the time the merger is completed may vary from the price of Summit common stock on the date the merger agreement was executed, on the date of this prospectus and proxy statement and on the date of the Peoples special meeting as a result of various factors that are beyond the control of Summit and Peoples, including, but not limited to, general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. In addition to the approval of the merger agreement by Peoples shareholders, completion of the merger is subject to satisfaction of certain conditions that may not occur until after the Peoples special meeting. See **The Merger Agreement** **Conditions to Completion of the Merger** beginning on page 61 for further explanation. Therefore, at the time of the Peoples special meeting Peoples shareholders will not know the precise value of the stock consideration they will receive at the effective time of the merger. Peoples shareholders should obtain current market quotations for shares of Summit common stock.

The elections made by holders of Peoples common stock with respect to the types of merger consideration they would like to receive are subject to proration, and there can be no assurance that a shareholder will receive the type of merger consideration that he, she or it elects.

Each holder of Peoples common stock will be able to elect the type of merger consideration that he, she or it would like to receive for each of his, her or its shares of Peoples common stock, including electing to receive the cash

consideration for a portion of his, her or its shares of Peoples common stock and receive the stock

Table of Contents

consideration for the remainder of his, her or its shares of Peoples common stock. We refer to a share of Peoples common stock for which an election to receive the cash consideration is made as a cash election share and a share of Peoples common stock for which an election to receive the stock consideration is made as a stock election share. Shares of Peoples common stock for which no election is made will be deemed to be no-election shares. All such elections are subject to adjustment on a pro rata basis.

The merger agreement provides that the aggregate number of Peoples shares that will be converted for cash consideration will be equal to 271,020 shares, and the aggregate cash consideration will be equal to \$12,737,940, or approximately 50% of the merger consideration. The remaining 50% of the merger consideration will be stock consideration consisting of an aggregate of 271,021 shares of Peoples common stock converting to a maximum of 465,967 shares of Summit common stock after applying the exchange ratio. As a result, all elections may be subject to proration depending on the elections made by other holders of Peoples common stock if the cash consideration (or the stock consideration) is undersubscribed or oversubscribed. Proration will be applied so that ultimately approximately 50% of the shares of Peoples common stock are treated as cash election shares and approximately 50% of the shares of Peoples common stock are treated as stock election shares.

For example, if the aggregate of the cash consideration payable to holders of cash election shares is in excess of the maximum cash consideration, all of the no-election shares will be treated as stock election shares and a number of cash election shares will be converted into stock election shares until the maximum cash consideration is no longer oversubscribed. If the aggregate of the cash consideration payable to holders of cash election shares is less than the maximum cash consideration, a number of no-election shares will be treated as cash election shares until the maximum cash consideration is no longer undersubscribed and, if necessary or appropriate, a number of stock election shares will be converted into cash election shares until the maximum cash consideration is no longer undersubscribed.

Accordingly, depending on the elections made by other Peoples shareholders, if a holder of Peoples common stock elects to receive all cash consideration pursuant to the merger, such holder may receive a portion of the merger consideration due to such holder in the form of stock consideration. If a holder of Peoples common stock elects to receive all stock consideration pursuant to the merger, such holder may receive a portion of the merger consideration due to such holder in the form of cash consideration. Holders of Peoples common stock who make an election to receive the stock consideration for some of their shares and the cash consideration for the remainder of their shares may receive different amounts or proportions of the stock consideration and the cash consideration than they elected.

The market price of Summit common stock after the merger may be affected by factors different from those affecting the shares of Peoples or Summit currently.

Upon completion of the merger, holders of Peoples common stock will become holders of Summit common stock. Summit's business differs from that of Peoples, and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of Summit and Peoples. For a discussion of the businesses of Summit and Peoples and of certain factors to consider in connection with those businesses, see the documents incorporated by reference or described elsewhere in this prospectus and proxy statement.

The integration of the operations of Summit and Peoples may be more difficult, costly or time-consuming than anticipated.

The success of the merger will depend, in part, on Summit's ability to realize the anticipated benefits and cost savings from successfully combining the businesses of Summit and Peoples and to combine the businesses of Summit and Peoples in a manner that permits growth opportunities and cost savings to be realized without materially disrupting the

existing customer relationships of Peoples or decreasing revenues due to loss of customers. If Summit is not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all or may take longer to realize than expected.

Table of Contents

It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect Summit's ability to successfully conduct its business in the markets in which Peoples now operates, which could have an adverse effect on Summit's financial results and the value of its common stock. If Summit experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Peoples to lose customers or cause customers to remove their accounts from Peoples and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Peoples and Summit during this transition period and for an undetermined period after consummation of the merger.

The success of the merger will also depend on Summit's ability to:

Retain and attract qualified personnel to Summit;

Maintain existing relationships with depositors of Peoples to minimize withdrawals of deposits prior to and subsequent to the merger;

Maintain and enhance existing relationships with borrowers to limit unanticipated losses from loans of Peoples;

Control the incremental non-interest expense from Summit to maintain overall operating efficiencies; and

Compete effectively in the communities served by Summit and Peoples and in nearby communities. Summit may not be able to manage effectively its growth resulting from the merger.

Summit may fail to realize the cost savings estimated for the merger.

Although Summit estimates that it will realize cost savings of approximately \$960,000 (pre-tax) annually (excluding one-time costs and expenses associated with the merger with Peoples) from the merger when fully phased in, it is possible that the estimates of the potential cost savings could turn out to be incorrect. For example, the combined purchasing power may not be as strong as expected, and therefore the cost savings could be reduced. In addition, future business developments may require Summit to continue to operate or maintain some facilities or support functions that are currently expected to be combined or reduced. The cost savings estimates also depend on Summit's ability to combine the businesses of Summit and Peoples in a manner that permits those cost savings to be realized. If the estimates turn out to be incorrect or Summit is not able to combine the two companies successfully, the anticipated cost savings may not be fully realized or realized at all, or may take longer to realize than expected.

The merger with Peoples may distract management of Summit from its other responsibilities.

The acquisition of Peoples could cause the management of Summit to focus its time and energies on matters related to the acquisition that otherwise would be directed to the business and operations of Summit. Any such distraction on the part of management, if significant, could affect its ability to service existing business and develop new business and adversely affect the business and earnings of Summit.

If the merger is not completed, Summit and Peoples will have incurred substantial expenses without realizing the expected benefits of the merger.

Each of Summit and Peoples has incurred and will continue to incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs

Table of Contents

and expenses of filing, printing and mailing this prospectus and proxy statement and all filing and other fees paid to the SEC in connection with the merger. If the merger is not completed, Summit and Peoples would have to recognize these expenses without realizing the expected benefits of the merger.

Peoples shareholders will have less influence as shareholders of Summit than as shareholders of Peoples.

Peoples shareholders currently have the right to vote in the election of the board of directors of Peoples and on other matters affecting Peoples. Following the merger, the shareholders of Peoples as a group will own approximately 3.6% of the combined organization. When the merger occurs, each Peoples shareholder that receives shares of Summit common stock will become a shareholder of Summit with a percentage ownership of the combined organization much smaller than such shareholder's percentage ownership of Peoples. Because of this, Peoples shareholders will have less influence on the management and policies of Summit than they now have on the management and policies of Peoples.

Some of the directors and executive officers of Peoples may have interests in the merger that differ from the interests of non-director or non-management shareholders.

The interests of some of the directors and executive officers of Peoples may be different from those of holders of Peoples common stock, and directors and executive officers of Peoples may be participants in arrangements that are different from, or in addition to, those of holders of Peoples common stock. These interests are described in more detail in the section entitled "The Merger - Interests of Certain Peoples Directors and Executive Officers in the Merger" beginning on page 55.

The fairness opinion delivered to the Peoples board of directors by Peoples' financial advisor prior to the signing of the merger agreement will not reflect changes in circumstances occurring after the date of such opinion.

The opinion of Ambassador, Peoples' financial advisor, to the Peoples board of directors, was delivered on, and was dated, July 24, 2018. Changes in the operations and prospects of Peoples or Summit, general market and economic conditions and other factors that may be beyond the control of Peoples and Summit may alter the value of Peoples or Summit or the prices of shares of Peoples common stock or Summit common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. The opinion is included as Appendix B to this prospectus and proxy statement. For a description of the opinion, please refer to "The Merger - Opinion of Peoples' Financial Advisor" on page 39. For a description of the other factors considered by Peoples' board of directors in determining to approve the merger, please refer to "The Merger - Peoples' Reasons for the Merger; Recommendation of the Peoples Board of Directors" on page 34.

The merger agreement limits Peoples' ability to pursue an alternative acquisition proposal and requires Peoples to pay a termination fee of \$1,275,000 under limited circumstances relating to alternative acquisition proposals.

The merger agreement prohibits Peoples from soliciting, initiating, or encouraging certain alternative acquisition proposals with any third party, subject to exceptions set forth in the merger agreement. See "The Merger Agreement - Acquisition Proposals" on page 65. The merger agreement also provides for the payment by Peoples of a termination fee in the amount of \$1,275,000 in the event that the other party terminates the merger agreement for certain reasons. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Peoples from considering or proposing such an acquisition. See "Merger Agreement - Termination Fee" on page 74.

Table of Contents

The merger will not be completed unless important conditions are satisfied.

Specified conditions set forth in the merger agreement must be satisfied or waived to complete the merger. If the conditions are not satisfied or waived, to the extent permitted by law or stock exchange rules, the merger will not occur or will be delayed and each of Summit and Peoples may lose some or all of the intended benefits of the merger. The following conditions, in addition to other closing conditions, must be satisfied or waived, if permissible, before Summit and Peoples are obligated to complete the merger:

The merger agreement and merger must be duly approved by the requisite vote of the shareholders of Peoples;

All required regulatory approvals must be obtained;

The absence of any law or order by a court or regulatory authority that prohibits, restricts or makes illegal the merger;

The registration statement shall become effective under the Securities Act and no stop order shall have been issued or threatened by the SEC; and

To the extent required, the shares of Summit common stock to be issued in the merger must be approved for listing on NASDAQ.

Some of the conditions to the merger may be waived by Summit or Peoples without resoliciting shareholder approval of the merger agreement.

Some of the conditions set forth in the merger agreement may be waived by Summit or Peoples, subject to the agreement of the other party in specific cases. See *The Merger Agreement Conditions to Completion of the Merger* on page 61. If any conditions are waived, Peoples will evaluate whether an amendment of this prospectus and proxy statement and resolicitation of proxies is warranted. In the event that the board of directors of Peoples determines that resolicitation of shareholders is not warranted, Summit and Peoples will have the discretion to complete the transaction without seeking further Peoples shareholder approval.

Termination of the merger agreement could negatively impact Peoples.

If the merger agreement is terminated, there may be various consequences. For example, Peoples' businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. If the merger agreement is terminated and the Peoples board of directors seeks another merger or business combination, Peoples shareholders cannot be certain that Peoples will be able to find a party willing to pay the equivalent or greater consideration than that which Summit has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Peoples' board of directors, Peoples may be required to pay Summit a termination fee of \$1,275,000, which could have an adverse effect on Peoples financial condition.

Failure to complete the merger could negatively affect the market price of Peoples common stock.

If the merger is not completed for any reason, Peoples will be subject to a number of material risks, including the following:

The market price of its common stock may decline to the extent that the current market prices of its shares reflect a market assumption that the merger will be completed;

Costs relating to the merger, such as legal, accounting and financial advisory fees, and, in specified circumstances, termination fees, must be paid even if the merger is not completed;

Table of Contents

The diversion of management's attention from the day-to-day business operations and the potential disruption to Peoples' employees and business relationships during the period before the completion of the merger may make it difficult to regain financial and market positions if the merger does not occur; and

If Peoples' board of directors seeks another merger or business combination, Peoples' shareholders cannot be certain that Peoples will be able to find a party willing to pay an equivalent or greater consideration than that which Summit has agreed to pay in the merger.

The shares of Summit common stock to be received by Peoples shareholders as a result of the merger will have different rights from the shares of Peoples common stock.

Upon completion of the merger, Peoples' shareholders who receive Summit common stock will become Summit shareholders and their rights as shareholders will be governed by Summit's articles of incorporation and Summit's bylaws. The rights associated with Peoples' common stock are different from the rights associated with Summit common stock. Please see "Comparative Rights of Shareholders" beginning on page 85 for a discussion of the different rights associated with Summit common stock.

Peoples will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Peoples. These uncertainties may impair Peoples' ability to attract, retain and motivate strategic personnel until the merger is consummated, and could cause customers and others that deal with Peoples to seek to change existing business relationships with Peoples. Experienced employees in the financial services industry are in high demand, and competition for their talents can be intense. Employees of Peoples may experience uncertainty about their future role with the surviving corporation until, or even after, strategies with regard to the combined company are announced or executed. If strategic Peoples' employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the surviving corporation, Peoples' business following the merger could be harmed. In addition, the merger agreement restricts Peoples from making certain acquisitions and taking other specified actions until the merger occurs without the consent of Summit. These restrictions may prevent Peoples from pursuing attractive business opportunities that may arise prior to the completion of the merger. See "The Merger Agreement - Conduct of Business Pending the Merger" on page 68.

If the merger and the bank merger do not constitute a reorganization under Section 368(a) of the Code, then each Peoples shareholder may be responsible for payment of U.S. income taxes related to the merger.

The United States Internal Revenue Service, or the IRS, may determine that the merger and the bank merger do not qualify as a nontaxable reorganization under Section 368(a) of the Code. In that case, each Peoples' shareholder would recognize a gain or loss equal to the difference between the (i) the sum of the fair market value of Summit common stock and the amount of cash consideration, if any, received by the Peoples' shareholder in the merger and (ii) the Peoples' shareholder's adjusted tax basis in the shares of Peoples' common stock exchanged therefor.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SUMMIT**

The following table summarizes selected historical consolidated financial data of Summit for the periods and as of the dates indicated. This information has been derived from Summit's consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended June 30, 2018 and June 30, 2017 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of Summit. You should not assume the results of operations for past periods and for the six months ended June 30, 2018 and June 30, 2017 indicate results for any future period.

You should read this information in conjunction with Summit's consolidated financial statements and related notes thereto included in Summit's Annual Report on Form 10-K as of and for the year ended December 31, 2017, and in Summit's Quarterly Report on Form 10-Q as of and for the six months ended June 30, 2018, which are incorporated by reference into this prospectus and proxy statement. See "Where You Can Find More Information" beginning on page 91 of this prospectus and proxy statement.

Summit Historical Financial Information

	As of and for the Six Months Ended June 30, (unaudited)		As of/For the Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
<i>Dollars in thousands, except per share amounts</i>							
Summary of Operations							
Interest income	\$ 46,297	\$ 39,905	\$ 84,527	\$ 64,091	\$ 58,883	\$ 57,626	\$ 57,280
Interest expense	11,764	8,428	18,380	15,084	12,867	15,241	18,477
Net interest income	34,533	31,477	66,147	49,007	46,016	42,385	38,803
Provision for loan losses	1,250	500	1,250	500	1,250	2,250	4,500
Net interest income after provision for loan losses	33,283	30,977	64,897	48,507	44,766	40,135	34,303
Noninterest income	9,023	6,496	14,427	11,600	11,861	11,223	11,209
Noninterest expense	25,049	32,953	57,745	34,802	33,632	35,324	34,756
Income before income taxes	17,257	4,520	21,579	25,305	22,995	16,034	10,756
Income tax expense	3,534	858	9,664	8,008	6,893	4,678	2,688
Net income	13,723	3,662	11,915	17,297	16,102	11,356	8,068
Dividends on preferred shares						771	775
Net income applicable to common shares	\$ 13,723	\$ 3,662	\$ 11,915	\$ 17,297	\$ 16,102	\$ 10,585	\$ 7,293
Per Common Share:							
Earnings per share							

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Basic earnings	\$	1.11	\$	0.32	\$	1.00	\$	1.62	\$	1.56	\$	1.40	\$	0.98
Diluted earnings		1.10		0.32		1.00		1.61		1.50		1.17		0.84
Cash dividends	\$	0.26	\$	0.22	\$	0.44	\$	0.40	\$	0.32	\$		\$	
Period-End Balances:														
Assets	\$	2,107,652	\$	2,095,300	\$	2,134,240	\$	1,758,647	\$	1,492,429	\$	1,443,568	\$	1,386,227
Loans		1,617,373		1,538,083		1,593,744		1,307,862		1,079,331		1,019,842		937,070
Deposits		1,639,996		1,613,919		1,600,601		1,295,519		1,066,709		1,061,314		1,003,812
Short-term borrowings		202,429		205,728		250,499		224,461		171,394		123,633		62,769
Long-term borrowings		20,743		45,759		45,751		46,670		75,581		77,490		163,516
Shareholders equity		209,879		193,132		201,505		155,360		143,744		131,644		111,072

Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Summit common stock is traded on NASDAQ under the symbol SMMF. There is no established public trading market for Peoples common stock. The closing sale price reported for Summit common stock on July 24, 2018, the last trading date preceding the public announcement of the merger agreement, was \$26.79. On [], 2018, the last practicable trading date before the distribution of this prospectus and proxy statement, the closing sales price per share of Summit common stock was \$[].

The following table sets forth for the periods indicated the high and low prices per share of Summit common stock as reported on NASDAQ. The per share prices do not include adjustments for markups, markdowns or commissions.

Time Period	Dividends	Summit Sales Price	
		High	Low
2018			
Second Quarter	\$ 0.13	\$ 28.00	\$ 24.00
First Quarter	\$ 0.13	\$ 27.44	\$ 21.78
2017			
Fourth Quarter	\$ 0.11	\$ 28.16	\$ 23.62
Third Quarter	\$ 0.11	\$ 26.62	\$ 20.93
Second Quarter	\$ 0.11	\$ 23.40	\$ 20.01
First Quarter	\$ 0.11	\$ 27.60	\$ 19.13
2016			
Fourth Quarter	\$ 0.10	\$ 30.06	\$ 18.05
Third Quarter	\$ 0.10	\$ 20.47	\$ 16.45
Second Quarter	\$ 0.10	\$ 20.77	\$ 14.91
First Quarter	\$ 0.10	\$ 16.14	\$ 11.13

As of [], 2018, the last date prior to distribution of this prospectus and proxy statement for which it was practicable to obtain this information, there were approximately [] registered holders of Summit common stock and approximately [129] registered holders of Peoples common stock.

The following table sets forth historical per share market values for Summit common stock (i) on July 24, 2018, the last trading day prior to public announcement of the merger agreement, and (ii) on [], 2018, the most recent practicable date before the printing and mailing of this prospectus and proxy statement. The table also shows the equivalent pro forma market value of Peoples common stock on those dates. Peoples common stock is not listed on any stock exchange or quoted on any interdealer quotation system.

The equivalent pro forma market value of Peoples common stock is obtained by multiplying the historical market price of Summit common stock by the applicable exchange ratio. For purposes of determining the equivalent pro forma market value and the applicable exchange ratio, we have assumed that the average closing price of a share of Summit common stock is equal to the historical market price on July 24, 2018 and [], 2018. Accordingly, the pro forma market value (i) on July 24, 2018 is determined by multiplying \$26.79 by the exchange ratio and (ii) on [], 2018 is determined by multiplying \$[] by the exchange ratio.

The historical market prices represent the last sale prices on or before the dates indicated. The average closing price of Summit common stock used to determine the exchange ratio and the market price may be higher or lower than the

closing prices of Summit common stock on the dates shown in the table and, therefore, the

Table of Contents

market value of the Summit common stock that you receive may be higher or lower than the equivalent pro forma market value shown in the table.

Historical Market Price

	Summit Financial Group, Inc.	Peoples Equivalent Pro Forma Market Value
July 24, 2018	\$ 26.79	\$ 46.06
[], 2018	\$ []	\$ []

The market price of Summit common stock will fluctuate between the date of this prospectus and proxy statement and the effective time of the merger. Peoples shareholders should obtain current stock price quotations for Summit common stock. No assurance can be given concerning the market price of Summit common stock before or after the effective time of the merger. Any change in the market price of Summit common stock prior to the effective time of the merger will affect the market value of the merger consideration that Peoples shareholders will receive upon the effective time of the merger. Once the merger is completed, there will be no further private or public market for Peoples common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and proxy statement contains or incorporates by reference a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the financial conditions, results of operations, earnings outlook and prospects of Summit, Peoples and the potential combined company and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as plan, believe, expect, intend, anticipate, estimate, project, possible or other similar expressions which identify these forward-looking statements and appear in a number of places in this prospectus and proxy statement (and the documents to which you are referred in this prospectus and proxy statement) and include, but are not limited to, all statements relating directly or indirectly to the timing or likelihood of completing the merger to which this prospectus and proxy statement relates, the timing and amount of growth and cost savings realized, following the merger, plans for future growth and other business development activities as well as capital expenditures, financing sources and the effects of regulation and competition, potential effects of not approving proposals discussed in this prospectus and proxy statement or not completing the merger, and all other statements regarding the intent, plans, beliefs or expectations of Summit, Peoples, or those of their respective directors or officers.

The forward-looking statements involve certain risks and uncertainties. The ability of either Summit or Peoples to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth on page 17 under Risk Factors, as well as, among others, the following:

Those discussed and identified in public filings with the SEC made by Summit;

Fluctuations in the market price of Summit common stock and the related effect on the market value of the merger consideration that Peoples common shareholders will receive upon completion of the merger;

Changes in goals and targets and statements of the assumptions underlying or relating to any such statements;

Business uncertainties and contractual restrictions while the merger is pending;

Table of Contents

The possibility that the proposed merger does not close when expected or at all because required regulatory, shareholder or other approvals and conditions to closing are not received or satisfied on a timely basis or at all;

The terms of the proposed merger may need to be modified to satisfy such approvals or conditions;

The anticipated benefits from the proposed merger such as it being accretive to earnings and expanding Summit's geographic presence and synergies are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement, and the degree of competition in the geographic and business areas in which the companies operate;

The ability to promptly and effectively integrate the businesses of Summit and Peoples;

Reputational risks and the reaction of the companies' customers to the merger;

Diversion of management time on merger related issues;

Changes in asset quality and credit risk;

The inability to sustain revenue and earnings;

Changes in interest rates and capital markets;

Inflation;

Customer acceptance of Summit products and services;

Customer borrowing, repayment, investment and deposit practices;

Customer disintermediation;

The introduction, withdrawal, success and timing of business initiatives;

Competitive conditions;

The impact, extent and timing of technological changes;

Changes in fiscal and monetary policies, including changes in tax laws, and their effects on markets and customers; and

Changes in regulations and other actions of the Federal Reserve Board and federal and state banking regulators, and legislative and regulatory actions and reforms.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this prospectus and proxy statement or the date of any document incorporated by reference in this prospectus and proxy statement.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this prospectus and proxy statement and attributable to Summit or Peoples or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this prospectus and proxy statement. Except to the extent required by applicable law or regulation, Summit and Peoples undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this prospectus and proxy statement or to reflect the occurrence of unanticipated events.

Table of Contents

THE PEOPLES SPECIAL MEETING

This section contains information about the special meeting of Peoples shareholders that has been called to consider and approve the merger agreement.

Together with this prospectus and proxy statement, Peoples is also sending you a notice of the special meeting and a proxy card that is solicited by the Peoples board of directors. The special meeting will be held on [], [], 2018, at [], local time, at the [], located at [].

Matters to Be Considered

At the Peoples special meeting, you will be asked to consider and vote upon the following matters:

- (1) a proposal to approve the Agreement and Plan of Merger, dated as of July 24, 2018, by and between Summit, and Peoples, which provides for, among other things, the merger of Peoples into PB Merger Sub LLC, a wholly-owned subsidiary of Summit's wholly-owned subsidiary, Summit Community Bank, Inc., or Summit Community Bank, or the Peoples merger proposal; and
- (2) a proposal to approve adjournment of the special meeting, on one or more occasions, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement, or the Peoples adjournment proposal.

Other Business

We do not expect that any matter other than the Peoples merger proposal and the Peoples adjournment proposal will be brought before the Peoples special meeting. If, however, any other matter shall be properly brought before the Peoples special meeting, the shares represented by a valid proxy will be voted by the named proxies, to the extent entitled, in accordance with their best judgment.

Proxies

Each copy of this prospectus and proxy statement mailed to record holders of Peoples common stock is accompanied by a proxy card with instructions for voting. The Peoples board of directors requests that you submit your proxy promptly, whether or not you plan to attend the meeting. If you hold your shares of Peoples common stock under your own name (also known as record ownership), you can vote your shares in one of the following manners:

By proxy via mail by signing and returning the enclosed proxy card in the postage-paid envelope; or

By attending the meeting and voting your shares in person.

Any vote by proxy card may be revoked by you at any time before the meeting by giving written notice of such revocation to the corporate secretary or executing another proxy as of a date subsequent to the prior proxy card. If you are a shareholder of record or have a legal proxy from a shareholder of record, you may also revoke your proxy by voting in person at the special meeting.

If you hold your shares in street name through a bank, broker, nominee or other holder of record, you will receive a voting instruction form directly from them. Follow the instructions on the form they provide to have your shares voted by proxy. If you wish to attend the meeting and vote in person, you must obtain a written proxy, executed in your favor, from the bank, broker, nominee or other holder of record to do so.

All shares represented by valid proxies that Peoples receives through this solicitation and that are not revoked will be voted in accordance with your instructions on the proxy card, or with respect to shares beneficially held in street name, in accordance with the voting instructions received from the appropriate bank,

Table of Contents

broker, nominee or other holder of record. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR each of the proposals described above.

Peoples shareholders with shares represented by stock certificates should not send Peoples stock certificates with their proxy cards. Prior to the effective time, holders of Peoples common stock with shares represented by stock certificates or held in book-entry form will be mailed an election form with instructions on how to exchange their Peoples stock certificates or book-entry shares for the merger consideration.

Solicitation of Proxies

Peoples will bear the entire cost of soliciting proxies from its shareholders. In addition to solicitation of proxies by mail, proxies may also be solicited by Peoples directors and employees personally and by telephone, facsimile, or other means. No additional compensation will be paid to these individuals for proxy solicitation nor is it expected to result in more than a minimal cost. Peoples may make arrangements directly with banks, brokerage houses, custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of Peoples common stock held of record by them and to obtain authorization for the execution of proxies. Peoples expects to reimburse these institutional holders for their reasonable expenses in connection with these activities.

Record Date

The close of business on [], 2018 has been fixed as the record date for determining the Peoples shareholders entitled to receive notice of and to vote at the special meeting. At that time, [542,041] shares of Peoples common stock were outstanding and entitled to vote at the special meeting, held by approximately [129] holders of record.

Quorum and Voting Rights

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Peoples common stock entitled to vote is necessary to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present. If a quorum exists, the approval of the Peoples merger proposal and the Peoples adjournment proposal requires the affirmative vote of a majority of the votes cast at the Peoples special meeting.

As of the record date, Peoples directors, executive officers and certain significant shareholders had the right to vote [] shares of Peoples common stock, or approximately []% of the outstanding Peoples common stock entitled to be voted at the special meeting. Each of these individuals has agreed to vote their shares of Peoples common stock in favor of the proposals to be presented at the special meeting in accordance with a voting agreement executed by each such individual.

At this time, the Peoples board of directors anticipates that the 150,000 shares of Peoples common stock held by the co-trustees of the Trust under the Will of H. E. Lilly, which represents 27.67% of the outstanding shares of Peoples common stock as of the record date, will be present at the special meeting for the purposes of establishing a quorum. However, the Peoples board of directors expect that the co-trustees will abstain from voting on the Peoples merger proposal or the Peoples adjournment proposal due to a potential limitation contained in the trust's governing document relating to the co-trustees' power to vote shares on the matters brought before the meeting.

If you are a holder of Peoples common stock and you submit a proxy in which you abstain from voting, the abstention will be counted toward a quorum at the Peoples special meeting, but it will have no effect on the outcome of either the Peoples merger proposal or the Peoples adjournment proposal.

Table of Contents

Brokers, banks, nominees and other holders of record holding shares of Peoples common stock in street name may only vote your shares of Peoples common stock on the Peoples merger proposal and the Peoples adjournment proposal if you provide instructions on how to vote. If you do not provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank, nominee or other holder of record, your shares will not be voted on any proposal with respect to which you did not provide instructions. Broker non-votes will have no effect on the Peoples merger proposal, and will have no effect on the Peoples adjournment proposal.

Voting Agreement Executed by Directors, Executive Officers and Certain Shareholders of Peoples

Concurrently with execution of the merger agreement, each of the directors of Peoples, in their capacities as shareholders of Peoples, executive officers and certain significant shareholders entered into a voting agreement, a form of which is included as an exhibit to Appendix A attached to this prospectus and proxy statement, with Summit, under which such individuals agreed to vote their shares of Peoples common stock in favor of the merger agreement and the merger at the Peoples special meeting.

Attending the Special Meeting

All holders of Peoples common stock, including holders of record and shareholders who beneficially hold their stock through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record on the record date can vote in person at the special meeting. If you beneficially hold your shares in street name, you must obtain a written proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must either hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership.

Table of Contents

PROPOSALS TO BE CONSIDERED AT THE PEOPLES SPECIAL MEETING

PROPOSAL NO. 1

APPROVE THE MERGER AGREEMENT

Peoples is asking its shareholders to approve the merger agreement. For a detailed discussion of the merger, including the terms and conditions of the merger agreement, see *The Merger Agreement* beginning on page 57. As discussed in detail in the sections entitled *The Merger Peoples Reasons for the Merger; Recommendation of the Peoples Board of Directors* beginning on page 34, after careful consideration, the Peoples board of directors determined that the terms of the merger agreement and the transactions contemplated thereby are in the best interests of Peoples and the board unanimously approved the merger agreement. Accordingly, Peoples board of directors unanimously recommends that Peoples shareholders vote **FOR** the Peoples merger proposal.

Required Vote

Approval of the Peoples merger proposal requires the affirmative vote of a majority of the votes cast at the Peoples special meeting at which a quorum is present. You are entitled to one vote for each share of Peoples common stock you held as of the record date.

The affirmative vote of the holders of a majority of the votes cast on the matter, assuming a quorum is present at the special meeting, is needed in order to proceed with the merger. An abstention will have no effect on the outcome of either the Peoples merger proposal or the Peoples adjournment proposal. **The Peoples board of directors urges Peoples shareholders to promptly vote by completing, dating and signing the accompanying proxy card and returning it promptly in the enclosed postage-paid envelope, or, if you hold your stock in street name through a bank, broker, nominee or other holder of record, by following the voting instructions of your bank, broker, nominee or other holder of record.** If you hold stock in your name as a shareholder of record, you may complete, sign, date and mail your proxy card in the enclosed postage paid return envelope or vote in person at the Peoples special meeting. If you hold your stock in street name through a bank, broker, nominee or other holder of record, you must direct your bank or broker to vote in accordance with the instruction form forwarded to you by your bank or broker. This voting instruction form provides instructions on voting by mail.

Recommendation of the Peoples Board of Directors

The Peoples board of directors recommends that you vote **FOR** approval of the Peoples merger proposal. See *The Merger Peoples Reasons for the Merger; Recommendation of the Peoples Board of Directors* on page 34 for a more detailed discussion of the Peoples board of directors recommendation.

Table of Contents

PROPOSAL NO. 2

APPROVE GRANTING THE BOARD OF DIRECTORS AUTHORITY TO ADJOURN THE PEOPLES SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO PERMIT FURTHER SOLICITATION OF PROXIES

If at the Peoples special meeting the number of shares of common stock present in person or represented by proxy and voting in favor of the Peoples merger proposal is insufficient to approve such proposal, management may move to adjourn the special meeting on one or more occasions in order to enable the board of directors to continue to solicit additional proxies in favor of such proposal; however, the special meeting may not be adjourned, postponed or continued to a date later than [], 2018. In that event, you will be asked to vote only upon the Peoples adjournment proposal and will not be asked to vote on the Peoples merger proposal at the special meeting.

In this proposal, Peoples is asking the Peoples shareholders to authorize the holder of any proxy solicited by its board of directors to grant to the Peoples board of directors the authority to adjourn the special meeting and any later adjournments. If the Peoples shareholders approve this proposal, Peoples could adjourn the special meeting, and any adjourned session of the special meeting on one or more occasions, to use the additional time to solicit proxies in favor of the Peoples merger proposal, including the solicitation of proxies from the shareholders that have previously voted against such proposal. Among other effects, approval of this proposal could mean that, even if proxies representing a sufficient number of votes against the approval of the Peoples merger proposal have been received, Peoples could adjourn the special meeting without a further shareholder vote on such proposal and seek to convince the holders of those shares to change their votes to vote in favor of such proposal.

Generally, if the special meeting is adjourned, no notice of the adjourned meeting is required to be given to shareholders, other than an announcement at the Peoples special meeting of the place, date and time to which the meeting is adjourned.

Required Vote

Approval of the Peoples adjournment proposal requires the affirmative vote of a majority of the votes cast at the Peoples special meeting. An abstention will have the no effect on the outcome of either the Peoples merger proposal or the Peoples adjournment proposal.

Recommendation of the Peoples Board of Directors

The Peoples board of directors believes that if the number of shares of its common shares present in person or represented by proxy at the Peoples special meeting and voting in favor of the approval of the merger agreement is insufficient to approve such proposal, it is in the best interests of the Peoples shareholders to enable the board of directors, for a limited period of time, to continue to seek to obtain a sufficient number of additional votes to approve such proposal. The Peoples board of directors unanimously recommends that shareholders vote **FOR** the approval of the Peoples adjournment proposal.

Table of Contents

THE MERGER

The following summary describes certain aspects of the merger, including all the terms of the merger agreement that the respective managements of Peoples and Summit believe are material. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. The merger agreement is attached to this prospectus and proxy statement as Appendix A and is incorporated by reference in this prospectus and proxy statement. You are urged to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

Background and Negotiation of the Merger

The board of directors and executive management of Peoples have regularly reviewed and assessed various business strategies and objectives and considered various business strategies and options to enhance shareholder value and the liquidity of Peoples capital stock.

On January 11, 2016, the Peoples board of directors considered the request of a family group of shareholders to redeem their stock. The board of directors ultimately deferred the decision on whether to redeem the family's shares and instead authorized the engagement of an investment banking firm to provide advice on the valuation of Peoples shares and to assist in strategic planning to improve earnings and shareholder liquidity, including strategic alliances with other financial institutions, expansion by branching, relocation of Peoples to another area, potential mergers and acquisitions, and the sale of Peoples.

An investment banking firm was hired in January 2016, and during that month, Peoples' president and chief executive officer, Ronald L. Bowling, met with that firm to discuss the value and liquidity of Peoples' stock, as well as Peoples' options, including the options outlined above. The investment banking firm agreed to consider and explore these options. Mr. Bowling reported the results of this meeting to Peoples' board of directors on February 8, 2016. The board took Mr. Bowling's report under advisement.

On March 30, 2016, Mr. Bowling and Peoples' legal counsel, Jackson Kelly PLLC, met with that investment banking firm to discuss strategic options and methods to increase shareholder value and liquidity. On May 16, 2016, the board of directors of Peoples met with the investment banking firm and Jackson Kelly at the offices of Jackson Kelly. The investment banking firm provided data about the value of Peoples stock and presented a number of alternatives for consideration. These alternatives included reincorporation in another jurisdiction, expansion of the market through the opening or acquisition of additional branches, a merger with a similarly-sized and situated financial institution and a sale to a third party. On May 17, 2016, the board of directors determined not to repurchase Peoples' shares from the family group that requested the repurchase. Rather, the board decided that Peoples would continue to work with the investment banking firm and independently attempt to increase the liquidity and overall value of its stock.

During the period between May 2016 and August 2017, independently from any investment banking firm, Peoples engaged in separate discussions with two other similarly-situated institutions with respect to a merger of equals. Ultimately, these discussions were mutually terminated by the parties, because the parties were unable to reconcile their operations, markets and employee compensation issues.

In September 2017, Peoples contacted Ambassador Financial Group, Inc. regarding its potential engagement to act as Peoples' financial advisor in connection with a possible sale of Peoples. Based on preliminary feedback from Ambassador regarding valuation and Ambassador's description of its services, Peoples' board of directors authorized Mr. Bowling to negotiate the engagement of Ambassador. On December 11, 2017, the board of directors met with Jackson Kelly to discuss the proposed engagement of Ambassador and the possible sale of Peoples. Jackson Kelly

discussed with the directors their duties when considering corporate matters, such as a potential sale of the corporation. In December 2017, but prior to this meeting, the previous investment banking firm contacted Peoples about a possible multi-bank merger, but the board of directors determined that Peoples

Table of Contents

should continue negotiations to engage Ambassador, rather than the prior investment banking firm, based on its determination that the methods of sale suggested (and ultimately carried out) by Ambassador would enhance the possibility of increasing shareholder value.

The Peoples board of directors met with Jackson Kelly on January 25, 2018, to consider a number of matters. The previous investment banking firm had indicated to Peoples, on a no-name basis, that it might be able to market Peoples to a third party for book value. After careful consideration of this possibility, the board of directors determined to engage Ambassador to act as Peoples financial advisor in connection with a possible sale of Peoples.

With the assistance of Ambassador, Peoples began an auction process to determine and attract potential acquirors of Peoples. During February and March 2018, Peoples populated an electronic data room for potential purchasers. The Peoples board of directors met on March 13, 2018, with Ambassador and Jackson Kelly to review and approve a proposed plan to identify and contact potential acquirors. With the assistance of Ambassador, Peoples identified, and the Peoples board of directors approved, 21 potential purchasers. All potential purchasers were contacted in mid-March of 2018.

Of the 21 potential purchasers, 16 requested additional information. Ten potential purchasers indicated an interest and signed non-disclosure agreements. Two of the ten potential purchasers subsequently determined not to proceed. Between April 2, 2018 and April 11, 2018, Ambassador met with the chief executive officer and the chief financial officer of each of the eight remaining potential purchasers. In late April 2018, three of the eight potential purchasers determined not to go forward, each because Peoples' market did not fit into each particular entity's long-term plans.

On May 1, 2018, three of the remaining five potential purchasers submitted letters of interest: Summit, Bidder A and Bidder B. The board of directors of Peoples met with Ambassador on May 7, 2018. At this meeting, Ambassador updated the Peoples directors on the status of the sale process and Ambassador's meetings with eight financial institutions, three of whom submitted letters of interest. The pricing was 118%, 125% and 127%, respectively, of book value. On May 7, 2018, Bidder A had submitted a revised letter. The board of directors of Peoples considered the three letters and determined that Bidder B's stock was not as liquid and as freely traded as those of Summit and Bidder A. The Peoples board of directors unanimously decided that Peoples would invite Summit and Bidder A to perform a due diligence review of Peoples. Peoples' data room was opened to Summit and Bidder A on May 11, 2018.

Summit performed an on-site review of Peoples' loans on May 17, 2018, and conducted interviews with Peoples management on May 23, 2018. On May 23 and May 24, 2018, Bidder A performed an on-site loan review and interviewed Peoples' management.

On June 6, 2018, each of Summit and Bidder A submitted final letters of interest. Summit increased its offer to the consideration set forth in the merger agreement.

Peoples' board of directors met with Ambassador and Jackson Kelly on June 11, 2018 to consider the final letters of interest. Ambassador provided a side-by-side comparison of the two letters of interest. After careful consideration and consultation with Ambassador and Jackson Kelly regarding the two letters of interest, the board of directors of Peoples approved the Summit letter of interest and directed Mr. Bowling to execute and deliver the letter to Summit. Bidder A's letter of interest required downward adjustments of the purchase price, which resulted in Summit's offer having the better financial terms. The board of directors authorized the management of Peoples to negotiate a definitive agreement with Summit. On June 12, 2018, Peoples executed and delivered the letter of interest to Summit.

The Summit letter of interest included an exclusivity period of 30 days, during which Peoples agreed not to solicit bids or negotiate with any third party. On July 12, 2018, by mutual agreement, the parties extended the exclusivity

period through July 26, 2018.

Table of Contents

During late June and early July of 2018, Peoples conducted a due diligence review of Summit, including a review of documents, a review of public filings and interviews with Summit's management.

On June 18, 2018, Bowles Rice LLP, counsel for Summit, provided an initial draft of the merger agreement, the director support agreement, and the form of voting agreement to Jackson Kelly. After consultation with Peoples management and Ambassador, Jackson Kelly provided initial comments on those agreements on June 22, 2018.

From June 22 through July 22, 2018, Peoples and Summit, with assistance of their respective financial and legal advisors, continued to negotiate the terms of the definitive merger agreement and related documents. In addition, Peoples and Summit and their respective financial and legal advisors continued to discuss various matters related to the proposed combination of Summit and Peoples.

On July 21, 2018, the parties agreed to the calculation of the exchange ratio for converting shares of Peoples common stock into shares of Summit common stock.

On July 23, 2018, the Peoples board of directors held a special meeting to review the terms of the merger agreement, the merger consideration, the various related agreements contemplated by the merger agreement, and the transactions contemplated by the merger agreement, including the merger. The Peoples board of directors received presentations regarding the proposed merger and merger agreement from Ambassador and Jackson Kelly. The board of directors was also briefed on the results of the Peoples' due diligence review of Summit. Jackson Kelly reviewed the terms of the merger agreement and related agreements, including the bank merger agreement, voting agreements, director support agreements and the proposed employment agreement between Summit Bank and Mr. Bowling. Jackson Kelly again reviewed the legal duties of directors. Ambassador reviewed the financial aspects of the proposed merger and rendered its opinion to the board of directors to the effect that (as of that date and subject to the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Ambassador, as set forth in the opinion) the merger consideration was fair, from a financial point of view, to the holders of Peoples common stock. See "The Merger - Opinion of Peoples' Financial Advisor" on page 39 for more information.

The board of directors deliberated and carefully considered the presentations by Peoples' financial advisor and legal counsel, as well as the factors described under "Peoples' Reasons for the Merger; Recommendation of Peoples' Board of Directors" on page 34. The board of directors also considered the interests of Peoples' shareholders, employees, and the communities served by Peoples. The board of directors unanimously approved the merger agreement and related agreements and documents. Mr. Bowling indicated that he supported the decision by the board of directors but abstained to the extent that his potential employment agreement with Summit following the merger gave rise to a conflict of interest. The board of directors also approved the submission of the merger agreement to Peoples' shareholders and recommended that Peoples' shareholders approve the merger agreement and the merger.

On July 24, 2018, the Summit board of directors approved the merger. Following the meeting of the boards of directors of Peoples and Summit, the merger agreement and related documents were executed after the close of financial markets on July 24, 2018. The parties issued a press release announcing the proposed merger on the evening of July 24, 2018.

Peoples' Reasons for the Merger; Recommendation of the Peoples Board of Directors

The Peoples board of directors believes that the merger is in the best interest of Peoples and its shareholders. Accordingly, the board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Peoples' shareholders vote FOR the Peoples merger proposal.

In reaching its decision to approve the merger and the merger agreement and to recommend the approval of the merger agreement and the merger to Peoples shareholders, the Peoples board of directors evaluated the

Table of Contents

merger and the merger agreement in consultation with executive management, its financial advisor, and Jackson Kelly, its legal counsel. The Peoples board of directors carefully considered the terms of the merger agreement and the value of the merger consideration to be received by Peoples shareholders and ultimately determined that it was in the best interest of Peoples and its shareholders for Peoples to enter into the merger agreement with Summit. The Peoples board of directors believes that partnering with Summit will maximize the long-term value of its shareholders investment in Peoples, and that the merger will provide the combined company with additional resources necessary to compete more effectively in southern West Virginia. The Peoples board of directors believes that Summit common stock is more easily tradeable and is more liquid than Peoples common stock. In addition, the Peoples board of directors believes that the customers and communities served by Peoples will benefit from the combined company's enhanced abilities to meet their banking needs.

In reaching its unanimous decision to approve the merger and the merger agreement and to recommend that Peoples shareholders vote FOR the Peoples merger proposal, the Peoples board of directors considered many factors, including, without limitation, the following:

The extensive review undertaken by the Peoples board of directors with respect to the strategic alternatives available to Peoples;

The consideration being offered to Peoples shareholders in relation to the book value per share, tangible book value per share, earnings per share and projected earnings per share of Peoples;

The results that could be expected to be obtained by Peoples if it continued to operate independently and the potential future value of Peoples common stock compared to the value of the merger consideration offered by Summit;

The value of the merger consideration offered by Summit and the uncertainty whether or when the Peoples common stock would attain a value equal to value of the merger consideration;

The limited prospects for Peoples to grow its franchise through acquisitions given Peoples relatively small size, corporate structure and lack of liquidity in Peoples common stock;

Its understanding of the current and prospective environment in which Peoples operates, including national, regional and local economic conditions, the interest rate environment, the competitive and regulatory environments for financial institutions generally, the increased regulatory burdens on financial institutions, the uncertainties of the regulatory environment in the future and the likely effect of these factors on Peoples both with and without the merger;

The expected future receipt by Peoples shareholders of dividends after completion of the merger as Summit shareholders, based on Summit's current and forecasted dividend yield;

The feasibility and prospects of Peoples continuing to operate independently, including Peoples ability to compete with much larger regionally-based banks, and the potential future trading value of Peoples common stock compared to the value of the merger consideration offered by Summit;

The anticipated future earnings growth of Peoples compared to the potential future earnings growth of Summit and the combined entity;

The common stock consideration offered by Summit, including the opportunity for Peoples shareholders to receive shares of Summit common stock on a tax-free basis for their shares of Peoples common stock;

The market capitalization and trading liquidity of Summit common stock in the event Peoples shareholders desired to sell the shares of Summit common stock to be received by them upon completion of the merger;

The solicitation process undertaken by Peoples with Ambassador s assistance;

The complementary geographic locations of the Peoples and Summit branch networks;

Table of Contents

Summit's significantly greater asset size compared to Peoples;

The absence of any trading market for Peoples common stock;

The cash/stock election provisions in the merger agreement providing Peoples shareholders with an ability to choose the form of consideration that they wish to receive, subject to the overall approximately 50% stock/50% cash allotment;

The fact that 50% of the merger consideration would be in the form of Summit common stock based upon a fixed exchange ratio, which will permit Peoples shareholders who receive Summit common stock in the merger with the ability to participate in the future performance of the combined company or, for those shareholders who receive cash, to participate in a liquidity event;

The financial presentation dated July 23, 2018, of Ambassador to the Peoples board of directors and the opinion dated July 23, 2018, of Ambassador to the Peoples board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Peoples common stock of the merger consideration as more fully described below under "Opinion of Peoples' Financial Advisor";

The analyses presented by Jackson Kelly, Peoples' legal counsel, as to the structure of the merger, including the condition that the merger must qualify as a transaction that will permit Peoples shareholders to receive Summit shares in exchange for their Peoples shares on a tax-free basis for federal income tax purposes, the merger agreement, duties of the board of directors under applicable law, and the process that Peoples (including its board of directors) employed in considering all potential strategic transactions including the merger with Summit;

The scale, scope, strength and diversity of operations, product lines and delivery systems that could be achieved by combining Peoples with Summit;

The additional products offered by Summit to its customers, the ability of the combined company to provide comprehensive financial services to its customers, and the potential for operating synergies and cross-marketing of products and services across the combined company;

The potential value of an expansion of the Summit branch network adding Peoples branch locations to Summit's existing branch network in Virginia and West Virginia;

The earnings prospects of the combined company after completion of the merger;

The shared community banking philosophies of Peoples and Summit, and each entity's commitment to community service and support of community-based non-profit organizations and causes;

The operations, financial condition and prospects of Summit and the expected financial impact of the merger on the combined company, including pro forma assets, earnings, deposits and capital ratios;

The likelihood of successful integration and operation of the combined company;

The likelihood of obtaining the regulatory approvals needed to complete the transaction;

The potential cost-saving opportunities resulting from the merger; and

The effects of the merger on Peoples employees, including the prospects for continued employment and the severance or other benefits agreed to be provided to Peoples employees.

The Peoples board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, but not limited to, the following:

The challenges of integrating Peoples' businesses, operations and employees with those of Summit;

The need to obtain approval by shareholders of Peoples, as well as regulatory approvals in order to complete the transaction;

Table of Contents

The risks associated with the operations of the combined company, including the ability to achieve the anticipated cost savings;

The risk associated with the requirement that Peoples maintain a mutually agreed value of shareholders equity through the last day of the calendar quarter immediately preceding the effective time of the merger;

The fact that Peoples directors and executive officers have interests in the merger that are different from, or in addition to, those of other Peoples shareholders, as more fully discussed under *The Merger Interests of Certain Peoples Directors and Executive Officers in the Merger* on page 55; and

The risks associated with entry into the merger agreement and conduct of Peoples business before the merger is completed, and the impact that provisions of the merger agreement relating to payment of a termination fee by Peoples may have on Peoples receiving superior acquisition offers.

The Peoples board of directors also considered the structural protections included in the merger agreement, such as the ability of Peoples to terminate the merger agreement under certain circumstances, including, without limitation:

Summit breaches the representation that, since December 31, 2017, no event has occurred or circumstance arisen that is reasonably likely to have a material adverse effect with respect to Summit, which breach cannot be or has not been cured within 30 days after written notice of the breach to Summit;

The average closing price of Summit common stock declines by more than 15% from \$24.34, and Summit common stock underperforms the NASDAQ Bank Index (IBIX) by more than 15%, all as calculated pursuant to the merger agreement, unless Summit agrees to increase the number of shares of Summit common stock to be issued to holders of Peoples common stock;

Summit materially breaches any of its covenants or agreements under the merger agreement, which material breach cannot be or has not been cured within 30 days after written notice of the breach to Summit; or,

Any required approval of any government authority is denied by final non-appealable action of such government authority, or the shareholders of Peoples do not approve the merger at the Peoples special meeting.

The Peoples board of directors also noted that it could terminate the merger agreement in order to concurrently enter into an agreement with respect to an unsolicited acquisition proposal that was received and considered by Peoples in compliance with the non-solicitation provisions of the merger agreement and that would, if consummated, result in a transaction that is more favorable to Peoples shareholders than the merger. This termination right is conditioned on Peoples providing notice of the unsolicited acquisition proposal to Summit, Summit not making a revised offer to Peoples that is at least as favorable as the unsolicited acquisition proposal and Peoples paying a \$1,275,000 break-up fee to Summit. The amount of this potential fee was negotiated at arm's-length and was deemed by Peoples board of

directors to be reasonable based upon the break-up fees paid in comparable transactions and the fact that multiple institutions had already been given an opportunity to bid prior to the merger agreement being approved. As of the date of this prospectus and proxy statement, no unsolicited acquisition proposals have been received. See The Merger Agreement Acquisition Proposals on page 65 for more information.

The foregoing discussion of the information and factors considered by the Peoples board of directors is not intended to be exhaustive, but includes the material factors considered by the board of directors. In view of the wide variety and complexity of factors considered in connection with its evaluation of the merger, the Peoples board of directors did not find it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The Peoples board of directors did not

Table of Contents

undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Peoples board of directors based its recommendation on the totality of the information presented.

The Peoples board of directors unanimously recommends that you vote FOR the Peoples merger proposal. In considering the recommendation of the Peoples board of directors with respect to the Peoples merger proposal, Peoples shareholders should be aware that Peoples directors and executive officers may have interests in the merger that are different from, or in addition to, those of other shareholders. The board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger and in recommending that the merger agreement and plan of merger be adopted by the shareholders of Peoples. See The Merger Interests of Certain Peoples Directors and Executive Officers in the Merger on page 55.

This summary of the reasoning of Peoples board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Cautionary Statement Regarding Forward-Looking Statements on page 25.

Summit s Reasons for the Merger

In reaching its decision to adopt and approve the merger agreement, the merger, the issuance of Summit common stock in connection with the merger and the other transactions contemplated by the merger agreement, the Summit board of directors consulted with Summit management, as well as its legal advisors, and considered a number of factors, including the following material factors:

Summit s, Peoples and the combined entity s business, operations, financial condition, risk profile, asset quality, earnings and prospects. In reviewing these factors, the Summit board of directors considered its view that Peoples business and operations complement those of Summit and that the merger would result in a combined company with a well-balanced loan portfolio and an attractive funding base;

The fact that the core deposits made up a significant majority of Peoples funding mix;

The potential of enhancing a regional banking franchise with additional scale and access to a broader base of middle market and small business prospects;

Peoples familiarity with the southern West Virginia markets;

Management s understanding of the current and prospective environment in which Summit and Peoples operate, including national and local economic conditions, the competitive environment for financial institutions generally and the likely effect of these factors on Summit both with and without the proposed transaction;

Management's expectation regarding cost synergies, earnings accretion, tangible book value dilution and internal rate of return;

Management's due diligence examination of Peoples;

Sensitivity of the proposed transaction's economic returns to a variety of factors, including changes to the amount of cost synergies, Peoples' pro forma earnings, Peoples' rates of growth and estimated mark-to-market of the associated loan portfolio;

The market for alternative merger or acquisition transactions in the banking industry and the likelihood and timing of other material strategic transactions;

The complementary nature of the cultures and product mix of the two companies, which management believes should facilitate integration and implementation of the transaction;

Table of Contents

Management's expectation that the strong capital position maintained by each separate company prior to the completion of the merger will contribute to a strong capital position for the combined entity upon completion of the merger;

The financial and other terms of the merger agreement, including the fixed exchange ratio, tax treatment and mutual deal protection and termination fee provisions, which it reviewed with its outside legal advisors;

The potential risks associated with and management's recent experience in achieving anticipated cost synergies and savings and successfully integrating Peoples' business, operations and workforce with those of Summit;

The nature and amount of the payment to be received by Peoples' president and chief executive officer in connection with the merger and the merger-related costs and restructuring charges that will be incurred in connection with the merger;

The commitment by certain First Peoples Bank executives to continue employment with Summit Community Bank after the bank merger;

The potential risk of diverting management attention and resources from the operation of Summit's business and towards the completion of the merger; and

The regulatory and other approvals required in connection with the merger.

The foregoing discussion of the information and factors considered by the Summit board of directors is not intended to be exhaustive, but includes the material factors considered by the Summit board of directors. In reaching its decision to approve the merger agreement, the merger, the issuance of Summit common stock to Peoples shareholders in connection with the merger, and the other transactions contemplated by the merger agreement, the Summit board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Summit board of directors considered all these factors as a whole, including discussions with, and questioning of, Summit management and Summit's legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

Opinion of Peoples' Financial Advisor

Peoples retained Ambassador to act as Peoples' financial advisor in connection with the possible business combination of Peoples with another party. Ambassador is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Ambassador is regularly engaged in the valuation of financial institutions and their securities in connection with mergers, acquisitions and other corporate transactions.

On July 23, 2018, Ambassador delivered its opinion to Peoples' board of directors to the effect that, as of such date and based upon and subject to various considerations set forth in the opinion, the merger consideration to be received by the holders of Peoples common stock in the merger was fair to such holders from a financial point of view.

Ambassador's opinion was approved by Ambassador's Fairness Opinion Committee. Ambassador has consented to the inclusion of its opinion in this prospectus and proxy statement.

The full text of Ambassador's written opinion to Peoples, which sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as *Appendix B* to this prospectus and proxy statement and is incorporated by reference in its entirety into this prospectus and proxy statement. Holders of Peoples common stock are encouraged to read the opinion carefully in its entirety. The following summary of Ambassador's opinion is qualified in its entirety by reference to the full text of such opinion.

Ambassador's opinion to Peoples' board of directors was rendered for the benefit of Peoples' board (in its capacity as such) in connection with its evaluation of the merger. Ambassador's opinion is not

Table of Contents

intended and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any matter relating thereto or whether such shareholder should elect to receive the cash consideration or the stock consideration. Ambassador's opinion does not address the relative merits of the merger as compared to any other transaction or business strategy in which Peoples might engage or the merits of the underlying decision by Peoples to engage in the merger.

No limitations were imposed by Peoples on the scope of Ambassador's investigation or on the procedures followed by Ambassador in rendering its opinion.

In rendering its opinion, Ambassador:

Reviewed an execution version of the merger agreement dated as of July 24, 2018;

Reviewed Peoples' audited financial statements as of or for the fiscal years ended December 31, 2017, December 31, 2016 and December 31, 2015 and Peoples' interim financial statements as of or for the quarter ended March 31, 2018;

Reviewed Summit's Form 10-K for the fiscal years ended December 31, 2017, December 31, 2016 and December 31, 2015, including the financial statements contained therein;

Reviewed Summit's Form 10-Q for the quarter ended March 31, 2018, including the financial statements contained therein;

Reviewed First Peoples Bank, Inc.'s and Summit Community Bank, Inc.'s respective quarterly call reports for March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017, and March 31, 2017;

Reviewed other publicly available information regarding Summit, including research analysts' estimates for Summit discussed with Ambassador by the management of Summit in connection with the consideration of certain potential pro forma financial effects of the merger on Summit as referred to below;

Reviewed certain non-public information provided to Ambassador by or on behalf of Peoples regarding Peoples (including financial projections and forecasts for Peoples provided to Ambassador by the management of Peoples) and certain pro forma tangible book value and other assumptions for Summit provided to Ambassador by the management of Summit;

Reviewed recently reported stock prices and trading activity of Summit common stock;

Discussed the past and current operations, financial condition and future prospects of Peoples and Summit with senior executives of Peoples and Summit, respectively;

Reviewed and analyzed certain publicly available financial and stock market data of banking companies that Ambassador selected as relevant to its analysis of Peoples and Summit;

Reviewed and analyzed certain publicly available financial data of transactions that Ambassador selected as relevant to its analysis of Peoples;

Considered Summit's financial and capital position and certain potential pro forma financial effects of the merger on Summit;

Conducted other analyses and reviewed other information Ambassador considered necessary or appropriate; and

Incorporated Ambassador's assessment of the overall economic environment and market conditions, as well as Ambassador's experience in mergers and acquisitions, bank stock valuations and other transactions. In rendering Ambassador's opinion, Ambassador also relied upon and assumed, without independent verification, the accuracy, reasonableness and completeness of the information provided to Ambassador by or on

Table of Contents

behalf of Peoples and Summit, referred to as the materials received and publicly available information used in Ambassador's analyses. Ambassador does not assume any responsibility for the accuracy, reasonableness and completeness of any of the foregoing materials received and publicly available information or for the independent verification thereof. Further, Ambassador relied on the assurances of managements of Peoples and Summit that they were not aware of any facts or circumstances that would make any of the materials received inaccurate or misleading. With respect to the financial projections and forecasts for Peoples and research analysts' estimates and pro forma tangible book value and other assumptions for Summit referred to above, Ambassador assumed, with Peoples' consent, that they have been reasonably prepared on bases reflecting (or, in the case of research analysts' estimates, are consistent with) the best currently available estimates and judgments of the respective managements of Peoples and Summit, as the case may be, as to the future financial performance of Peoples and Summit and the other matters covered thereby and that the financial results reflected in such projections, forecasts, estimates and assumptions would be realized in the amounts and at the times projected. Ambassador assumed no responsibility for and express no view as to any of the foregoing information reviewed by Ambassador or the assumptions on which they were based.

Ambassador is not an expert in the evaluation of deposit accounts or loan, mortgage or similar portfolios or allowances for losses with respect thereto and Ambassador was not requested to, and Ambassador did not, conduct a review of individual credit files or loan, mortgage or similar portfolios. Ambassador assumed no responsibility for and expressed no view as to the adequacy or sufficiency of allowances for losses or other matters with respect thereto and Ambassador assumed that each of Peoples and Summit has, and the pro forma combined company will have, appropriate reserves to cover any such losses. Ambassador did not conduct any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of Peoples, Summit or any other party, and Ambassador was not furnished with any such valuation or appraisal.

Ambassador's opinion was based on conditions as they existed and the information Ambassador received, as of the date of Ambassador's opinion. Ambassador does not have any obligation to update, revise or reaffirm its opinion. Ambassador expressed no opinion as to the actual value of Summit common stock when issued in the merger or the prices at which Summit common stock might trade at any time.

In rendering its opinion, Ambassador assumed, with Peoples' consent, that the merger and related transactions would be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Ambassador also assumed, with Peoples' consent, that, in the course of obtaining the necessary governmental, regulatory and other third-party approvals, consents and releases for the merger, including with respect to any divestiture or other requirements, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Peoples, Summit or the merger (including the contemplated benefits thereof). Ambassador also assumed, with Peoples' consent, that the final merger agreement would not differ from the version reviewed by Ambassador in any respect material to Ambassador's analyses or opinion. Ambassador further assumed, with Peoples' consent, that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. In addition, Ambassador assumed, with Peoples' consent, any adjustment to the merger consideration provided for in the merger agreement and the potential special cash distribution that may be made to holders of Peoples common stock immediately prior to the closing date of the merger will not be in any respect material to Ambassador's analyses or opinion.

Ambassador expressed no view or opinion as to any terms or other aspects (other than the merger consideration to the extent expressly specified herein) of the merger or any related transaction, including, without limitation, the form of the merger consideration or the allocation thereof between cash and Summit common stock, the relative fairness of the cash consideration and the stock consideration, or any adjustment to the merger consideration or the potential special cash distribution referred to above. Ambassador's opinion did not address the relative merits of the merger as compared to any other transaction or business strategy in which Peoples might engage or the merits of the underlying

decision by Peoples to engage in the merger. Ambassador expressed no opinion with respect to the fairness of the amount or nature of any compensation to any of the officers,

Table of Contents

directors, or employees of any party to the merger, or any class of such persons, relative to the merger consideration or otherwise.

In performing its analyses, Ambassador made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Ambassador, Peoples and Summit. Any estimates contained in the analyses performed by Ambassador are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, Ambassador's opinion was among several factors taken into consideration by the Peoples' board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Peoples board of directors with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between Peoples and Summit and the decision of Peoples to enter into the merger agreement was solely that of the Peoples board of directors.

Selected Implied Transaction Ratios for the Merger

Based on Peoples' financial information as of March 31, 2018, for the twelve months ended March 31, 2018 or for the three months ended March 31, 2018 (annualized), Ambassador calculated the following transaction ratios using an implied per share value of the merger consideration of \$47.00, or an implied transaction value of approximately \$25.476 million:

Transaction value / tangible book value	125%
Transaction value / last twelve months earnings	30.9X
Transaction value / most recent quarter earnings annualized	25.8X
Core deposit premium ¹	5.2%

The following is a summary of the material financial analysis presented by Ambassador to Peoples' board in connection with rendering its opinion. This summary is not a complete description of the analyses and procedures performed by Ambassador in the course of arriving at its opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytical process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Ambassador did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Ambassador believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. No company, transaction or business used in Ambassador's analyses for comparative purposes is identical to Peoples, Summit or the proposed merger and an evaluation of the results of those analyses is not entirely mathematical.

Selected Companies Analysis of Peoples

Ambassador performed a selected companies analysis by comparing the financial performance of Peoples with those of the following nine selected publicly traded institutions, referred to as the Peoples comparable

- ¹ Calculated as follows: $(\text{implied transaction value} - \text{tangible equity}) / \text{core deposits}$; where core deposits are defined as: total deposits, less time deposit accounts with balances over \$100,000, foreign deposits, and unclassified deposits.

Table of Contents

institutions, that were headquartered in Kentucky, Ohio, Pennsylvania, Tennessee, Virginia or West Virginia (excluding the Philadelphia area and Northern Virginia, which is adjacent to the District of Columbia), were not mutual institutions or merger or acquisition targets and had assets under \$400 million, average one-year daily trading volume greater than 100, nonperforming assets, referred to as NPAs, to assets ratios less than 2%, and returns on equity between 2% and 8% and by also reviewing the stock performance of the Peoples comparable institutions:

Description of Comparable Institutions

Institution	Assets ²		City, State	Ticker	Exchange
	In Millions				
Clarion County Community Bank	\$	157	Clarion, PA	CCYY	OTC Pink
Commercial National Financial Corporation		390	Latrobe, PA	CNAF	OTCQX
Community Investors Bancorp, Inc.		144	Bucyrus, OH	CIBN	OTC Pink
Farmers Bank of Appomattox		240	Appomattox, VA	FBPA	OTCQB
HFB Financial Corporation		371	Middlesboro, KY	HFBA	OTC Pink
Paragon Financial Solutions, Inc.		394	Memphis, TN	PGNN	OTC Pink
Peoples-Sidney Financial Corporation		113	Sidney, OH	PPSF	OTC Pink
United Tennessee Bankshares, Inc.		208	Newport, TN	UNTN	OTCQB
Virginia Bank Bankshares, Incorporated		199	Danville, VA	VABB	OTC Pink
WVS Financial Corp.		356	Pittsburgh, PA	WVFC	NASDAQ

Source: S&P Global Market Intelligence.

Ambassador compared the financial performance of Peoples and the Peoples comparable institutions as indicated in the following table:

Financial Performance of Peoples and Comparable Institutions³

	Assets In Millions	Loans / Deposits	Tangible Comm. Eq./ Tang. Assets	NPAs/ ⁴ Assets	Return on Average Assets	Return on Average Equity
High	\$ 394	82%	15.00%	1.91%	1.09%	7.81%
75 th Percentile	367	73%	12.23%	1.42%	.87%	7.55%
Median	224	69%	10.62%	.95%	.78%	7.26%
25 th Percentile	167	56%	9.79%	.55%	.61%	5.59%
Low	113	23%	9.05%	.07%	.41%	4.28%
Peoples	\$ 131	33%	15.60%	.06%	.77%	4.82%

Source: S&P Global Market Intelligence.

² Financial data as of March 31, 2018.

³ Financial data was as of March 31, 2018, or the three months ended March 31, 2018.

- 4 Included nonaccrual loans, 90 days past due, OREO and restructured loans using call reporting definition.

Table of Contents

Ambassador then reviewed the stock performance of the Peoples comparable institutions as indicated in the following table:

Stock Performance of Comparable Institutions⁵

	Earnings Per Share (Annualized First Quarter 2018)	Stock Price/ Tang. Book Per Share	Assets Per Share	Dividend Yield	Shares Traded Daily
High	25.2X	126%	17.1%	6.07%	3,333
75th Percentile	19.0	118%	13.1%	3.12%	1,102
Median	15.7	104%	11.4%	2.38%	395
25th Percentile	13.1	93%	9.7%	2.06%	260
Low	11.3	86%	8.4%	0.00%	164

Source: S&P Global Market Intelligence.

Discounted Dividend Analysis of Peoples

Ambassador performed a discounted dividend analysis to estimate a range for the implied equity value of Peoples common stock. In this analysis, Ambassador assumed discount rates of 10%, 12% and 14% and calculated terminal values of 100% and 110% of estimated tangible book value at the end of five years. Ambassador used financial projections and forecasts for Peoples provided to Ambassador by the management of Peoples. This analysis indicated an implied present value range of Peoples common stock of \$25.46 per share to \$32.65 per share, which are 13.7X and 17.6X, respectively, of Peoples 2018 budgeted earnings per share and 68% and 87%, respectively, of Peoples tangible book value as of March 31, 2018.

Selected Transactions Analysis of Peoples

Ambassador performed a selected transactions analysis by reviewing the following information for purposes of comparison with selected implied transaction ratios for the merger:

Publicly available acquisition metrics of 708 selected transactions in the United States that were announced from January 1, 2013 through July 19, 2018 with announced deal values in excess of \$10 million, excluding mergers of equals, referred to as Nationwide M&A Pricing.

Publicly available acquisition metrics of 10 selected transactions in the United States that were announced from January 1, 2015 through July 19, 2018 with announced deal values between \$5 million and \$75 million, seller's tangible equity to tangible assets over 12.0%, seller's loans to assets under 50.0% and NPAs to assets under 4.00%, referred to as Nationwide Comparable Transactions.

Publicly available acquisition metrics of 8 selected transactions in which the selling bank was based in West Virginia or Southwest Virginia that were announced from January 1, 2010 through July 19, 2018 with seller

assets under \$500 million, referred to as West Virginia and Southwest Virginia Transactions.

- ⁵ Financial data was as of March 31, 2018, or for the three months ended March 31, 2018, annualized. Market data was as of July 19, 2018.

Table of Contents

The results of the analysis for Nationwide M&A Pricing are set forth in the following table:

Nationwide M&A Pricing⁶

Year	Number of Deals	Median Price/ Last 12 Months Earnings	Median Price/ Tangible Common Book
<u>Highest 3rd by Announced Price-to-Tangible Book</u>			
2018 ⁷	27	26.1X	222%
2017	47	21.9	209%
2016	38	20.3	179%
2015	47	23.7	181%
2014	45	18.6	194%
2013	33	17.2	167%
<u>Middle 3rd by Announced Price-to-Tangible Book</u>			
2018 ⁷	27	26.1X	173%
2017	47	22.9	167%
2016	39	20.0	141%
2015	46	22.8	143%
2014	44	24.1	144%
2013	32	19.7	130%
<u>Lowest 3rd by Announced Price-to-Tangible Book</u>			
2018 ⁷	27	26.3X	134%
2017	47	20.8	132%
2016	39	18.2	116%
2015	46	23.4	118%
2014	44	24.2	110%
2013	33	20.0	98%
Summit/Peoples		30.9X	125%

Source: S&P Global Market Intelligence.

⁶ Median pricing data of the selected transactions in the sub-group indicated are shown.

⁷ Through July 19, 2018.

Table of Contents

The results of the analysis for the Nationwide Comparable Transactions are set forth in the following table with primary focus on the median values:

Nationwide Comparable Transactions

Acquirer/Seller	Deal Value (in mill.)	Deal Value/ Last 12 Months Earnings	Deal Value/ Common Tangible Book
Farmers & Merchants Bancorp/Bank of Rio Vista (CA)	\$ 28.7	21.7X	174%
Adams Community Bank/Lenox National Bank (MA)	14.3		170%
First Community Corporation/Cornerstone Bancorp (SC)	25.9	34.6	139%
Mid Penn Bancorp, Inc./Scottdale Bank & Trust Company (PA)	59.1		130%
Horizon Bancorp/Peoples Bancorp, Inc. (IN)	73.1	21.1	124%
Andover Bancorp, Inc./Community National Bank of Northwestern Pennsylvania (PA)	19.0	29.8	123%
First Forest Corporation/Bank of Walnut Grove (MS)	10.0	28.6	119%
Bay Bancorp, Inc./Hopkins Bancorp, Inc. (MD)	23.2		107%
OakStar Bancshares, Inc./Bancshares of Urbana, Inc. (MO)	21.5	10.0	99%
City Holding Company/Farmers Deposit Bancorp, Inc. (KY)	24.9	42.0	93%
Median		28.6X	124%
Summit/Peoples		30.9X	125%

Source: S&P Global Market Intelligence.

The results of the analysis for the West Virginia and Southwest Virginia Transactions are set forth in the following table with primary focus on the median values:

West Virginia and Southwest Virginia Transactions

Acquirer/Seller	Deal Value (in mill.)	Deal Value/ Last 12 Months Earnings	Deal Value/ Common Tangible Book
CB Financial Services, Inc./First West Virginia Bancorp, Inc. (WV)	\$ 49.9		156%
Summit Financial Group, Inc./First Century Bankshares, Inc. (WV)	41.6	16.2X	105%
Premier Financial Bancorp, Inc./First Bank of Charleston, Inc. (WV)	27.9	25.2	164%
	25.9	14.2	102%

Premier Financial Bancorp, Inc./First National Bankshares Corp. (WV)			
American National Bankshares Inc./MainStreet BankShares, Inc. (VA)	24.2	26.8	97%
Premier Financial Bancorp, Inc./Bank of Gassaway (WV)	20.3	19.7	118%
Blue Ridge Bankshares, Inc./River Bancorp, Inc. (VA)	12.3	8.8	108%
Peoples Bancorp Inc./Sistersville Bancorp, Inc. (WV)	9.8	32.7	120%
First Sentry Bancshares, Inc./Rock Branch Community Bank, Inc. (WV)	7.3	24.2	92%
Median		22.0X	108%
Summit/Peoples		30.9X	125%

Source: S&P Global Market Intelligence.

Table of Contents**Selected Companies Analysis of Summit**

Ambassador performed a selected companies analysis by comparing the financial and stock performance of Summit with those of the following twenty-five selected publicly traded institutions, referred to as the Summit comparable institutions, that were headquartered in Kentucky, Maryland, Pennsylvania, Tennessee, Virginia or West Virginia (excluding the Washington DC metropolitan markets and Philadelphia metropolitan markets), were not mutual institutions or merger or acquisition targets, that had assets between \$1 billion and \$4 billion and average one-year daily trading volume greater than 1,000 and that were traded on the NYSE or NASDAQ:

Overview of Summit and Comparable Institutions

Institution	Assets ⁸ In Millions	City, State	Ticker	Exchange
ACNB Corporation	\$ 1,611	Gettysburg, PA	ACNB	NASDAQ
American National Bankshares Inc.	1,818	Danville, VA	AMNB	NASDAQ
C&F Financial Corporation	1,525	Toano, VA	CFFI	NASDAQ
CapStar Financial Holdings, Inc.	1,383	Nashville, TN	CSTR	NASDAQ
Citizens & Northern Corporation	1,258	Wellsboro, PA	CZNC	NASDAQ
CNB Financial Corporation	2,909	Clearfield, PA	CCNE	NASDAQ
Codorus Valley Bancorp, Inc.	1,725	York, PA	CVLY	NASDAQ
Community Bankers Trust Corporation	1,353	Richmond, VA	ESXB	NASDAQ
ESSA Bancorp, Inc.	1,821	Stroudsburg, PA	ESSA	NASDAQ
First Community Bancshares, Inc.	2,428	Bluefield, VA	FCBC	NASDAQ
First United Corporation	1,319	Oakland, MD	FUNC	NASDAQ
FNCB Bancorp, Inc.	1,189	Dunmore, PA	FNCB	NASDAQ
Mid Penn Bancorp, Inc.	1,391	Millersburg, PA	MPB	NASDAQ
MVB Financial Corp.	1,582	Fairmont, WV	MVBF	NASDAQ
National Bankshares, Inc.	1,271	Blacksburg, VA	NKSH	NASDAQ
Norwood Financial Corp.	1,127	Honesdale, PA	NWFL	NASDAQ
Orrstown Financial Services, Inc.	1,636	Shippensburg, PA	ORRF	NASDAQ
Penns Woods Bancorp, Inc.	1,527	Williamsport, PA	PWOD	NASDAQ
Peoples Financial Services Corp.	2,190	Scranton, PA	PFIS	NASDAQ
Porter Bancorp, Inc.	1,000	Louisville, KY	PBIB	NASDAQ
Premier Financial Bancorp, Inc.	1,526	Huntington, WV	PFBI	NASDAQ
Reliant Bancorp, Inc.	1,612	Brentwood, TN	RBNC	NASDAQ
Shore Bancshares, Inc.	1,422	Easton, MD	SHBI	NASDAQ
SmartFinancial, Inc.	1,760	Knoxville, TN	SMBK	NASDAQ
Stock Yards Bancorp, Inc.	3,285	Louisville, KY	SYBT	NASDAQ

Source: S&P Global Market Intelligence.

⁸ Financial data as of March 31, 2018.

Table of Contents

Ambassador compared the financial performance of Summit and the Summit comparable institutions as indicated in the following table:

Financial Performance of Summit and Comparable Institutions⁹

	Assets In Millions	Tangible Comm. Eq./ Tang. Assets	NPAs ¹⁰ / Assets	Return on Average Assets	Return on Average Equity
High	\$ 3,285	14.21%	2.67%	1.73%	15.93%
75 th Percentile	1,760	9.55%	1.15%	1.16%	10.85%
Median	1,527	9.24%	.93%	.97%	9.41%
25 th Percentile	1,353	8.40%	.57%	.78%	8.30%
Low	1,000	7.14%	.18%	.29%	2.74%
Summit	\$ 2,135	8.44%	1.73%	1.40%	14.73%

Source: S&P Global Market Intelligence.

Ambassador then compared the stock performance of Summit and the Summit comparable institutions as indicated in the following table:

Stock Performance of Summit and Comparable Institutions¹¹

	Earnings Per Share (Annualized First Quarter 2018)	Stock Price/ Tang. Book Per Share	Assets Per Share	Dividend Yield	Shares Traded Daily
High	49.1X	260%	26.8%	4.12%	54,566
75 th Percentile	19.1	193%	19.1%	2.47%	24,762
Median	16.7	179%	15.7%	2.15%	11,960
25 th Percentile	14.7	167%	14.0%	1.65%	8,626
Low	12.4	115%	10.2%	0.00%	5,055
Summit	11.3X	189%	15.8%	1.93%	20,354

Source: S&P Global Market Intelligence.

⁹ Financial data was as of March 31, 2018, or the three months ended March 31, 2018, annualized.

¹⁰ Included nonaccrual loans, 90 days past due, OREO and restructured loans using call reporting definition.

¹¹ Financial data was as of March 31, 2018, or for the three months ended March 31, 2018, annualized. Market data is as of July 19, 2018.

Table of Contents

Ambassador also reviewed the historical stock price performance of Summit relative to the Summit comparable institutions and selected stock indices, as indicated in the following tables:

Summit Historical Stock Performance**Relative to Comparable Institutions and Selected Indices**

One-Year Stock Performance

Date	Summit (SMMF)	Comparable Institutions	S&P 500	SNL Bank & Thrift Index
July 19, 2018	127%	120%	113%	112%
July 19, 2017	100%	100%	100%	100%

Three-Year Stock Performance

Date	Summit (SMMF)	Comparable Institutions	S&P 500	SNL Bank & Thrift Index
July 19, 2018	234%	188%	132%	133%
July 17, 2015 ¹²	100%	100%	100%	100%

Financial Impact Analysis on Summit

Ambassador also conducted a financial impact analysis assuming that the merger will close at the end of the third quarter of 2018. Ambassador used historical financial data as of March 31, 2018, or for the three months ended March 31, 2018, financial projections and forecasts for Peoples provided to Ambassador by the management of Peoples, median research analysts' estimates for Summit, and projected cost savings anticipated by the management of Summit to be realized from the merger. Ambassador also incorporated other pro forma assumptions as provided by Summit. The analysis indicated that the merger could be dilutive to tangible book value per share as of September 30, 2018 by approximately 0.7% and could be accretive to earnings per share for the nine months ended September 30, 2018, annualized by approximately 2.2%. All of the results of Ambassador's financial impact analysis may vary materially from the actual results achieved by Summit.

Other Disclosures

Ambassador, as part of its financial advisory business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions and valuations for corporate and other purposes. Peoples selected Ambassador to act as a financial advisor and to provide a fairness opinion based on Ambassador's experience, including in connection with mergers and acquisitions of commercial banks and bank holding companies.

Peoples has agreed to pay Ambassador a fee for its services totaling approximately \$306,000, a portion of which fee became payable upon presentation of Ambassador's opinion and approximately \$241,000 of Ambassador's fee is contingent upon the closing of the merger. In addition, portions of Ambassador's fee became payable upon the signing of Ambassador's engagement agreement and upon approval by Peoples of a confidential information memorandum regarding Peoples that was provided to third parties. Peoples has also agreed to reimburse Ambassador's out-of-pocket expenses incurred in connection with its engagement and to indemnify Ambassador against certain liabilities arising

out of the performance of its obligations under the engagement letter.

Over the two years preceding the date of Ambassador's opinion, Ambassador provided investment banking or other consulting services to Peoples for which Ambassador received compensation from Peoples. Ambassador provided certain valuation advisory services to Peoples in 2017. Over the two years preceding the date of Ambassador's opinion, Ambassador did not provide investment banking or other consulting services to Summit

¹² July 19, 2015 was a Sunday. Most recent trade date prior to the 17th was used instead.

Table of Contents

for which Ambassador received compensation from Summit. In the future, Ambassador may pursue the opportunities to provide investment banking and other consulting services to Peoples and Summit.

Ambassador's fairness committee approved the issuance of its opinion letter dated July 23, 2018.

Certain Peoples Unaudited Prospective Financial Information

Peoples does not as a matter of course make public projections as to future performance, revenues, earnings or other financial results due to, among other reasons, the inherent uncertainty of the underlying assumptions and estimates. However, Peoples is including in this prospectus and proxy statement certain unaudited internal financial forecasts that were made available to Ambassador, as Peoples' financial advisor, for purposes of the discounted dividend analysis and the financial impact analysis on Summit performed by Ambassador in connection with its opinion to the Peoples board of directors. The inclusion of these financial forecasts should not be regarded as an indication that any of Peoples, Summit or Ambassador, their respective representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results or that it should be construed as financial guidance, and it should not be relied on as such.

The unaudited internal financial forecasts included below were prepared solely for the internal use of Peoples and were provided to Ambassador for purposes of its discounted dividend analysis of Peoples and its financial impact analysis on Summit and are subjective in many respects. The unaudited internal financial forecasts reflect numerous estimates and assumptions made with respect to business, economic, market, competition, regulatory and financial conditions and matters specific to Peoples' business, all of which are difficult to predict and many of which are beyond Peoples' control. The unaudited internal financial forecasts reflect both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. Peoples can give no assurance that the unaudited internal financial forecasts and the underlying estimates and assumptions will be realized. In addition, since the unaudited internal financial forecasts cover multiple years, such forecasts by their nature becomes subject to greater uncertainty with each successive year. Actual results may differ materially from those set forth below, and important factors that may affect actual results and cause the unaudited internal financial forecasts to be inaccurate include, but are not limited to, risks and uncertainties relating to Peoples' business, industry performance, general business and economic conditions, customer requirements, competition and adverse changes in applicable laws, regulations or rules. For other factors that could cause actual results to differ, please see the sections entitled **Risk Factors** and **Cautionary Statement Concerning Forward-Looking Statements** beginning on page 17 and page 25, respectively, of this prospectus and proxy statement.

The unaudited internal financial forecasts were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. In addition, the unaudited internal financial forecasts require significant estimates and assumptions that make them inherently less comparable to the similarly titled GAAP measures in Peoples' historical GAAP financial statements. Neither Peoples' independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited internal financial forecasts contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Furthermore, the unaudited internal financial forecasts do not take into account any circumstances or events occurring after the date they were prepared. Peoples can give no assurance that, had the unaudited internal financial forecasts been prepared either as of the date of the merger agreement or as of the date of this prospectus and proxy statement,

similar estimates and assumptions would be used. Peoples does not intend to, and disclaims any obligation to, make publicly available any update or other revision to the unaudited internal financial forecasts to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated

Table of Contents

events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions. The unaudited internal financial forecasts do not take into account the possible financial and other effects on either Peoples or Summit, as applicable, of the merger and do not attempt to predict or suggest future results of the combined company. The unaudited internal financial forecasts do not give effect to the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with consummating the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect on either Peoples or Summit, as applicable, of any business or strategic decisions or actions that would likely have been taken if the merger agreement had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger. Further, the unaudited internal financial forecasts do not take into account the effect on either Summit or Peoples, as applicable, of any possible failure of the merger to occur. None of Peoples, Summit or Ambassador or their affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any shareholder of Peoples, shareholder of Summit or other person regarding Peoples' ultimate performance compared to the information contained in the unaudited internal financial forecasts or that the projected results will be achieved.

The inclusion of the unaudited internal financial forecasts herein should not be deemed an admission or representation by Summit or Peoples that such forecasts are viewed as material information of Peoples, particularly in light of the inherent risks and uncertainties associated with such forecasts. The unaudited internal financial forecasts included below are not being included to influence your decision whether to vote for the merger and the transactions contemplated in connection with the merger, but are being provided solely because they were made available to Peoples' financial advisor, Ambassador, and Summit in connection with the merger.

In light of the foregoing, and considering that the Peoples special meeting will be held several months after unaudited internal financial forecasts were prepared, as well as the uncertainties inherent in any forecasted information, Peoples shareholders are cautioned not to place unwarranted reliance on such information.

The following unaudited internal financial forecasts were prepared by Peoples' management and were reviewed and used by Ambassador for purposes of the discounted dividend analysis of Peoples and the financial impact analysis on Summit performed in connection with its opinion to the Peoples board of directors:

Projected annual asset growth of 1.0%;

Projected annual return on average assets of 0.78%; and

Projected annual common dividends per share as follows: \$0.80 in year one, \$1.25 in year two, \$1.52 in year three, \$1.56 in year four, \$1.56 in year five.

Certain Summit Unaudited Prospective Financial Information

Summit does not as a matter of course make public projections as to future performance, revenues, earnings or other financial results due to, among other reasons, the inherent uncertainty of the underlying assumptions and estimates. However, solely in connection with the merger, Summit is including in this prospectus and proxy statement certain unaudited internal financial information that was made available to Peoples and also to Ambassador, as Peoples' financial advisor, for purposes of the financial impact analysis on Summit performed by Ambassador in connection

with its opinion to the Peoples board of directors. This financial information is included to provide Peoples shareholders access to certain non-public information provided to Peoples board of directors and Ambassador in connection with the merger. The inclusion of this financial information should not be regarded as an indication that any of Summit, Peoples or Ambassador, their respective representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results or that it should be construed as financial guidance, and it should not be relied on as such by the Peoples shareholders or any other person.

Table of Contents

The financial information included below was prepared solely for the internal use of Summit and is subjective in many respects. The unaudited internal financial information reflects numerous estimates and assumptions made with respect to business, economic, market, competition, regulatory and financial conditions and matters specific to Summit's business, Peoples' business and the effect of the merger, all of which are difficult to predict and many of which are beyond Summit's control. The unaudited internal financial information reflects both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, the financial information constitutes forward-looking information. Summit can give no assurance that the unaudited internal financial information and the underlying estimates and assumptions will be realized. Actual results may differ materially from those set forth below, and important factors that may affect actual results and cause the unaudited internal financial information to be inaccurate include, but are not limited to, risks and uncertainties relating to Summit's business, industry performance, general business and economic conditions, customer requirements, competition, litigation, and adverse changes in applicable laws, regulations or rules. For other factors that could cause actual results to differ, please see the sections entitled "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 17 and page 25, respectively, of this prospectus and proxy statement and in Summit's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and other reports filed by Summit with the SEC.

The unaudited internal financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither Summit's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited internal financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Furthermore, the unaudited internal financial information does not take into account any circumstances or events occurring after the date they were prepared. Summit can give no assurance that, had the unaudited internal financial information been prepared either as of the date of the merger agreement or as of the date of this prospectus and proxy statement, similar estimates and assumptions would be used. Summit does not intend to, and disclaims any obligation to, make publicly available any update or other revision to the unaudited internal financial information to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions. The unaudited internal financial information may not take into account all possible financial and other effects on either Summit or Peoples, as applicable, of the merger and does not attempt to predict or suggest future results of the combined company. Further, the unaudited internal financial information does not take into account the effect on either Summit or Peoples, as applicable, of any possible failure of the merger to occur. None of Peoples, Summit or Ambassador or their affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any shareholder of Peoples, shareholder of Summit or other person regarding Summit's ultimate performance compared to the information contained in the unaudited internal financial information or that the projected results will be achieved.

The inclusion of the unaudited internal financial information herein should not be deemed an admission or representation by Summit or Peoples that such forecasts are viewed as material information of Summit, particularly in light of the inherent risks and uncertainties associated with such forecasts. The unaudited internal financial information included below is not being included to influence your decision whether to vote for the merger and the transactions contemplated in connection with the merger, but are being provided because they were made available to Peoples and Ambassador in connection with the merger.

In light of the foregoing, and considering that the Peoples special meeting will be held several months after the unaudited internal financial information was prepared, as well as the uncertainties inherent in any forecasted

Table of Contents

information, Peoples shareholders are cautioned not to place unwarranted reliance on such information, and Summit urges all Peoples shareholders to review Summit's most recent SEC filings for a description of Summit's reported financial results. See "Where You Can Find More Information" on page 91 of this prospectus and proxy statement.

The following unaudited pro forma financial information reflecting the effect of the merger was provided by senior management of Summit and was reviewed and used by Ambassador in connection with the proposed merger for purposes of the financial impact analysis on Summit performed by Ambassador in connection with its opinion to the Peoples board of directors: future pre-tax cost savings equal to 40% of Peoples' pre-merger non-interest expense.

Public Trading Markets

Summit common stock trades on NASDAQ under the symbol SMMF. There is no established public trading market for Peoples common stock. Before the effective time of the merger, Summit has agreed to use its reasonable best efforts to cause the shares of Summit common stock to be issued in the merger to be approved for listing on NASDAQ. The listing of the shares of Summit common stock is also a condition to the consummation of the merger.

Dissenters' or Appraisal Rights

If the merger is consummated, holders of record of Peoples common stock who follow the procedures specified by Sections 31D-13-1301 through 31D-13-1331 of the WVBCA will be entitled to determination and payment in cash of the fair value of their stock (as determined immediately before the effective time of the merger), plus accrued interest from the effective time of the merger until the date of payment. Peoples shareholders who elect to follow these procedures are referred to as dissenting shareholders.

A vote in favor of the merger agreement by a holder of Peoples common stock will result in a waiver of the shareholder's right to demand payment for his or her shares as dissenting shareholders.

The following summary of the provisions of Sections 31D-13-1301 through 31D-13-1331 of the WVBCA is not intended to be a complete statement of such provisions, the full text of which is attached as Appendix C to this prospectus and proxy statement, and is qualified in its entirety by reference thereto.

A holder of Peoples common stock electing to exercise appraisal rights must deliver to Peoples a written notice of dissent stating that he or she intends to demand payment for his or her shares if the merger is consummated. This notice must be delivered before the vote is taken. The dissenting shareholder must not vote, or cause or permit to be voted, any of his or her shares in favor of the proposed transaction or, if action is taken by written consent of the shareholders, must not sign a consent in favor of or otherwise approve the proposed transaction. If the dissenting shareholder fails to comply with these requirements, he or she will not be entitled to appraisal rights. The fair value of the shares as defined above is determined using customary and current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal and without discounting for lack of marketability or minority status. It should be noted that investment banker opinions as to the fairness from a financial point of view of the consideration payable in a transaction such as the proposed merger are not opinions as to, and do not address, fair value under the WVBCA.

Within 10 days after the effective time of the merger, Summit, as surviving corporation of the merger, will give written notice of the effective time of the merger by certified mail to each shareholder who filed a written notice of dissent. The notice will provide (i) where demand for payment must be sent and where and when share certificates, if any, must be deposited, (ii) supply a form for demanding payment in compliance with Section 31D-13-1322 of the WVBCA, (iii) set a date by which Summit must receive the demand for payment,

Table of Contents

which may not be less than 40 nor more than 60 days after the date the notice is sent, (iv) state Summit's estimated fair value of the shares; (v) state that the shareholder shall be deemed to have waived the right to demand payment with respect to the shares unless the form is received by Summit by such specified date, (vi) state that, if requested in writing, Summit will provide to the requesting shareholder within 10 days after the date set forth in subsection (iii) above, the number of shareholders that return a form demanding payment by the specified date and the total number of shares owned by such shareholders, (vii) state the date by which the notice to withdraw must be received, which date must be within 20 days after the date set forth in subsection (iii) above, and (viii) be accompanied by a copy of Sections 31D-13-1301 through 31D-13-1331 of the WVBCA, inclusive.

Within the time period set forth in the notice, the dissenting shareholder must (i) sign and return the form sent by Summit demanding payment of the fair value of his or her shares, (ii) certify that the shareholder acquired beneficial ownership of the shares before the date required as set forth in the notice, and (iii) deposit his or her share certificates, if any, in accordance with the terms of the notice. Once the shareholder deposits his or her share certificates, or, in the case of uncertificated shares makes demand for payment, that shareholder loses all rights as a shareholder, unless he or she withdraws from the appraisal process by the date described in subsection (vii) of the immediately preceding paragraph.

Within 30 days after the receipt of the dissenting shareholder's demand for payment, Summit, as the surviving corporation, will pay each dissenting shareholder who complied with the required procedures the amount it estimates to be the fair value of the dissenting shareholder's shares, plus accrued interest. Summit will include along with the payment to each dissenting shareholder (i) a balance sheet as of the end of a fiscal year ending not more than 16 months before the date of payment, a statement of income for that year, a statement of changes in the shareholders equity for that year, or, where such financial statements or not reasonably available, then such reasonably equivalent financial information, and the latest available interim financial statements, if any, and a report by the public accountant or statement by the president or other person responsible for Peoples' accounting records that complies with Section 31D-13-1324(b) of the WVBCA, (ii) a statement of Summit's estimate of the fair value of the shares which shall be equal to or exceed the estimate of the fair value provided in the notice, and (iii) a statement of the dissenting shareholder's right to demand further payment under 31D-13-1326 of the WVBCA and that if any such shareholder does not do so within the period specified, such shareholder shall be deemed to have accepted such payment in full satisfaction of Summit's obligations under the WVBCA.

Following receipt of payment, a dissenting shareholder, within 30 days, may send Summit notice containing such shareholder's own estimate of fair value and accrued interest, and demand payment for that amount less the amount received pursuant to Summit's payment of fair value to such shareholder. This right is waived if the dissenting shareholder does not make written demand within 30 days of Summit's payment for the shareholder's shares. If a demand for payment remains unsettled, Summit will petition the court to determine fair value and accrued interest. If Summit fails to commence an action within 60 days following the receipt of a dissenting shareholder's demand, Summit will pay each dissenting shareholder whose demand remains unsettled the amount demanded by each dissenting shareholder, plus interest.

All dissenting shareholders whose demands remain unsettled, whether residents of West Virginia or not, must be made parties to the action and the court will render judgment for the fair value of their shares. Each party must be served with the petition. The judgment shall include payment for the amount, if any, by which the court finds the fair value of such shares, plus interest, exceeds the amount already paid. If the court finds that the demand of any dissenting shareholder for payment was arbitrary, vexatious or otherwise not in good faith, the court may assess all court costs, including reasonable fees of appraisers appointed by the court, against such shareholder. Otherwise the court costs will be assessed against Summit. In addition, reasonable fees and expenses of counsel and experts will be determined by the court and may be assessed against Summit if the court finds that it did not substantially comply

with the requirements of the West Virginia appraisal rights statute or that it acted arbitrarily, vexatiously, or not in good faith with respect to the rights granted to dissenters under West Virginia law.

Table of Contents

If you are a holder of shares and you wish to seek appraisal rights, you are urged to review the applicable West Virginia statutes attached to this prospectus and proxy statement as Appendix C.

Interests of Certain Peoples Directors and Executive Officers in the Merger

In considering the recommendations of the Peoples board of directors that Peoples shareholders vote in favor of the Peoples merger proposal, Peoples shareholders should be aware that Peoples directors and executive officers may have interests in the merger that differ from, or are in addition to, their interests as shareholders of Peoples. The Peoples board of directors was aware of these interests and took them into account in its decision to approve and adopt the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Employment Agreements for Peoples Executive Officers

Peoples previously had no written employment agreements for any executive officers. Peoples President and Chief Executive Officer, Ronald L. Bowling, is an at-will employee with no written employment agreement, with a current annual salary of \$132,409.23, plus customary health, welfare and fringe benefits, participation in a 401(k) retirement plan and a defined benefit pension plan that was frozen and closed to new accruals and participants effective March 31, 2016. Mr. Bowling will not receive any severance or change of control payments as a result of the merger.

Employment with Summit Community Bank Following the Merger

It is anticipated that Mr. Ronald L. Bowling will enter into an employment agreement with Summit Community Bank, effective upon the effective time, with a one-year term. Mr. Bowling is expected to be Market President of Summit Community Bank. Mr. Bowling's base salary will be at least \$135,000 annually.

In addition, upon the effective time, Mr. Bowling will receive a retention bonus of \$100,000. If Mr. Bowling remains continuously employed with Summit Community Bank through the end of the first year after the effective time, referred to as the one year period, he will receive, within 30 days after the end of the one year period, an additional retention bonus equal to \$100,000, referred to as the one year payment, provided that as an additional precondition to Summit Community Bank's obligation to pay the one year payment, Mr. Bowling signs and delivers an irrevocable release of claims no later than 30 days after the end of the one year period. While Mr. Bowling is not expected to continue employment with Summit Community Bank beyond the one year period, the requirement of a release of claims as a precondition to receipt of the one year payment is inapplicable if Mr. Bowling does continue employment with Summit Community Bank beyond the end of the one year period.

In the event, however, that Mr. Bowling's employment with Summit Community Bank is terminated due to death, disability or termination by Summit Community Bank without cause, before one year after the effective time, the one year payment will instead be paid within 30 days after such earlier termination, and if such earlier termination is by Summit Community Bank without cause, as an additional precondition to Summit Community Bank's obligation to pay the one year payment, Mr. Bowling or his estate is required to sign and deliver an irrevocable release of claims no later than 30 days after such termination without cause. Mr. Bowling forfeits the one year payment if he is not continuously employed through the end of the one year period due to resignation or termination by Summit for cause prior to the end of the one year period.

Mr. Bowling will participate in the employee benefit plans, programs and arrangements of Summit Community Bank in the same manner as similarly situated Summit Community Bank employees.

In addition to the one year payment, if Mr. Bowling's employment is terminated by Summit Community Bank without cause prior to the end of the one year period, Mr. Bowling shall be entitled to receive any wages, including accrued benefits, that have been earned by Mr. Bowling through the effective date of such termination

Table of Contents

and he shall be entitled to receive a lump sum cash payment equal to the amount of base salary that he would have received between (i) the effective date of such termination without cause and (ii) the last day of the one year period, such lump sum cash payment is referred to as the severance payment, provided that as an additional precondition to Summit Community Bank's obligation to pay the severance payment, Mr. Bowling is required to sign and deliver the irrevocable release of claims no later than 30 days after such termination of employment by Summit Community Bank prior to the end of the one year period. Payments to Mr. Bowling are subject to any applicable timing delays under Internal Revenue Code Section 409A, if any such delays are applicable and required for compliance with Code Section 409A.

Mr. Bowling's agreement will include customary non-compete, non-solicit and confidentiality covenants.

Peoples Retirement Benefits

In connection with the merger, it is anticipated that all participants in the First Peoples Bank of Mullens 401(k) Plan and the First Peoples Bank, Inc. Defined Benefit Pension Plan, including Mr. Bowling and all Peoples executives who are participants, will be fully vested in their accounts.

Accounting Treatment of the Merger

The merger will be accounted for using acquisition accounting in accordance with U.S. generally accepted accounting principles, for accounting and financial reporting purposes. Under acquisition accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Peoples as of the effective time of the merger will be recorded at their respective fair values and added to those of Summit. Any excess of purchase price over the fair values is recorded as goodwill. Consolidated financial statements of Summit issued after the merger would reflect these fair values and would not be restated retroactively to reflect the historical consolidated financial position or results of operations of Peoples.

Table of Contents

THE MERGER AGREEMENT

The following is a summary of the material provisions of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is included as Appendix A to this prospectus and proxy statement and is incorporated herein by reference. This summary may not contain all of the information about the merger agreement that may be important to you. You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

Terms of the Merger

Each of the Summit board of directors and the Peoples board of directors has approved the merger agreement, which provides for the merger of Peoples with and into merger sub, a limited liability company and wholly-owned subsidiary of Summit Community Bank, with merger sub as the surviving entity in the merger. Immediately following the merger, merger sub will be liquidated so that Summit Community Bank will own all of the outstanding shares of Peoples wholly owned banking subsidiary First Peoples Bank. Immediately following the liquidation of merger sub, First Peoples Bank will be merged with and into Summit Community Bank, or the bank merger, with Summit Community Bank surviving as the surviving bank in the bank merger.

The Summit Community Bank articles of incorporation and the Summit Community Bank bylaws as in effect immediately prior to the completion of the merger will be the articles of incorporation and bylaws of the surviving corporation.

Merger Consideration

Under the terms of the merger agreement, each share of Peoples common stock outstanding immediately prior to the effective time of the merger (excluding dissenting shares) will be converted into the right to receive:

1.7193 shares of Summit common stock (unless adjusted in the manner described below); or

\$47.00 in cash.

However, the aggregate number of Peoples shares that will be converted for cash consideration will be equal to 271,020 shares, or approximately 50% of the merger consideration, and the aggregate per share cash consideration will be equal to \$12,737,940, or approximately 50% of the merger consideration. The remaining 50% of the merger consideration will be stock consideration consisting of an aggregate of 271,021 shares of Peoples common stock converting to a maximum of 465,967 shares of Summit common stock after applying the exchange ratio. Accordingly, elections by Peoples shareholders to receive a particular form of consideration, whether cash or shares of Summit common stock, will be prorated as necessary to cause the total amount of cash payable and shares issued by Summit in the merger to equal, as closely as possible, the total of cash and stock consideration discussed above.

Based upon the closing sale price of the Summit common stock on the Nasdaq Capital Market of \$[] on [], 2018, the most current date available prior to the printing of this prospectus and proxy statement, each common share of Peoples will be entitled to be exchanged for total stock consideration equal to \$[] per share.

No fractional shares of Summit common stock will be issued in connection with the merger. Instead, Summit will make to each Peoples shareholder who would otherwise receive a fractional share of Summit common stock a cash

payment (rounded to the nearest whole cent) equal to (i) such fractional part of a share of Summit common stock multiplied by (ii) \$47.00, the per share cash consideration. We refer to the per share stock consideration, the per share cash consideration and cash in lieu of any fractional shares, collectively, as the merger consideration.

A Peoples shareholder also has the right to obtain the fair value of his, her or its shares of Peoples common stock in lieu of receiving the merger consideration by strictly following the appraisal procedures under the WVBCA. Shares of Peoples common stock outstanding immediately prior to the effective time of the merger and which are held by a shareholder who does not vote to approve the merger agreement and who properly demands the fair value of such shares pursuant to, and who complies with, the appraisal procedures under the WVBCA are referred to as dissenting shares. See *The Merger Dissenters or Appraisal Rights* on page 53.

Table of Contents

If Summit changes the number of shares of Summit common stock outstanding prior to the effective time of the merger as a result of a stock split, stock combination, stock dividend or similar recapitalization with respect to the Summit common stock and the record date for such corporate action is prior to the effective time of the merger, then the per share stock consideration shall be proportionately adjusted as necessary to preserve the relative economic benefit to Summit and Peoples.

The value of the shares of Summit common stock to be issued to Peoples shareholders in the merger will fluctuate between now and the closing date of the merger. We make no assurances as to whether or when the merger will be completed, and you are advised to obtain current sale prices for the Summit common stock. See **Risk Factors** Because the sale price of the Summit common stock may fluctuate, you cannot be sure of the value of the merger consideration that you will receive in the merger.

Shareholders' Equity

As of the last day of the calendar quarter immediately preceding the effective time, if Peoples' shareholders' equity, as presented on Peoples' balance sheet, determined in accordance with GAAP (including adjustments for the defined benefit pension plan) and adjusted to exclude any after-tax net unrealized gains or losses on available-for-sale securities included in accumulated other comprehensive income, referred to as the adjusted shareholders' equity, is less than \$20,100,000, then the aggregate value of the merger consideration shall be reduced one dollar for every dollar by which the adjusted shareholders' equity is less than \$20,100,000. In calculating the adjusted shareholders' equity, all costs and expenses of Peoples associated with the merger shall have been paid or accrued prior to the effective time, including but not limited to, legal, accounting, brokerage, advisory or consulting fees, early termination fees for data processing or other contractual arrangement and any change-in-control or similar payments (to employees or otherwise). Any reduction in the merger consideration shall be allocated between the cash consideration and the stock consideration proportionately in accordance with the limitations discussed below.

Peoples may distribute, in a lump sum, to the Peoples shareholders, immediately prior to the effective time, a cash distribution per share, referred to as the special distribution, in the amount by which adjusted shareholders' equity exceeds \$21,100,000 as of the last day of the calendar quarter immediately preceding the effective time, if any, divided by the number of shares of Peoples, provided that such distribution does not cause the merger to be considered something other than a tax-free reorganization in accordance with the Code and any regulations promulgated thereunder. Accordingly, the merger agreement provides that the aggregate amount of the special distribution shall not exceed (i) when combined with amounts paid to dissenting shareholders, Peoples assets used to pay its reorganization expenses and all redemptions and distributions (except for normal regular dividends) paid by Peoples immediately preceding the merger, an amount that would result in either (A) less than 90% of the fair market value of net assets of Peoples or (B) less than 70% of the fair market value of gross assets held by Peoples immediately prior to the special distribution, being transferred to merger sub in the merger, or (ii) when combined with the cash consideration, 60% of the value of the merger consideration (determined by adding amounts paid to dissenting shareholders to the merger consideration and the aggregate amount of the special distribution). If Peoples' adjusted shareholders' equity does not exceed \$21,100,000, then the special distribution shall not occur.

Election Procedures; Surrender of Peoples Stock Certificates

An election form must be mailed at least 30 days prior to the anticipated effective time of the merger, or the mailing date. The election form (together with transmittal materials) will be mailed to Peoples shareholders of record as of five business days prior to the mailing date, referred to as the election form record date. Peoples shareholders should carefully review and follow the instructions that will be included with the election form. Each holder of Peoples common stock must complete and return the election form to the exchange agent by 5:00 p.m. Eastern Time on the

25th day following the mailing date of the election form to Peoples shareholders. The election form must be accompanied by the stock certificates representing the Peoples common stock held by the Peoples shareholder.

Table of Contents

Election forms may be revoked or amended at any time prior to the election deadline.

Summit has appointed Computershare as the exchange agent under the merger agreement. The exchange agent will mail to each holder of record of Peoples common stock the election form along with instructions for completing the election form and delivering back to the exchange agent the completed election form along with the stock certificates representing the shares of Peoples common stock held by the shareholder.

Summit shall make available an election form to all persons who become holders (or beneficial owners) of Peoples common stock between the election form record date and close of business on the business day prior to the election deadline, and Peoples shall provide to the exchange agent all information reasonably necessary for it to perform as specified herein. Peoples acknowledges that no deadlines for mailing election forms contained in the merger agreement shall be applicable to such shareholders and that the election requests of such shareholders need not be honored.

Within five business days after the election deadline, unless the effective time has not yet occurred, in which case as soon thereafter as practicable, Summit shall cause the exchange agent to effect the allocation among the holders of Peoples common stock of rights to receive the stock consideration or the cash consideration in the merger in accordance with the election forms, subject to the adjustments addressed in the merger agreement and set out below.

Upon surrender to the exchange agent of the certificate(s) representing his, her or its shares of Peoples common stock, accompanied by a properly completed and executed election form, a Peoples shareholder will be entitled to receive after the effective time of the merger the merger consideration (including any cash in lieu of fractional shares). Until surrendered, each such certificate will represent after the effective time of the merger, for all purposes, only the right to receive, without interest, the merger consideration (including any cash in lieu of fractional shares) and any dividends or distributions to which such holder is entitled pursuant to the merger agreement.

No dividends or other distributions with respect to Summit common stock after completion of the merger will be paid to the holder of any unsurrendered Peoples stock certificates with respect to the shares of Summit common stock represented by those certificates until those certificates have been properly surrendered. Subject to applicable abandoned property, escheat or similar laws, following the proper surrender of any such previously unsurrendered Peoples stock certificate, the holder of the certificate will be entitled to receive, without interest: (i) any cash payable with respect to a fractional share of Summit common stock to which such holder is entitled pursuant to the merger agreement, if applicable, and the amount of unpaid dividends or other distributions with a record date after the effective time of the merger payable with respect to the whole shares of Summit common stock represented by that certificate; and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of Summit common stock represented by that certificate with a record date after the effective time of the merger (but before the date on which the certificate is surrendered) and with a payment date subsequent to the issuance of the shares of Summit common stock issuable in exchange for that certificate.

Shares of Summit common stock and cash in lieu of any fractional shares may be issued or paid in a name other than the name in which the surrendered Peoples stock certificate is registered if: (i) the certificate surrendered is properly endorsed or otherwise in a proper form for transfer; and (ii) the person requesting the payment or issuance pays any transfer or other similar taxes due or establishes to the satisfaction of Summit that such taxes have been paid or are not applicable.

None of Summit, the exchange agent or any other person will be liable to any former Peoples shareholder for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

Table of Contents

In the event any Peoples stock certificate is lost, stolen or destroyed, in order to receive the merger consideration (including cash in lieu of any fractional shares), the holder of that certificate must provide an affidavit of that fact and, if reasonably required by the exchange agent, post a bond in such amount as the exchange agent determines is reasonably necessary to indemnify it against any claim that may be made against it with respect to that certificate.

The total number of shares of Peoples common stock to be converted into the right to receive the stock consideration shall be equal to 271,021 shares of Peoples common stock, converting to a maximum of 465,967 shares of Summit common stock or approximately 50% of the merger consideration, and the total number of shares of Peoples common stock to be converted into the right to receive the cash consideration shall be equal to 271,020 shares of Peoples common stock, for total cash consideration of approximately \$12,737,940.

Stock Consideration Proration.

If the aggregate number of shares of Peoples common stock with respect to which stock election shares and mixed stock shares shall have been validly made, referred to as the stock election number, exceeds the maximum stock consideration, then all cash election shares and all no election shares of each holder thereof shall be converted into the right to receive the cash consideration, and stock election shares of each holder thereof will be converted into the right to receive the stock consideration in respect of that number of stock election equal to the product obtained by multiplying (x) the number of stock election shares held by such holder by (y) a fraction, the numerator of which is the maximum stock consideration and the denominator of which is the stock election number, with the remaining number of such holder's stock election shares being converted into the right to receive the cash consideration.

By way of example, if there are a total of 300,000 stock election shares, thus exceeding the maximum stock consideration of 271,021, by 28,979, then the shares of Peoples common stock held by a shareholder with 5,000 stock election shares would be exchanged in the following manner:

- (i) 4,517 shares of Peoples common stock would be exchanged for shares of Summit common stock (determined by multiplying (x) the number of stock election shares (5,000) by (y) a fraction, the numerator of which is the stock consideration and the denominator of which is the stock election number (271,021 / 300,000, or 0.903403); and
- (ii) 483 shares of Peoples common stock would be exchanged for cash.

Cash Consideration Proration.

If the stock election number is less than the maximum stock consideration (the amount by which the maximum stock consideration exceeds the stock election number is referred to as the shortfall number), then all stock election shares shall be converted into the right to receive the stock consideration, and the no election shares and cash election shares shall be treated as described below.

If the shortfall number is less than or equal to the number of no election shares, then all cash election shares shall be converted into the right to receive the cash consideration, and the no election shares of each holder thereof shall convert into the right to receive the stock consideration in respect of that number of no election shares equal to the product obtained by multiplying (1) the number of no election shares held by such holder by (2) a fraction, the numerator of which is the shortfall number and the denominator of which is the total number of no election shares, with the remaining number of such holder's no election shares being converted into the right to receive the cash consideration.

Or, if the shortfall number exceeds the number of no election shares, then all no election shares shall be converted into the right to receive the stock consideration, and the cash election shares of each holder thereof

Table of Contents

shall convert into the right to receive the stock consideration in respect of that number of cash election shares equal to the product obtained by multiplying (A) the number of cash election shares held by such holder by (B) a fraction, the numerator of which is the amount by which (x) the shortfall number exceeds (y) the total number of no election shares and the denominator of which is the total number of cash election shares, with the remaining number of such holder's cash election shares and mixed cash shares being converted into the right to receive the cash consideration.

By way of example, assuming that all shareholders make an election (and as a result, there are zero no election shares), if there are a total of 241,021 stock election shares, a total of 300,000 cash election shares and the maximum stock consideration equals 271,02, resulting in a shortfall number of 30,000, then the shares of Peoples common stock held by a shareholder with 5,000 cash election shares electing cash would be exchanged in the following manner:

(i) 500 shares of Peoples common stock would be exchanged for shares of Summit common stock (determined by multiplying (x) the number of cash election shares electing cash held by such holder by (y) a fraction, the numerator of which is the shortfall number less the number of no election shares (or zero) and the denominator of which is the total cash election shares (30,000 / 300,000, or 0.10); and

(ii) 4,500 shares of Peoples common stock would be exchanged for cash.

The *pro rata* selection process to be used by the exchange agent shall consist of such equitable pro ration processes as shall be mutually determined by Summit and Peoples.

Conditions to Completion of the Merger

Mutual Closing Conditions. The obligations of Summit and Peoples to complete the merger are subject to the satisfaction of the following conditions:

the approval of the merger agreement by Peoples shareholders;

the authorization for listing on the Nasdaq Global Select Market of the shares of Summit common stock to be issued in the merger;

(a) all authorizations, consents, orders or approvals of, or declarations, notices, filings or registrations with, and all expirations and terminations of waiting periods required from, any governmental entity that are necessary to obtain the requisite regulatory approvals shall have been obtained, been made, occurred or been filed, and all such authorizations, consents, orders, approvals, declarations, filings or registrations shall be in full force and effect, and (b) any other consents or approvals from any governmental entity or other third party relating to the merger, the bank merger or any of the other transactions provided for in the merger agreement, except in the case of clause (b) for those the failure of which to be obtained would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Summit Community Bank shall have been obtained, and all such consents or approvals shall be in full force and effect;

the effectiveness of the Registration Statement on Form S-4, of which this prospectus and proxy statement is a part, under the Securities Act, and the absence of a stop order suspending the effectiveness of the Registration Statement on Form S-4 or any proceeding initiated or threatened by the SEC for that purpose;

the absence of any order, injunction or decree issued by any court or agency of competent jurisdiction or other law preventing or making illegal the consummation of the merger, the bank merger or the other transactions contemplated by the merger agreement;

no requisite regulatory approval shall have been granted subject to any condition or conditions that, and there shall not have been any action taken, or any statute, rule, regulation, order or decree enacted,

Table of Contents

entered, enforced or deemed applicable to the merger or bank merger by any governmental entity of competent jurisdiction that, in connection with the grant of a requisite regulatory approval or otherwise, (a) requires any of the parties to pay any amounts that would be material to any of the parties or to divest any banking office, line of business or operations or to increase its regulatory capital, or (b) imposes any condition, requirement or restriction upon Summit or its subsidiaries, that, in the case of either (a) or (b), would, individually or in the aggregate, reasonably be expected to create a burdensome condition on Summit or its subsidiaries;

the accuracy of such party's representations and warranties, as of the date of the merger agreement and as of the effective time of the merger (or such other date specified in the merger agreement), other than, in most cases, inaccuracies that would not reasonably be expected to have a material adverse effect on such parties;

the performance in all material respects by the other party of its respective obligations under the merger agreement;

the receipt by each party of an officer's certificate executed by the chief executive officer and chief financial officer of the other party certifying that the previous two conditions listed above have been satisfied;

the receipt by each party of its counsel's opinion that the merger shall be classified as a reorganization within the meaning of Section 368(a) of the Code; and

the parties shall have used commercially reasonable efforts to execute the key employee contract referenced in the merger agreement.

Additional Closing Conditions for the Benefit of Summit. In addition to the mutual closing conditions, Summit's obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

as of the effective time, the number of issued and outstanding shares of Peoples common stock shall not exceed 542,041 and all representations by Peoples regarding its capital structure shall be true and correct in all respects as of the date of the merger agreement and as of the effective time as though made on and as of the effective time;

the Dissenting Shares must constitute less than 5.0% of the outstanding shares of Peoples common stock;

simultaneously with the execution of the merger agreement, Summit received from each of the individuals set forth on the disclosure schedules, the voting agreement, a form of which is included as an exhibit to Appendix A attached to this prospectus and proxy statement; and

simultaneously with the execution of the merger agreement, Summit received from each of the directors of Peoples, a director support agreement, a form of which is included as an exhibit to Appendix A attached to this prospectus and proxy statement.

Representations and Warranties

The merger agreement contains customary representations and warranties of Summit and Peoples relating to their respective businesses, which were made solely for the purposes of the merger agreement. The representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this document and in the documents incorporated by reference into this document. In addition, these representations and warranties:

may be subject to limitations, qualifications or exceptions agreed upon by the parties, including those qualifications set forth in confidential disclosure schedules in connection with signing the merger agreement;

Table of Contents

will not survive consummation of the merger, except for those representations and warranties that by their terms apply or are to be performed in whole or in part after the effective time of the merger;

may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to the merger agreement if those statements turn out to be inaccurate;

are in some cases subject to a materiality standard described in the merger agreement which may differ from what may be viewed as material by you; and

were made only as of the date of the merger agreement or such other date as is specified in the merger. Summit will provide additional disclosures in its public reports to the extent it is aware of the existence of any material facts that are required to be disclosed under federal securities laws and that might otherwise contradict the terms and information contained in the merger agreement and will update such disclosures as required by federal securities laws.

The representations and warranties made by Summit and Peoples to each other primarily relate to:

corporate organization, existence and power;

capitalization;

ownership of subsidiaries;

corporate authorization to enter into the merger agreement and to consummate the merger;

absence of any breach of organizational documents, violation of law or breach of agreements as a result of the merger;

regulatory approvals required in connection with the merger;

reports filed with governmental entities, including, in the case of Summit, the SEC;

absence of material adverse effect on each party since December 31, 2017 through the date of the merger agreement;

compliance with laws and the absence of regulatory agreements;

accounting methods and internal controls;

litigation;

agreements with regulators;

derivative instruments and transactions;

accuracy of the information supplied by each party for inclusion or incorporation by reference in this prospectus and proxy statement; and

fees paid to financial advisors.

Peoples has also made representations and warranties to Summit with respect to:

financial statements;

undisclosed liabilities;

tax matters;

material contracts;

employee benefit plans and labor matters;

the inapplicability to the merger of state takeover laws;

Table of Contents

the vote required by Peoples shareholders to approve the merger;

ownership and other property rights;

condition of assets;

intellectual property;

loan matters;

maintenance of insurance policies;

absence of actions or omissions by present or former directors, advisory directors, officers, employees or agents that would give rise to a material claim for indemnification;

transactions with affiliates;

absence of certain gifting practices;

environmental matters;

accuracy of books and records;

employee relationships;

administration of fiduciary accounts;

the opinion of Peoples financial advisor; and

no other representations or warranties, express or implied having been made.

Summit also has represented to Peoples that no vote of its shareholders is required to consummate the merger and it has, and at the closing of the merger will have, access to sufficient funds available to make all cash payments required to consummate the transactions contemplated by the merger agreement. Summit further represented that no other representations or warranties, express or implied have been made.

Waiver and Amendment

Summit and Peoples may jointly amend the merger agreement and each may waive its right to require the other party to adhere to the terms and conditions of the merger agreement. However, Summit and Peoples may not do so after Peoples shareholders approve the merger agreement if the amendment or waiver would violate the WVBCA, require further approval from Peoples shareholders or such amendment changes the form or amount of merger consideration in a manner that is adverse in any respect to Peoples shareholders.

Indemnification; Directors and Officers Insurance

Following the effective time of the merger and for a period of three years thereafter, Summit must indemnify, defend and hold harmless the present directors, officers and employees of Peoples and its subsidiaries against all costs or expenses (including reasonable attorneys fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of actions or omissions occurring at or prior to the effective time of the merger (including, without limitation, the transactions contemplated by the merger agreement) to the fullest extent that Peoples is currently permitted or required to indemnify (and advance expenses to) its directors, officers and employees under the laws of the State of West Virginia, Peoples and its subsidiaries respective articles, bylaws, similar constituent documents and any agreement as in effect on the date hereof; provided that any determination required to be made with respect to whether an officer s, director s or employee s conduct complies with the standards set forth under West Virginia law, Peoples and its subsidiaries respective articles, bylaws, similar constituent documents and any agreement shall be made by independent counsel (which shall not be counsel that provides material services to Summit) selected by Summit and reasonably acceptable to such officer or director.

Table of Contents

For a period of three years from the effective time of the merger, Summit must use its reasonable best efforts to maintain director's and officer's liability insurance (determined as of the effective time of the merger) with respect to claims against present and former directors and officers of Peoples and its subsidiaries arising from facts or events that occurred before the effective time of the merger, which insurance shall contain at least the same coverage and amounts, and contain terms and conditions no less advantageous, as that coverage currently provided by Peoples and its subsidiaries; provided, that in no event shall Summit be required to expend, on an annual basis, more than 150% of the current amount expended by Peoples or its subsidiaries to maintain or procure such directors and officers insurance coverage; and provided, further, that if Summit is unable to maintain or obtain the insurance called for by this provision, Summit must use its reasonable best efforts to obtain as much comparable insurance as is available for the insurance amount; and provided, further, that officers and directors of Peoples or its subsidiaries may be required to make application and provide customary representations and warranties to Summit's insurance carrier for the purpose of obtaining such insurance.

Summit has agreed that it will not consolidate with or merge with any other corporation or entity where it is not the continuing or surviving corporation, or transfer all or substantially all of its property or assets, unless proper provision is made so that the successors and assigns of Summit and its subsidiaries assume the obligations of indemnification under the merger agreement.

These provisions shall survive the effective time of the merger and are intended to be for the benefit of, and shall be enforceable by, each indemnified party and his or her heirs and representatives.

Acquisition Proposals

Peoples has agreed that, from the date of the merger agreement until the effective time of the merger or, if earlier, the termination of the merger agreement, it will not, and will cause its subsidiaries and their officers, directors, agents, advisors and affiliates not to: solicit or encourage inquiries or proposals with respect to, or engage in any negotiations concerning, or provide any confidential information to, or have any discussions with any person relating to, any acquisition proposal (as defined below). However, none of the foregoing prohibits Peoples or its subsidiaries officers, directors, agents, advisors, and affiliates from informing any person of the terms of this provision or from contacting any person (or such person's representatives) who has made, after the date of the merger agreement, an acquisition proposal solely to request clarification of the terms and conditions thereof so as to determine whether the acquisition proposal constitutes or is reasonably likely to result in a superior proposal (as defined below). Peoples must immediately cease and cause to be terminated any activities, discussions or negotiations conducted prior to the date of the merger agreement with any persons other than Summit with respect to any of the foregoing and shall use its reasonable best efforts to enforce any confidentiality or similar agreement relating to an acquisition proposal.

Notwithstanding this agreement, at any time prior to the approval of the merger agreement by the Peoples shareholders, if Peoples receives an unsolicited acquisition proposal that the Peoples board of directors determines in good faith is reasonably likely to constitute or result in a superior proposal, then Peoples may: (i) negotiate and enter into a confidentiality agreement with the third party making the acquisition proposal with terms and conditions no less favorable to Peoples than the confidentiality agreement entered into by Peoples and Summit prior to the execution of the merger agreement; (ii) furnish Peoples confidential information to the third party making the acquisition proposal pursuant to such confidentiality agreement; and (iii) negotiate with the third party making the acquisition proposal regarding such proposal, if the Peoples board of directors determines in good faith (following consultation with counsel) that failure to take such actions would, or would be reasonably likely to result in, a violation of its fiduciary duties under applicable law. Peoples must advise Summit in writing within two (2) business days following receipt of any acquisition proposal and the substance thereof and must keep Summit apprised of any related developments, discussions and negotiations on a current basis.

An acquisition proposal means any tender or exchange offer, proposal for a merger, consolidation or other business combination involving Peoples or any of its subsidiaries or any proposal or offer to acquire equity

Table of Contents

interests representing 15.0% or more of the voting power of, or at least 10.0% of the assets or deposits of, Peoples or any of its subsidiaries, other than the transactions contemplated by the merger agreement.

A superior proposal means a written acquisition proposal that the Peoples board (or any committee thereof) concludes in good faith to be more favorable from a financial point of view to its shareholders than the merger (a) after consulting with its financial advisors (who shall be a nationally recognized investment banking firm), (b) after taking into account the likelihood of consummation of such transaction on the terms set forth therein and (c) after taking into account all legal (following consultation with outside counsel), financial (including the financing terms of any such proposal), regulatory and other aspects of such proposal and any other relevant factors permitted under applicable law; provided, however, that for purposes of the definition of superior proposal, the references to 15.0% or more and at least 10.0% in the definition of acquisition proposal shall be deemed to be references to a majority .

The merger agreement generally prohibits the Peoples board of directors making a change in recommendation (i.e., from withdrawing or modifying in a manner adverse to Summit the recommendation of the Peoples board of directors set forth in this prospectus and proxy statement that the Peoples shareholders vote to approve the merger agreement, or from making or causing to be made any third party or public communication proposing or announcing an intention to withdraw or modify in a manner adverse to Summit such recommendation). At any time prior to the approval of the merger agreement by the Peoples shareholders, however, the Peoples board of directors may effect a change in recommendation or terminate the merger agreement to enter into an agreement in response to a bona fide written unsolicited acquisition proposal that the Peoples board of directors determines in good faith constitutes a superior proposal if the Peoples board of directors determines (after consultation with counsel) that the failure to do so could be inconsistent with its fiduciary obligations to Peoples shareholders under applicable law. The Peoples board of directors may not make a change in recommendation, or terminate the merger agreement to pursue a superior proposal, unless: (i) Peoples has not breached any of the provisions of the merger agreement relating to acquisition proposals; and (ii) the Peoples board of directors determines in good faith (after consultation with counsel) that such superior proposal continues to be a superior proposal (after taking into account all adjustments to the terms of the merger agreement offered by Summit), Peoples has given Summit at least four (4) business days prior written notice of its intention to take such action and before making such change in recommendation, Peoples has negotiated in good faith with Summit during the notice period (to the extent Summit wishes to negotiate) to enable Summit to adjust the terms of the merger agreement so that such superior proposal no longer constitutes a superior proposal.

If the Peoples board of directors makes a change in recommendation, or if Peoples pursues a superior proposal, Peoples could be required to pay Summit a termination fee of \$1,275,000 in cash. See Termination Fee beginning on page 74.

Closing Date; Effective Time

The merger will be consummated and become effective upon the issuance of a certificate of merger by the West Virginia Secretary of State (or on such other date as may be specified in the articles of merger to be filed with the West Virginia Secretary of State). Unless otherwise agreed to by Summit or Peoples, the closing of the merger will take place on the first day of the following month after the last of the conditions to the merger have been satisfied or waived.

Summit may delay the closing of the merger to the first day of the second month if the last necessary approval received is less than three business days from the end of this month, and if during the period of such delay Summit sets a record date for any dividend or other distribution in respect of shares of Summit common stock such that holders of Peoples common stock would not be entitled to participate in such dividend or distribution, each holder of Peoples common stock will receive a payment equal to the amount and kind of dividend or distribution that each such

holder of Peoples common stock would have received had such holder been a holder of record of the shares of Summit common stock issuable to such holder in the merger on the record date for such Summit dividend or distribution.

Table of Contents

Regulatory Approvals

The merger and the other transactions contemplated by the merger agreement require the approval of the Federal Deposit Insurance Corporation, or the FDIC and the West Virginia Board of Banking and Financial Institutions, or the WV BBFI, and a waiver from the Board of Governors of the Federal Reserve System, or the Federal Reserve. As bank holding companies, Summit and Peoples are subject to regulation under the Bank Holding Company Act of 1956, as amended, or the BHCA. First Peoples Bank and Summit Community Bank are West Virginia banking corporations and are regulated by the WV BBFI and the West Virginia Division of Financial Institutions or the WV DFI. First Peoples Bank, and Summit Community Bank plan to file all required applications seeking approval of the merger with the WV BBFI and the FDIC. Summit will file a request for a waiver of the Section 3 application from the Federal Reserve.

Under the BHCA, the FDIC is required to examine the financial and managerial resources and future prospects of the combined organization and analyze the capital structure and soundness of the resulting entity. The FDIC has the authority to deny an application if it concludes that the combined organization would have inadequate capital. In addition, the FDIC can withhold approval of the merger if, among other things, it determines that the effect of the merger would be to substantially lessen competition in the relevant market. Further, the FDIC must consider whether the combined organization meets the requirements of the Community Reinvestment Act of 1977 by assessing the involved entities' records of meeting the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. The WV DFI reviews the merger under similar standards. The merger cannot be consummated prior to receipt of all required approvals.

The merger requires the approval of the Federal Reserve Board pursuant to the BHCA, unless the Federal Reserve Board is willing to grant a waiver pursuant to its regulations allowing for such waivers. If a waiver is not received, the Federal Reserve Board will also consider factors such as financial and managerial resources, future prospects, the convenience and needs of the community and competitive factors. In such case, the merger may not be consummated until 30 days after the approval of the Federal Reserve Board (or such shorter period as the Federal Reserve Board may prescribe with the concurrence of the United States Department of Justice, but not less than 15 days), during which time the Department of Justice may challenge the merger on antitrust grounds.

The commencement of an antitrust action by the Department of Justice would stay the effectiveness of the Federal Reserve Board or FDIC approval, as the case may be, unless a court specifically orders otherwise. In reviewing the merger and the bank merger, the Department of Justice could analyze the merger's effect on competition differently than the Federal Reserve Board and the FDIC, and it is possible that the Department of Justice could reach a different conclusion than the applicable banking regulator regarding the merger's (or the bank merger's) competitive effects.

Summit and Peoples are not aware of any other governmental approvals or actions be required for consummation of the merger other than as described above. Should any other approval or action be required, it is presently contemplated that such approval or action would be sought. There can be no assurance that such further necessary regulatory approvals or actions will be timely received or taken, that no action will be brought challenging such approval or action or, if such a challenge is brought, as to the result thereof, or that any such approval or action will not be conditioned in a manner that would cause the parties to abandon the merger.

The approval of any application merely implies the satisfaction of regulatory criteria for approval, which does not include review of the merger from the standpoint of the adequacy of the cash consideration or the exchange ratio for converting Peoples common stock to Summit common stock. Furthermore, regulatory approvals do not constitute an endorsement or recommendation of the merger.

Table of Contents

Conduct of Business Pending the Merger

Pursuant to the merger agreement, Peoples and Summit have agreed to certain restrictions on their activities until the effective time of the merger. Peoples has agreed that it will, and will cause each of its subsidiaries to, do the following:

cooperate with Summit and its subsidiaries to cause Peoples to merge with and into merger sub;

if requested by Summit, take such action as may be necessary to terminate its 401(k) plan and trust, including accruing the estimated expense associated with terminating the 401(k) plan or trust;

make all payments with respect to contracts to which Peoples or any of its subsidiaries is a party that would give rise to any liability, fee, cost or expense (including any change-in-control fee) arising from the consummation of the merger, except to the extent such change-in-control provisions are waived pursuant to the employment agreements described in the merger agreement; and

use its best efforts, including notifying appropriate parties and negotiating in good faith a reasonable settlement, to ensure that its current data processing contracts and contracts related to the provision of any other electronic banking services will, if the merger occurs, be terminated after the consummation of the merger on a date to be mutually agreed upon by Peoples and Summit.

Peoples has further agreed that it will not, and will not permit any of its subsidiaries, to do any of the following, except as expressly permitted by the merger agreement or the prior written consent of Summit:

enter into any new line of business;

change its or its subsidiaries' lending, investment, underwriting, risk and asset-liability management or other material banking or operating policies in any material respect, except as required by applicable legal requirements or by policies imposed by a governmental entity;

incur or commit to any capital expenditures or any obligations or liabilities in connection therewith other than capital expenditures and obligations or liabilities incurred or committed to in the ordinary course of business consistent with past practice;

enter into or terminate any material lease, contract or agreement (except with respect to such terminations as may be set forth in the merger agreement) or make any change to any existing material leases, contracts or agreements, except as required by applicable legal requirements or by policies imposed by a governmental entity;

take any action or fail to take any action, which action or failure causes a material breach of any material lease, contract or agreement;

declare or pay any dividends on or make other distributions in respect of any of its capital stock, except for dividends by a wholly owned subsidiary of Peoples, or as specifically contemplated in the merger agreement and its regular quarterly dividend of \$0.20 per share consistent with past practice;

split, combine, exchange, adjust or reclassify any of its capital stock or issue or authorize or propose the issuance or authorization of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock;

purchase, redeem or otherwise acquire, or permit any subsidiary to purchase, redeem or otherwise acquire, any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock (except for the acquisition of debt previously contracted shares in the ordinary course of business consistent with past practice and except pursuant to agreements in effect on the date and disclosed in the merger agreement);

issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, any voting debt, any stock appreciation rights or any securities convertible into or exercisable or exchangeable for, or any rights, warrants or options to acquire, any such shares or voting

Table of Contents

debt, or enter into any agreement with respect to any of the foregoing, other than issuances by a wholly owned subsidiary of its capital stock to its parent and other than as trustee or other fiduciary under the terms and conditions of any benefit plan or other trust;

amend or propose to amend its charter, certificate of formation, bylaws or similar organizational documents, as applicable, or, except to the extent permitted by the merger agreement, enter into, or permit any subsidiary to enter into, a plan of consolidation, merger or reorganization with any person other than a wholly owned subsidiary of Peoples;

acquire or agree to acquire, by merging or consolidating with, by purchasing equity interest in or the assets of, by forming a partnership or joint venture with, or in any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets not in the ordinary course of business; provided, however, that the foregoing shall not prohibit foreclosures, repossessions or other debt previously contracted acquisitions in the ordinary course of business;

sell, lease, assign, encumber or otherwise dispose of, or agree to sell, lease, assign, encumber or otherwise dispose of, any of its assets (including capital stock of its subsidiaries and indebtedness of others held by Peoples and its subsidiaries) exceeding \$150,000, in the aggregate, in any calendar month, except for sales of OREO, mortgages originated or held by First Peoples Bank in the ordinary course of business consistent with past practice, investment securities in the ordinary course of business consistent with past practice, and sales of assets as required by applicable legal requirements or by policies imposed by a governmental entity;

incur, create or assume any long-term indebtedness for borrowed money (or modify any of the material terms of any such outstanding long-term indebtedness), guarantee any such long-term indebtedness or issue or sell any long-term debt securities or warrants or rights to acquire any long term debt securities of Peoples or any of its subsidiaries or guarantee any long-term debt securities of others, other than indebtedness of any subsidiary of Peoples to Peoples or to another subsidiary of Peoples;

prepay or voluntarily repay any subordinated indebtedness;

make, commit to make, renew, extend the maturity of, or alter any of the material terms of any loan or group of loans to any borrower and its affiliates that, individually or collectively, would be in excess of \$1,000,000, except as contemplated by the merger agreement;

intentionally take any action that would, or reasonably might be expected to, result in any of its representations and warranties set forth in the merger agreement being or becoming untrue in any material respect, or in any of the conditions to the merger not being satisfied or in a violation of any provision of the merger agreement, or (unless such action is required by applicable legal requirements) which would adversely affect the ability of the parties to obtain any of the requisite regulatory approvals without

imposition of a condition or restriction of the type referred to in the merger agreement;

make any material change in its methods of accounting in effect at December 31, 2017, except as required by changes in generally accepted accounting principles or regulatory accounting principles as concurred in by Peoples independent auditors or required by a governmental entity;

make or rescind any material tax election, make any material amendments to tax returns previously filed, or settle or compromise any material tax liability or refund;

enter into, adopt, amend (except for such amendments as may be required by applicable legal requirements or as provided under the merger agreement) or terminate any Peoples benefit plan, or any agreement, arrangement, plan or policy between Peoples or a subsidiary of Peoples and one or more of its directors or officers;

except for normal pay increases to rank and file employees in the ordinary course of business consistent with past practice or as required by any plan or arrangement as in effect as of the date

Table of Contents

hereof, materially increase in any manner the compensation or benefits of any director, officer or employee or pay any benefit not required by any plan or arrangement as in effect as of the date hereof or enter into any contract, agreement, commitment or arrangement to do any of the foregoing;

enter into any contract, agreement, commitment or arrangement providing for the payment to any director, officer or employee of compensation or benefits;

enter into any new contract or agreement providing that, with respect to the right to any bonus or incentive compensation, the vesting of any such bonus or incentive compensation, shall accelerate or otherwise be affected by the occurrence of any of the transactions contemplated by the merger agreement, either alone or in combination with some other event;

grant or award any bonus or incentive compensation, or any stock option, restricted stock, restricted stock unit or other equity-related award except as required as an existing obligation of Peoples under the terms of any existing agreement;

materially restructure or materially change (on a consolidated basis) its investment securities portfolio, its hedging strategy or its interest rate risk position, through purchases, sales or otherwise, or the manner in which its investment securities portfolio is classified or reported or materially increase the credit or other risk concentrations associated with its investment securities portfolio; provided, however, that the foregoing shall not restrict the purchase or sale of investment securities by Peoples or any of its subsidiaries (i) as set forth the merger agreement, (ii) in an amount not exceeding \$1,500,000 per transaction with a duration of five (5) years or less that is in the ordinary course of business consistent with past practice or (iii) with respect to services provided by Peoples or any affiliate as trustee, investment advisor, custodian or fiduciary of any kind;

adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or a dissolution, restructuring, recapitalization or reorganization; or

agree to, or make any commitment to, take, or authorize, any of the actions prohibited by the foregoing, except with respect to actions taken as trustee, custodian or other fiduciary.

Summit has agreed that it will not, and will not permit any of its subsidiaries, to do the following, except as expressly permitted by the merger agreement or the prior written consent of Peoples:

amend the articles or bylaws of Summit in a manner that would adversely affect Peoples or any of its subsidiaries;

take any action that would reasonably be expected to result in the merger and the bank merger failing to qualify as a reorganization under Section 368(a) of the Code;

take any action that is likely to materially impair Summit's ability to perform any of its obligations under the merger agreement or merger sub's or Summit Community Bank's ability to perform any of its obligations under the bank merger agreement;

make an election for merger sub to be treated as a corporation for federal income tax purposes; or

agree or commit to do any of the foregoing.

In general, each party has also agreed that, except as otherwise permitted by the merger agreement, or as required by applicable law or a governmental entity, or with the prior written consent of the other party, it will:

use commercially reasonable best efforts to maintain and preserve intact its business organization and advantageous business relationships;

consult with the other on all strategic, integration and operational matters to the extent such consultation is deemed necessary or appropriate by Summit and is not in violation of applicable legal requirements;

Table of Contents

file all reports, schedules, applications, registrations, and other information required to be filed by each of them with all other relevant governmental entities and to obtain all of the requisite regulatory approvals between the date of the merger agreement and the effective time of the merger;

use their commercially reasonable efforts to maintain and keep in full force and effect all of their respective policies of insurance presently in effect, or replacements for such policies, including insurance of customer deposit accounts with the FDIC, and take all requisite action (including the making of claims and the giving of notices) pursuant to their respective policies of insurance in order to preserve all rights thereunder with respect to all matters that could reasonably give rise to a claim prior to the effective time of the merger;

prior to the effective time of the merger, (a) each of Peoples and Summit shall exercise, consistent with the terms and conditions of the merger agreement, complete control and supervision over its and its subsidiaries respective operations, (b) Peoples shall not be under any obligation to act in a manner that could reasonably be deemed to constitute anti-competitive behavior under federal or state antitrust laws and (c) Peoples shall not be required to agree to any material obligation that is not contingent upon the consummation of the merger; and

use commercially reasonable efforts to cause to be delivered at the closing all documents required as conditions precedent to the consummation of the merger, as applicable.

Regulatory Matters

This prospectus and proxy statement forms part of a Registration Statement on Form S-4, which Summit has filed with the SEC. Each of Summit and Peoples has agreed to use its commercially reasonable best efforts to maintain the effectiveness of the Registration Statement for as long as necessary to complete the merger and the other transactions contemplated by the merger agreement.

Summit has agreed to use its commercially reasonable best efforts to obtain all necessary state securities law or blue sky permits and approvals required to carry out the transactions contemplated by the merger agreement, and Peoples has agreed to furnish all information concerning Peoples and the holders of Peoples common stock as may be reasonably requested in connection with any such action.

Summit and Peoples have agreed to cooperate with each other and use their respective reasonable best efforts to take, or cause to be taken, all actions necessary or advisable to consummate the merger and the bank merger and to make effective the other transactions contemplated by the merger agreement as promptly as reasonably practicable after the date of the merger agreement. However, neither Summit nor Peoples shall be obligated to take any action if the taking of such action or the obtaining of a consent, authorization, order, approval or exemption shall result in a condition or restriction upon such party or on the surviving entity that would have any of the following effects upon such party, (i) require a party to pay an amount that would be material to such party or to divest any banking office, line of business or operations or to increase regulatory capital or (ii) impose any condition, requirement or restriction upon Summit or its subsidiaries, that, in the case of (i) or (ii) above, would individually or in the aggregate, reasonably be expected to create a burdensome condition on Summit or its subsidiaries.

Peoples and Summit have the right to review in advance and, to the extent practicable, each will consult the other on, in each case subject to applicable laws, all the information relating to Peoples or Summit, as the case may be, and any of their respective subsidiaries, that appear in any filing made with, or written materials submitted to, any third party

or any governmental entity in connection with the transactions contemplated by the merger agreement. In addition, Summit and Peoples will consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and governmental entities necessary or advisable to consummate the transactions contemplated by the merger agreement, and each party will keep the other apprised of the status of matters relating to the completion of the merger. Summit and Peoples shall promptly deliver to each other copies of all filings, orders and material correspondence to and from all governmental entities in connection with the transactions contemplated by the merger agreement.

Table of Contents

Additionally, each of Summit and Peoples has agreed to furnish to the other, upon request, all information concerning itself, its subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with this prospectus and proxy statement, the Registration Statement on Form S-4 or any other statement, filing, notice or application made by or on behalf of Summit, Peoples or any of their respective subsidiaries to any regulatory or governmental entity in connection with the merger, the bank merger of any or the other transactions contemplated by the merger agreement.

NASDAQ Listing

Summit has agreed to use its commercially reasonable best efforts to cause the shares of Summit common stock to be issued to the holders of Peoples common stock in the merger to be authorized for listing on the Nasdaq Capital Select Market, subject to official notice of issuance, prior to the effective time of the merger.

Employee Matters

Following the effective time of the merger, Summit must maintain employee benefit plans and compensation opportunities for employees of Peoples and its subsidiaries on the closing date of the merger, referred to as covered employees, that provide employee benefits and compensation opportunities which, in the aggregate, are substantially comparable to the employee benefits and compensation opportunities that are available on a uniform and non-discriminatory basis to similarly situated employees of Summit or its subsidiaries. Summit will cause any and all pre-existing condition limitations (to the extent such limitations did not apply to a pre-existing condition under the compensation and benefit plans) and eligibility waiting periods under group health plans to be waived with respect to such participants and their eligible dependents. Summit will give the covered employees full credit for their prior service with Peoples and its subsidiaries for purposes of eligibility and vesting but not for purposes of benefit accrual under Summit's benefit plans, except this provision will not apply to the Summit Financial Group, Inc. Employee Stock Ownership Plan and no prior service credit will be granted for any purpose under that plan.

Except for employees of First Peoples Bank with individual agreements that provide for payment of severance under certain circumstances (who will be paid severance only in accordance with such agreements), Summit will pay each employee of First Peoples Bank who is involuntarily terminated by Summit or any of its subsidiaries (other than for cause) on or within nine months of the effective date, a severance payment equal to one week of base pay (at the rate in effect on the termination date) for each year of service at First Peoples Bank, with a minimum payment equal to 4 weeks of base pay and a maximum payment equal to 26 weeks of base pay, but only if such employee does not have rights to a severance payment under an employment agreement, in which case no severance payment shall be made to such employee pursuant to this provision.

Expenses

Whether or not the merger is consummated, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated hereby shall be paid by the party incurring such expense, except for any applicable termination fees, and furthermore, with respect to Peoples and its subsidiaries, shall be incurred or recognized as an expense for purposes of the calculation of adjusted shareholders' equity pursuant to the merger agreement, and except that (a) if the merger and the bank merger are consummated, the surviving entity shall pay, or cause to be paid, any and all property or transfer taxes imposed on either party in connection with the merger, and (b) the printing and mailing expenses incurred in connection with printing and mailing this prospectus and proxy statement shall be shared equally by Summit and Peoples.

Table of Contents

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the approval of the merger agreement by Peoples shareholders, as follows:

by mutual written consent of Summit and Peoples;

by either Summit or Peoples, if (i) a regulatory or other governmental authority that must grant a requisite regulatory approval has denied approval of the merger or the bank merger and such denial has become final and non-appealable (provided that the denial is not attributable to the failure of the party seeking to terminate the merger agreement to perform any covenant in the merger agreement required to be performed prior to the effective time of the merger) or (ii) a regulatory or other governmental authority has issued a final, non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the completion of the merger or the bank merger;

by either Summit or Peoples, if the merger has not been completed by March 31, 2019;

by Summit, upon written notice to Peoples, if any application for requisite regulatory approval shall have been denied or withdrawn at the request or recommendation of the governmental entity from which a requisite regulatory approval is required or if any such application is approved with commitments, conditions or understandings, whether contained in an approval letter or otherwise, which, imposes a burdensome condition on Summit or its subsidiaries, as applicable;

by either Summit or Peoples, if there is a breach by the other party of any representation, warranty, covenant or other agreement set forth in the merger agreement, that would, individually or in the aggregate, result in the failure to satisfy the closing conditions of the party seeking termination and such breach is not cured within thirty (30) days following written notice to the breaching party or by its nature or timing cannot be cured within that time period;

by Summit, upon written notice to Peoples, if, since the date of the merger agreement, there shall have occurred a material adverse effect with respect to Peoples;

by Peoples, upon written notice to Summit, if, since the date of the merger agreement, there shall have occurred a material adverse effect with respect to Summit;

by Summit, if the Peoples board of directors fails to recommend that the Peoples shareholders approve the merger agreement or makes a change in recommendation, or if Peoples materially breaches any of the provisions of the merger agreement relating to acquisition proposals, as described under Acquisition Proposals ;

by Peoples, prior to obtaining the approval of the merger agreement by the Peoples shareholders, in order to enter into an agreement relating to a superior proposal in accordance with the provisions of the merger agreement relating to third party proposals, as described under Acquisition Proposals on page 65 (provided that Peoples has not materially breached any such provisions and pays Summit the termination fee described under Termination Fee on page 74);

by either Summit or Peoples, if the Peoples shareholders fail to approve the merger agreement at a duly held meeting of Peoples shareholders or any adjournment or postponement thereof (provided that the Peoples board of directors has recommended that the Peoples shareholders approve the merger agreement and has not made a change in recommendation); and

by Peoples, if the average closing price of Summit common stock declines by more than 15% from \$27.10 and underperforms an index of banking companies by more than 15% over a designated measurement period, unless Summit agrees to increase the number of shares of Summit common stock to be issued to holders of Peoples common stock.

Table of Contents

Termination Fee

Peoples must pay Summit a termination fee of \$1,275,000:

if the merger agreement is terminated by Summit because the Peoples board of directors did not recommend that the Peoples shareholders approve the merger agreement or made a change in recommendation, or because Peoples materially breached any of the provisions of the merger agreement relating to acquisition proposals, as described under Acquisition Proposals on page 65; or

if the merger agreement is terminated by Peoples, prior to obtaining approval of the merger agreement by the Peoples shareholders, in order to enter into an agreement relating to a superior proposal in accordance with the provisions of the merger agreement relating to acquisition proposals, as described under Acquisition Proposals on page 65.

Effect of Termination

If the merger agreement is validly terminated, the merger agreement will become void and have no effect, and none of Peoples, Summit, any of their respective subsidiaries or any of the officers or directors of any of them will have any liability under the merger agreement, or in connection with the transactions contemplated by the merger agreement, except that:

the provisions of the merger agreement relating to confidentiality obligations of the parties, the payment of expenses, the termination fees, publicity and certain other technical provisions will continue in effect notwithstanding termination of the merger agreement; and

termination will not relieve a breaching party from liability for any willful and material breach of any provision of the merger agreement.

Other than in a case of willful and material breach of the merger agreement, the payment of the termination fee fully discharges Peoples from, and is the sole and exclusive remedy of Summit with respect to, any and all losses that may be suffered by Summit based upon, resulting from or arising out of the circumstances giving rise to such termination of the merger agreement.

Surrender of Stock Certificates

Computershare will act as exchange agent in the merger and in that role will process the exchange of Peoples stock certificates for Summit common stock. The exchange agent, or Summit and Peoples if the exchange agent declines to do so, will also be making any computations required by the merger agreement, and all such computations will be conclusive and binding on the holders of Peoples common stock in the absence of manifest error. **In any event, do not forward your Peoples stock certificates with your proxy card.**

After the effective time of the merger, each certificate formerly representing Peoples common stock, until so surrendered and exchanged, will evidence only the right to receive the number of whole shares of Summit common stock that the holder is entitled to receive in the merger, any cash payment in lieu of a fractional share of Summit

common stock and any dividend or other distribution with respect to Summit common stock with a record date occurring after the effective time of the merger. The holder of such unexchanged certificates will not be entitled to receive any dividends or distributions payable by Summit until the certificate has been exchanged. Subject to applicable laws, following surrender of such certificates, such dividends and distributions, together with any cash payment in lieu of a fractional share of Summit common stock, will be paid without interest.

After the completion of the merger, there will be no further transfers of Peoples common stock. Peoples stock certificates presented for transfer after the completion of the merger will be canceled and exchanged for the merger consideration.

Table of Contents

If your Peoples stock certificates have been either lost, stolen or destroyed, you will have to prove your ownership of these certificates and that they were lost, stolen or destroyed before you receive any consideration for your shares. Upon request, our exchange agent, Computershare, will send you instructions on how to provide evidence of ownership.

No Fractional Shares

Each holder of shares of common stock exchanged pursuant to the merger who would otherwise have been entitled to receive a fraction of a share of Summit common stock shall receive, in lieu thereof, cash (without interest) in an amount equal to the product of (i) such fractional part of a share of Summit common stock multiplied by (ii) \$47.00, the per share cash consideration. A Peoples shareholder whose direct shareholdings are represented by multiple Peoples stock certificates will have all shares associated with those stock certificates aggregated for purposes of calculating whole shares and cash in lieu of fractional shares to be received upon completion of the merger.

Accounting Treatment

The merger will be accounted for using acquisition accounting in accordance with U.S. generally accepted accounting principles. As such, the assets and liabilities of Peoples, as of the completion of the merger, will be recorded at their fair values as well as any identifiable intangible assets. Any remaining excess purchase price will be allocated to goodwill, will not be amortized and will be evaluated for impairment annually. Consolidated financial statements of Summit issued after the consummation of the merger will reflect such values. In addition, costs incurred in connection with the business combination will be expensed as incurred unless related to the equity issuance. The operating results of Peoples will be included in Summit's consolidated financial statements from the date the merger is consummated and afterwards.

Management and Operations after the Merger

The remaining current directors and senior officers of Summit and Summit Community Bank are expected to continue in their current positions. Information about the current Summit directors and executive officers can be found in the documents listed under [Where You Can Find More Information](#) beginning on page 91.

Resales of Summit Common Stock

The shares of Summit common stock to be issued to shareholders of Peoples under the merger agreement have been registered under the Securities Act and may be freely traded without restriction by holders, including holders who were affiliates of Peoples on the date of the special meeting (except for such holders who become affiliates of Summit as of the effective time of the merger via their appointment to the board of directors of Summit or otherwise). All directors and executive officers of Peoples are considered affiliates of Peoples for this purpose.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following discussion and legal conclusions contained herein constitute and represent the opinion of Bowles Rice LLP, counsel to Summit, and the opinion of Jackson Kelly PLLC, counsel to Peoples, as to the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Peoples common stock that exchange their shares of Peoples common stock for the merger consideration in the merger. The following discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings, and decisions, all as in effect on the date of this prospectus and proxy statement. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and

conclusions set forth in this discussion. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

Table of Contents

The following discussion applies only to U.S. holders of shares of Peoples common stock who hold such shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, without limitation, dealers or brokers in securities, commodities or foreign currencies; traders in securities that elect to apply a mark-to-market method of accounting; banks and certain other financial institutions; insurance companies; mutual funds; tax-exempt organizations; holders subject to the alternative minimum tax provisions of the Code; partnerships, S corporations or other pass-through entities or investors in partnerships, regulated investment companies, real estate investment trusts, controlled foreign corporations, or passive foreign investment companies; former citizens or residents of the United States; holders whose functional currency is not the U.S. dollar, holders who hold shares of Peoples common stock as part of a hedge, straddle, constructive sale or conversion transaction or other integrated investment; holders who exercise appraisal rights; or holders who actually or constructively own more than 5% of Peoples common stock).

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of Peoples common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation (or entity or an arrangement treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons (as defined in Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes, or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds Peoples common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes that holds Peoples common stock, and any partners in such partnership, should consult their own tax advisors.

Determining the actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult with your own tax advisor as to the specific tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and the effect of possible changes in those laws after the date of this proxy statement.

Tax Consequences of the Merger Generally

The merger and the bank merger will qualify as a "reorganization" under Section 368(a) of the Code for U.S. federal income tax purposes. It is a condition to the obligations of Summit that it receive an opinion from Bowles Rice and of Peoples that it receive an opinion from Jackson Kelly, each in form reasonably satisfactory to such recipient, to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Neither Summit nor Peoples currently intends to waive this opinion condition to its obligation to consummate the merger. If either Summit or Peoples waives this opinion condition after this registration statement is declared effective by the SEC, and if the tax consequences of the merger to Peoples shareholders have materially changed, Summit and Peoples will recirculate appropriate soliciting materials to resolicit the votes of Peoples shareholders. The opinion will be based on representation letters provided by Summit and Peoples and on customary factual assumptions, including, but not limited to, the assumption that the merger will be consummated in accordance with the terms of the merger agreement. The opinion described herein will not be binding on the Internal Revenue Service, which we refer to as the IRS, or any court.

Table of Contents

Summit and Peoples have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger, and as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which the opinion is based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

The U.S. federal income tax consequences of the merger are as follows:

any Peoples shareholder who receives solely stock consideration in the merger, upon exchanging his, her or its Peoples common stock for Summit common stock, will generally not recognize gain or loss, except with respect to cash received instead of fractional shares of Summit common stock (as discussed below);

any Peoples shareholder who receives solely cash consideration in the merger will recognize gain or loss upon surrendering his, her or its Peoples common stock in an amount equal to the difference between the amount of cash received and his, her or its aggregate adjusted tax basis in the shares of Peoples common stock surrendered therefor; and

any Peoples shareholder who receives both cash consideration (other than cash received instead of fractional shares of Summit common stock) and stock consideration in the merger, (1) will not recognize any loss upon surrendering his, her or its Peoples common stock, and (2) will recognize gain upon surrendering his, her or its Peoples common stock equal to the lesser of (a) the amount by which the fair market value of the Summit common stock and cash consideration received (other than cash received in lieu of a fractional share of Summit common stock) by such shareholder, as a U.S. holder of Peoples common stock, exceeds his, her, or its adjusted tax basis in his, her, or its Peoples common stock, and (b) the amount of cash consideration that such shareholder receives in the merger (excluding cash received instead of fractional shares of Summit common stock).

Gain or loss described in the second bullet point above generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective time of the merger, the holding period for such shares of Peoples common stock exceeds one year. Long-term capital gains of individuals are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain described in the third bullet point above will be capital gain unless your receipt of cash has the effect of a distribution of a dividend, in which case the gain will be treated as a dividend to the extent of your ratable share of Peoples accumulated earnings and profits, as calculated for U.S. federal income tax purposes. For purposes of determining whether your receipt of cash has the effect of a distribution of a dividend, you will be treated as if you first exchanged all of your Peoples common stock solely in exchange for Summit common stock (instead of the combination of Summit common stock and cash actually received) and then Summit immediately redeemed a portion of that stock for the cash that you actually received in the merger (referred to herein as the deemed redemption). Receipt of cash in such deemed redemption will generally be treated as capital gain and will not have the effect of a dividend to you if such deemed redemption is not essentially equivalent to a dividend or substantially disproportionate, each within the meaning of Section 302(b) of the Code. In order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must result in a meaningful reduction in the Peoples shareholder's deemed percentage stock ownership of Summit following the merger. The determination generally requires a comparison of (1) the percentage of the outstanding Summit voting stock that you are deemed actually and

constructively to have owned immediately before the deemed redemption to (2) the percentage of the outstanding Summit voting stock that you own immediately after the deemed redemption. In general, the deemed redemption will be substantially disproportionate with respect to a Peoples shareholder if the percentage of Summit voting stock that you own immediately after the deemed redemption is less than 80% of the percentage of Summit voting stock that you are deemed actually and constructively to have owned immediately before the deemed redemption. The IRS has indicated in rulings that any reduction in the interest of a minority shareholder that owns a small number of

Table of Contents

shares in a publicly and widely held corporation and that exercises no control over corporate affairs is considered a meaningful reduction and would result in capital gain (as opposed to dividend) treatment. For purposes of applying the foregoing tests, a shareholder will be deemed to own the stock the shareholder actually owns and the stock the shareholder constructively owns under the attribution rules of Section 318 of the Code. Under Section 318 of the Code, a shareholder will be deemed to own the shares of stock owned by certain family members, by certain estates and trusts of which the shareholder is a beneficiary, and by certain affiliated entities, as well as shares of stock subject to an option actually or constructively owned by the shareholder or such other persons. If, after applying these tests, the deemed redemption results in a capital gain, the capital gain will be long-term if your holding period for your Peoples common stock is more than one year as of the date of the exchange. If, after applying these tests, the deemed redemption results in the gain recognized being classified as a dividend, such dividend will be treated as either ordinary income or qualified dividend income. Any gain treated as qualified dividend income will be taxable to you at the long-term capital gains rate, provided you held the shares giving rise to such income for more than 60 days during the 121 day period beginning 60 days before the effective time of the merger. The determination as to whether you will recognize a capital gain or dividend income as a result of your exchange of Peoples common stock for a combination of Summit common stock and cash in the merger is complex and is determined on a shareholder-by-shareholder basis. Accordingly, we urge you to consult your own tax advisor with respect to any such determination that is applicable to your individual situation.

The aggregate tax basis of the Summit common stock that you receive in the merger, including any fractional shares deemed received and redeemed for cash as described below, will equal your aggregate adjusted tax basis in the shares of Peoples common stock that you surrender in the merger (less any tax basis attributable to cash received instead of a fractional share in Summit common stock), decreased by the amount of any cash consideration received (other than cash received instead of fractional shares of Summit common stock) and increased by the amount of any gain recognized in the merger (including any portion of the gain that is treated as a dividend, as described above, and excluding any gain recognized as a result of cash received instead of a fractional share). Your holding period for the shares of Summit common stock that you receive in the merger (including any fractional share deemed received and redeemed for cash as described below) will include your holding period for the shares of Peoples common stock that you surrender in the merger. If you acquired different blocks of Peoples common stock at different times or at different prices, gain or loss must be calculated separately for each identifiable block of shares of Peoples common stock surrendered in the merger, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares. Holders should consult their tax advisors regarding the manner in which cash and shares of Summit common stock should be allocated among different blocks of their Peoples common stock surrendered in the merger. The basis and holding period of each block of Summit common stock you receive will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Peoples common stock exchanged for such block of Summit common stock.

Cash Instead of Fractional Shares

If you receive cash instead of a fractional share of Summit common stock, you will be treated as having received such fractional share of Summit common stock pursuant to the merger and then as having received cash in redemption for such fractional share of Summit common stock. As a result, you generally will recognize gain or loss equal to the difference between the amount of cash received instead of a fractional share and the tax basis in your shares of Peoples common stock allocable to that fractional share of Summit common stock. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective time of the merger, the holding period for such fractional share (including the holding period of shares of Peoples common stock surrendered therefor) exceeds one year.

Net Investment Income Tax

A Medicare contribution tax is imposed on the net investment income of certain individuals, estates and trusts with income exceeding certain threshold amounts. A holder that is an individual is subject to a 3.8% tax on

Table of Contents

the lesser of: (1) his or her net investment income for the relevant taxable year, or (2) the excess of his or her modified adjusted gross income for the taxable year over a certain threshold (\$125,000, \$200,000 or \$250,000 depending on the individual's U.S. federal income tax filing status). Estates and trusts are subject to similar rules. Net investment income generally would include any capital gain recognized in connection with the merger (including any gain treated as a dividend), as well as, among other items, other interest, dividends, capital gains and rental or royalty income received by such individual. Holders should consult their tax advisors as to the application of this additional tax to their circumstances.

Possible Treatment of Merger as a Taxable Transaction

The IRS may determine that the merger does not qualify as a nontaxable reorganization under Section 368(a) of the Code. In that case, each Peoples shareholder would recognize a gain or loss equal to the difference between the (1) the sum of the fair market value of Summit common stock and cash received by the Peoples shareholder in the merger, and (2) the Peoples shareholder's adjusted tax basis in the shares of Peoples common stock exchanged therefor. This gain or loss generally will be a capital gain or loss, and will be long-term capital gain or loss if, as of the effective time of the merger, the holding period for such shares of Peoples common stock exceeds one year. The likely tax treatment of the merger will not be known until the effective time of the merger, as the aggregate value of the Summit common stock to be received by Peoples shareholders will fluctuate with the market price of the Summit common stock. Holders should consult their tax advisors as to the tax implications of the merger being treated as a taxable transaction.

Tax Treatment of Special Distribution

Under limited circumstances, Peoples may make a special distribution. Each holder of Peoples common stock receiving the special distribution who: (a) is not a nonresident alien; (b) is not a nominee; (c) is not a corporation subject to income taxation under Subchapter C of Chapter 1 of the Code; (d) is neither a regulated investment company, as defined in Section 851 of the Code, nor a real estate investment trust, as defined in Section 856 of the Code; (e) is not under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property; (f) does not know or have reason to know that the special distribution is in fact a payment in lieu of a dividend rather than an actual dividend and Peoples reports the special distribution to the holder of Peoples common stock on Form 1099-DIV; (g) does not elect to treat the special distribution as investment income under Section 163(d)(4)(B)(iii) of the Code; and (h) has held the Peoples common stock held by such holder for more than 60 days during the 121-day period beginning on the date that is 60 days before the date on which the Peoples common stock becomes ex-dividend with respect to the special distribution, will likely be entitled to treat the special distribution as qualified dividend income subject to federal income taxation as net capital gain under Section 1(h)(11) of the Code. It is not likely that any holder of Peoples common stock will recoup any income tax basis in any of their respective shares of Peoples common stock upon receipt of the special distribution.

HOLDERS OF PEOPLES COMMON STOCK SHOULD CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE RECEIPT OF THE SPECIAL DISTRIBUTION IF IT IS DECLARED AND PAID AS PART OF CONSUMMATING THE MERGER.

Information Reporting and Backup Withholding

Peoples shareholders are required to retain permanent records and make such records available to any authorized IRS officers and employees. The records should include the number of shares of Peoples common stock exchanged, the number of shares of Summit common stock received, the fair market value of the Peoples common stock exchanged, and the holder's adjusted basis in the Summit common stock received.

Table of Contents

If you are a non-corporate holder of Peoples common stock, you may be subject, under certain circumstances, to backup withholding (currently at a rate of 24%) on any cash payments you receive pursuant to the merger. You generally will not be subject to backup withholding, however, if you:

furnish a correct taxpayer identification number, certify that you are not subject to backup withholding on IRS Form W-9 (or substantially similar form) and otherwise comply with all the applicable requirements of the backup withholding rules;

provide a certification of foreign status on an appropriate IRS Form W-8 or successor form; or

provide proof that you are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules are not an additional tax and will generally be allowed as a refund or credit against your U.S. federal income tax liability, provided you timely furnish the required information to the IRS.

Certain Reporting Requirements

If a U.S. holder that receives Summit common stock in the merger is considered a significant holder, such U.S. holder will be required (1) to file a statement with its U.S. federal income tax return in accordance with Treasury Regulation Section 1.368-3 providing certain facts pertinent to the merger, including such U.S. holder's tax basis in, and the fair market value of, the Peoples common stock surrendered by such U.S. holder in the merger, and (2) to retain permanent records of these facts relating to the merger. A significant holder is any Peoples shareholder that, immediately before the merger, (a) owned at least 5% (by vote or value) of the outstanding stock of Peoples, or (b) owned Peoples securities with a tax basis of \$1.0 million or more.

This discussion of anticipated material U.S. federal income tax consequences is for general information purposes only and is not tax advice. Holders of Peoples common stock are urged to consult their tax advisors with respect to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty. Holders of Peoples common stock are also urged to consult their tax advisors with respect to the effect of possible changes in any of those laws after the date of this prospectus and proxy statement.

INFORMATION ABOUT SUMMIT

Summit is a West Virginia corporation registered as a bank holding company pursuant to the BHCA. Summit was incorporated on March 3, 1987, organized on March 5, 1987, and began conducting business on March 5, 1987. As of December 31, 2017, Summit has one banking subsidiary doing business under the name of Summit Community Bank. Summit Community Bank offers a full range of commercial and retail banking services and products.

As a bank holding company registered under the BHCA, Summit's present business is community banking. As of June 30, 2018, Summit's consolidated assets approximated \$2.1 billion and total shareholders' equity approximated \$210 million. At June 30, 2018, Summit's loan portfolio, net of unearned income and allowance for loan losses, was \$1.62 billion and its deposits were \$1.64 billion.

The principal executive offices of Summit are located in Moorefield, West Virginia at 300 North Main Street. The telephone number for Summit's principal executive offices is (304) 530-1000. Summit operates 29 full service offices - 17 located throughout West Virginia and 12 throughout Northern Virginia and the Shenandoah Valley.

For more information regarding Summit, please see Summit's Annual Report on Form 10-K for the year ended December 31, 2017, its quarterly report on Form 10-Q for the quarter ended June 30, 2018 and its prospectus and proxy statement for its 2018 Annual Meeting of shareholders, each of which are incorporated into this prospectus and proxy statement by reference.

Table of Contents

INFORMATION ABOUT PEOPLES

General

Peoples is a West Virginia corporation registered as a bank holding company pursuant to the BHCA. Peoples was incorporated in 1989. Through First Peoples Bank, Inc., or First Peoples Bank, a West Virginia banking corporation, Peoples offers a full line of business-related loan, deposit and cash management products through experienced professionals. Peoples operates three (3) full service offices in Raleigh and Wyoming Counties of West Virginia.

As of June 30, 2018, Peoples had total assets of \$134.7 million, total deposits of \$114.9 million, and total stockholders equity of \$19.7 million.

Properties

The principal executive offices of Peoples are located at 200 First Street, Mullens, West Virginia. The telephone number for Peoples principal executive offices is (304) 294-7115. Peoples operates 3 full service offices, and 3 ATM locations throughout southern West Virginia.

Description of Peoples Capital Stock

The authorized capital stock of Peoples consists of 1,200,000 shares, par value \$1.00 per share. As of the date of this prospectus and proxy statement, there were 542,041 shares of Peoples common stock outstanding, held by approximately [129] shareholders of record.

The following summary describes the material features and rights of Peoples common stock and is subject to, and qualified in its entirety by, applicable law and the provisions of Peoples amended and restated articles of incorporation and bylaws.

Voting Rights. All voting rights are vested in the holders of Peoples common stock. On all matters subject to a vote of shareholders, Peoples shareholders will be entitled to one vote for each share of common stock owned. Peoples shareholders have cumulative voting rights with regard to election of directors.

Dividend Rights. Peoples shareholders are entitled to receive dividends when and as declared by Peoples board of directors. The payment of dividends is also subject to the restrictions set forth in the WVBCA and the limitations imposed by the Federal Reserve Board.

Peoples payment of dividends depends upon receipt of dividends from First Peoples Bank, Peoples banking subsidiary. Payment of dividends by First Peoples Bank is regulated by the Federal Reserve and the WV DFI and generally, the prior approval of the Federal Reserve is required if the total dividends declared by First Peoples Bank, in any calendar year exceeds its net profits, as defined, for that year combined with its retained net profits for the preceding two years. Additionally, prior approval of the Federal Reserve is required when a state member bank has deficit retained earnings but has sufficient current year's net income, as defined, plus the retained net profits of the two preceding years. The Federal Reserve may prohibit dividends if it deems the payment to be an unsafe or unsound banking practice. The Federal Reserve has issued guidelines for dividend payments by state member banks emphasizing that proper dividend size depends on the bank's earnings and capital.

Liquidation Rights. Upon any liquidation, dissolution or winding up of Peoples affairs, the holders of Peoples common stock are entitled to receive pro rata all of Peoples assets for distribution to shareholders. There are no

redemption or sinking fund provisions applicable to the common stock.

Assessment and Redemption. Shares of Peoples common stock presently outstanding are validly issued, fully paid and nonassessable. There is no provision for any voluntary redemption of Peoples common stock.

Table of Contents

Preemptive Rights. No holder of any share of Peoples capital stock has any preemptive right to subscribe to an additional issue of capital stock or to any security convertible into such stock.

Transfer Agent. Peoples does not use a third party transfer agent for its shares and handles shareholder records and transactions internally.

Certain Provisions of the Articles of Incorporation

Indemnification and Limitations on Liability of Officers and Directors

As permitted by the WVBCA, the articles of incorporation of Peoples contain provisions that indemnify its directors and officers. These provisions do not limit or eliminate the rights of Peoples or any shareholder to seek an injunction or any other non-monetary relief in the event of a breach of a director's or officer's fiduciary duty. In addition, these provisions apply only to claims against a director or officer arising out of his or her role as a director or officer and do not relieve a director or officer from liability if he or she engaged in gross negligence, willful misconduct or criminal acts in the performance of his or her duties as a director or officer.

Peoples' articles of incorporation provide that each director or officer of Peoples shall be indemnified for costs and expenses arising out of any action, suit or proceeding against the director or officer by reason of being a director or officer of Peoples. However, a director or officer shall not be indemnified if he or she is adjudged in such suit or proceeding to be liable for negligence or misconduct in performance of a duty owed to the corporation, unless and only to the extent that the applicable court determines in view of all circumstances of the case, that such person is fairly and reasonably entitled to indemnity of expenses. Peoples has limited its exposure to liability for indemnification of directors and officers by purchasing directors and officers liability insurance coverage.

The rights of indemnification provided in the articles of incorporation of Peoples are not exclusive of any other rights that may be available under any insurance or other agreement, by vote of shareholders or disinterested directors or otherwise.

DESCRIPTION OF SUMMIT CAPITAL STOCK

General

The authorized capital stock of Summit consists of 20,250,000 shares, of which 20,000,000 shares are common stock, par value \$2.50 per share, and 250,000 shares are preferred stock, par value \$1.00 per share. As of the date of this prospectus and proxy statement, there were [12,470,334] shares of Summit's common stock outstanding, held by approximately [1155] shareholders of record. We previously have issued 40,000 shares of a series of preferred stock known as the Rockingham National Bank Series Convertible Preferred Stock, 3,710 shares of 8% Non-Cumulative Convertible Preferred Stock, Series 2009 and 12,000 shares of 8% Non-Cumulative Convertible Preferred Stock, Series 2011 all of which shares have since converted to common stock. The shares of the Rockingham National Bank Series Convertible Preferred Stock, the 8% Non-Cumulative Convertible Preferred Stock, Series 2009, and the 8% Non-Cumulative Convertible Preferred Stock, Series 2011 issued and converted to common stock were restored to the status of authorized and unissued shares of preferred stock without designation as to series.

As of the date of this prospectus and proxy statement, options to purchase an aggregate 29,200 shares of Summit's common stock remain exercisable under Summit's 1998 Option Plan and Summit's 2009 Option Plan. At Summit's annual meeting of shareholders that was held on May 15, 2014, Summit's shareholders approved the Summit Financial Group, Inc. 2014 Long-Term Incentive Plan, pursuant to which we are authorized to issue up to 500,000 shares of

common stock upon the exercise of stock options, stock appreciation rights, restricted stock, and restricted stock units granted under the plan. [481,415] shares of Summit common stock remain

Table of Contents

reserved for issuance upon the exercise of various equity awards granted under the 2014 Long-Term Incentive Plan. Summit has made awards of [220,892] stock-settled stock appreciation rights under the 2014 Long-Term Incentive Plan as of the date of this prospectus and proxy statement.

Common Stock

The following summary describes the material features and rights of Summit common stock and is subject to, and qualified in its entirety by, applicable law and the provisions of Summit's amended and restated articles of incorporation and bylaws.

Voting Rights. All voting rights are vested in the holders of Summit's common stock. On all matters subject to a vote of shareholders, Summit's shareholders will be entitled to one vote for each share of common stock owned. Summit's shareholders have cumulative voting rights with regard to election of directors.

Dividend Rights. Summit's shareholders are entitled to receive dividends when and as declared by Summit's board of directors. The payment of dividends is also subject to the restrictions set forth in the WVBCA and the limitations imposed by the Federal Reserve Board.

Summit's payment of dividends depends upon receipt of dividends from Summit Community Bank, Summit's banking subsidiary. Payment of dividends by Summit Community Bank is regulated by the FDIC and the WV DFI and generally, the prior approval of the FDIC is required if the total dividends declared by Summit Community Bank, in any calendar year exceeds its net profits, as defined, for that year combined with its retained net profits for the preceding two years. Additionally, prior approval of the FDIC is required when a state non-member bank has deficit retained earnings but has sufficient current year's net income, as defined, plus the retained net profits of the two preceding years. The FDIC may prohibit dividends if it deems the payment to be an unsafe or unsound banking practice. The FDIC has issued guidelines for dividend payments by state non-member banks emphasizing that proper dividend size depends on the bank's earnings and capital.

Liquidation Rights. Upon any liquidation, dissolution or winding up of Summit's affairs, the holders of Summit common stock are entitled to receive pro rata all of Summit's assets for distribution to shareholders. There are no redemption or sinking fund provisions applicable to the common stock.

Summit's board of directors may approve for issuance, without approval of the holders of common stock, preferred stock that has voting, dividend or liquidation rights superior to that of Summit common stock and which may adversely affect the rights of holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of common stock and could have the effect of delaying, deferring or preventing a change in control of Summit.

Assessment and Redemption. Shares of Summit common stock presently outstanding are validly issued, fully paid and nonassessable. There is no provision for any voluntary redemption of Summit common stock.

Preemptive Rights. No holder of any share of Summit capital stock has any preemptive right to subscribe to an additional issue of capital stock or to any security convertible into such stock.

Anti-Takeover Provisions. Provisions of Summit's amended and restated articles of incorporation and bylaws may have anti-takeover effects. These provisions may discourage attempts by others to acquire control of Summit without negotiation with Summit's board of directors. The effect of these provisions is discussed briefly below.

Authorized Stock. The shares of Summit's common stock authorized by Summit's amended and restated articles of incorporation but not issued provide Summit's board of directors with the flexibility

Table of Contents

to effect financings, acquisitions, stock dividends, stock splits and stock-based grants without the need for a shareholder vote. Summit's board of directors, consistent with its fiduciary duties, could also authorize the issuance of shares of preferred stock, and could establish voting, conversion, liquidation and other rights for preferred stock being issued, in an effort to deter attempts to gain control of Summit.

Classification of Board of Directors. Summit's amended and restated articles of incorporation currently provide that the board of directors is divided into three classes of as nearly equal size as possible, with one class elected annually to serve for a term of three years. This classification of the board of directors may discourage a takeover of Summit because a shareholder with a majority interest in the company would have to wait for at least two consecutive annual meetings of shareholders to elect a majority of the members of the board of directors.

Amendment of Amended and Restated Articles of Incorporation. Summit's amended and restated articles of incorporation requires the approval of 66 2/3% of shareholders to amend certain of the provisions of Summit's amended and restated articles of incorporation. This requirement is intended to prevent a shareholder who controls a majority of Summit common stock from avoiding the requirements of important provisions of Summit's amended and restated articles of incorporation simply by amending or repealing those provisions. Accordingly, the holders of a minority of the shares of Summit common stock could block the future repeal or modification of certain provisions of Summit's amended and restated articles of incorporation, even if that action were deemed beneficial by the holders of more than a majority, but less than 66 2/3%, of Summit common stock.

Business Combination Provisions. Summit's amended and restated articles of incorporation provide that at least 66 2/3% of the authorized, issued and outstanding voting shares must approve certain business combination transactions unless the particular business combination transaction has been previously approved by at least 66 2/3% of the board of directors, in which case a simple majority vote of the shareholders is required. In addition, Summit's amended and restated articles of incorporation provide that neither Summit nor any of its subsidiaries may become a party to any business combination transaction unless certain fair price requirements are satisfied.

Anti-Greenmail Provisions. Summit's amended and restated articles of incorporation provide that it may not repurchase, directly or indirectly, any shares of Summit's common stock at a purchase price that is greater than fair market value for such shares, from a 10% or greater shareholder (or an affiliate or associate of such shareholder) who acquired at least half of such shares within the last two years, unless such stock repurchase is approved by the holders of at least a majority of Summit's outstanding shares of common stock (other than the interested shareholder).

Listing. Summit's common stock is listed on the Nasdaq Capital Market under the symbol SMMF.

Transfer Agent. The transfer agent for Summit's common stock is Computershare. The transfer agent's address is P.O. Box 30170, College Station, Texas 77845.

Certain Provisions of the Articles of Incorporation

Indemnification and Limitations on Liability of Officers and Directors

As permitted by the WVBCA, the articles of incorporation of Summit contain provisions that indemnify its directors and officers to the fullest extent permitted by West Virginia law. These provisions do not limit or eliminate the rights of Summit or any shareholder to seek an injunction or any other non-monetary relief in the event of a breach of a

director's or officer's fiduciary duty. In addition, these provisions apply only to claims against a director or officer arising out of his or her role as a director or officer and do not relieve a director or officer from liability if he or she engaged in willful misconduct or a knowing violation of the criminal law or any federal or state securities law.

Table of Contents

Summit's articles of incorporation provide that each director or officer of Summit shall be indemnified for costs and expenses arising out of any criminal or civil suit or proceeding against the director or officer by reason of being a director or officer of Summit. However, a director or officer shall not be indemnified if he or she is adjudged in such suit or proceeding to be liable for negligence or misconduct in performance of a duty owed to the corporation, unless and only to the extent that the applicable court determines in view of all circumstances of the case, that such person is fairly and reasonably entitled to indemnity of expenses. Summit has limited its exposure to liability for indemnification of directors and officers by purchasing directors and officers liability insurance coverage.

The rights of indemnification provided in the articles of incorporation of Summit are not exclusive of any other rights that may be available under any insurance or other agreement, by vote of shareholders or disinterested directors or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling Summit pursuant to the foregoing provisions, Summit has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Shares Eligible for Future Sale

All of the shares that will be exchanged for shares of Summit common stock upon consummation of the merger will be freely tradable without restriction or registration under the Securities Act.

Summit cannot predict the effect, if any, that future sales of shares of its common stock, or the availability of shares for future sales, will have on the market price prevailing from time to time. Sales of substantial amounts of shares of Summit common stock, or the perception that such sales could occur, could adversely affect the prevailing market price of the shares.

COMPARATIVE RIGHTS OF SHAREHOLDERS

The rights of Summit shareholders and Peoples shareholders are governed by the WVBCA. The rights of shareholders under both corporations are also governed by their respective articles of incorporation and bylaws. Following the merger, the rights of Peoples shareholders that receive Summit common stock will be governed by the articles and bylaws of Summit. This summary does not purport to be a complete discussion of, and is qualified in its entirety by reference to, Peoples' articles of incorporation and bylaws, Summit's articles of incorporation and bylaws, and West Virginia law.

Authorized Capital Stock

<i>Summit</i>	<i>Peoples</i>
20,000,000 shares of common stock, \$2.50 par value per share,	1,200,000 shares of common stock, \$1.00 par value per share.
250,000 shares of preferred stock, \$1.00 par value per share.	

Preemptive Rights

<i>Summit</i>	<i>Peoples</i>

The articles of incorporation of Summit provide that shareholders do not have preemptive rights to purchase, subscribe for, or take any part of any stock, whether unissued or treasury shares, or any part of the notes, debentures, bonds or other securities issued, optioned or sold by Summit.

The articles of incorporation of Peoples provide that shareholders do not have preemptive or preferential rights to subscribe for any shares, whether unissued or treasury shares, or to any obligations convertible into shares of Peoples.

Table of Contents

Size of Board of Directors

Summit

Summit's bylaws provide that the board of directors shall consist of at least 9 and no more than 21 directors. Summit's board of directors currently consists of 15 individuals, and immediately following the merger will consist of 16 individuals.

Peoples

Peoples' bylaws provide that the board of directors shall consist of at least five and no more than 25 directors, the exact number within such limits to be fixed each year by the board of directors. The Peoples board of directors currently consists of 8 individuals.

Cumulative Voting for Directors

Cumulative voting entitles each shareholder to cast an aggregate number of votes equal to the number of voting shares held, multiplied by the number of directors to be elected. Each shareholder may cast all of his or her votes for one nominee or distribute them among two or more nominees, thus permitting holders of less than a majority of the outstanding shares of voting stock to achieve board representation. Where cumulative voting is not permitted, holders of all outstanding shares of voting stock of a corporation elect the entire board of directors of the corporation. Shareholders of Summit and Peoples are allowed to cumulate their votes in the election of directors. Each share of Summit stock or Peoples stock may be voted for as many individuals as there are directors to be elected. Directors are elected by a plurality of the votes cast by the holders entitled to vote at the meeting.

Classes of Directors

Summit

Summit's Articles provide that the board of directors shall be divided into three (3) classes as nearly equal in size as possible. The term of office of directors of one class shall expire at each annual meeting of shareholders.

Peoples

Peoples has one class of directors. The term of the class of directors shall expire at each annual meeting of the shareholders.

Qualifications of Directors

Summit

Summit's bylaws require that a person own a minimum of 2,000 shares of stock of Summit to be qualified as a director.

Peoples

Peoples' bylaws do not require that a person own shares of Peoples to be qualified as a director.

Filling Vacancies on the Board

Summit

Summit's bylaws provide that each vacancy existing on the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors at a regular or special meeting of the board of directors. Any directorship to be filled by reason of a vacancy may be filled for the unexpired

Peoples

Peoples' bylaws provide that any vacancy on the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. Any directorship to be filled by reason of a vacancy may be filled for the unexpired term of his predecessor in office.

Removal of Directors

Under West Virginia law any member of the board may be removed, with or without cause, by the affirmative vote of a majority of all the votes entitled to be cast for the election of directors; provided, however, that a director may not be

removed if the number of votes sufficient to elect the director under cumulative voting is voted against the director's removal.

Table of Contents

Notice of Shareholder Proposals and Director Nominations

Summit

Summit's Articles provide that shareholders may make a nomination for director provided that such nomination or nominations must be made in writing and delivered or mailed to, the President of Summit no later than 30 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 30 days notice of the meeting is given to shareholders, such nomination or nominations shall be mailed or delivered to the President of Summit no later than the fifth (5th) day following the day on which the notice of meeting was mailed.

Peoples

Peoples articles of incorporation and bylaws do not have any advanced notice requirements or director nomination requirements. Peoples shareholders may make shareholder proposals and director nominations prior to or at the meeting of shareholders.

Anti-Takeover Provisions Business Combinations

Summit

Summit's Articles of Incorporation provide that at least 66 2/3% of the authorized, issued and outstanding voting shares of Summit must approve certain business combinations unless the business combination has been previously approved by at least 66 2/3% of the board of directors of Summit, in which case only a simple majority vote of the shareholders shall be required.

Peoples

Under West Virginia law, a consolidation, merger, share exchange or transfer must be approved by the affirmative vote of a majority of the votes cast on the matter assuming a quorum is present at the meeting. The articles of incorporation of Peoples do not provide for a different voting requirement.

Summit's Articles of Incorporation additionally provide that neither Summit nor any of its subsidiaries shall become a party to any business combination unless certain fair price requirements are satisfied. West Virginia corporate law does not contain statutory provisions concerning restrictions on business combinations.

Shareholder Action Without a Meeting

Unless otherwise set forth in the corporation's articles of incorporation, West Virginia law provides that action required or permitted by law to be taken at a shareholders' meeting may be taken without a meeting, if a written consent that describes the action is signed by all of shareholders entitled to vote on the action, bears the date of each signature and is delivered for inclusion with the minutes or corporate records of the corporation. Summit's bylaws and Peoples' bylaws each provide that any action required to be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote on the matter at issue.

Calling Annual Meetings of Shareholders

Summit

Peoples

The annual meeting of the shareholders of Summit shall be held on the third Thursday in May of each calendar year or on such other date as may be designated in the notice and call of such meeting, at such place either within or outside the State of West Virginia as the board of directors shall, from time to time, determine, and the place and the hour at which such meeting shall be held shall be stated in the notice and call of such meeting.

The annual meeting of the shareholders of Peoples shall be held on the second Tuesday of March, at 3:30 p.m., local time, or at such other time on such other day within such month as the board of directors may designate.

Table of Contents**Notice of Meeting***Summit*

Summit's bylaws require that the notice of annual and special meetings be given by mailing notice to each shareholder at the address appearing on the books of the corporation. Notices of special meetings must state the purpose of the meeting. The notice must be mailed to the last address of the shareholders as they appear upon the books of the corporation, and for both annual and special meetings, not less than 10 days and no more than 60 days before the date of such meeting.

Peoples

Peoples' bylaws require that the notice of annual and special meetings be given personally or by mailing notice to each shareholder at the address appearing on the books of the corporation. Notices of special meetings must state the purpose of the meeting. The notice must be mailed to the last address of the shareholders as they appear upon the books of the corporation, and for both annual and special meetings, not less than 10 days and no more than 50 days before the date of such meeting.

Vote Required for Amendments to Articles of Incorporation and Certain Transactions

West Virginia law provides that on matters other than the election of directors and certain extraordinary corporate actions, if a quorum is present, then action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the vote of a greater number is required by law or the articles of incorporation or bylaws. The articles of incorporation or bylaws of Summit do not require a greater number. The articles of incorporation of Peoples require the affirmative vote of the holders of a majority of the voting interest in the outstanding voting stock entitled to be cast on the matter, unless a greater amount is required by law. An abstention is not considered a vote cast for purposes of the voting requirements, but a shareholder who abstains in person or by proxy is considered present for purposes of the quorum requirement.

Summit

Summit's articles of incorporation require the affirmative vote of holders of at least 66 2/3% of the then outstanding voting shares of Summit; provided, however, such vote shall not be required for any such amendment, change or repeal recommended to the shareholders by the favorable vote of not less than 66 2/3% of the directors of Summit, and any such amendment, change or repeal so recommended shall require only a majority vote.

Peoples

Pursuant to West Virginia Law, the articles of incorporation of Peoples may be amended by the affirmative vote of a majority of the votes cast by Peoples shareholders at any meeting at which a quorum is present called for the purpose of amending the articles of incorporation.

The articles of incorporation of Summit provide that at least 66 2/3% of the authorized, issued and outstanding voting shares of Summit must approve any merger or consolidation of Summit with another corporation or any sale, lease or exchange by liquidation or otherwise of all or substantially all of the assets of Summit unless such transaction has been previously approved by at least 66 2/3% of the board of directors in which case a simple majority vote of the shareholders shall be required.

Amendment of Bylaws

Summit

Under West Virginia law, the Summit bylaws may be amended by the affirmative vote of a majority of all votes of shareholders entitled to be cast on the matter, unless a different number is specified in the articles of incorporation or required by the board of directors. Summit s bylaws

Peoples

Under West Virginia law, the Peoples bylaws may be amended by the affirmative vote of a majority of all votes of shareholders entitled to be cast on the matter, unless a different number is specified in the articles of incorporation or required by the board of directors.

Table of Contents

provide that the bylaws may only be altered, amended or repealed and new bylaws may only be adopted by the board of directors at a regular or special meeting of the board of directors by a vote of three fourths of the board of directors or by a majority of the shareholders.

Peoples' bylaws provide that the bylaws may be altered, amended or repealed and new bylaws may only be adopted by the board of directors at a regular or special meeting of the board of directors by a majority of the board of directors.

Appraisal Rights

Under West Virginia law, shareholders are generally entitled to object and receive payment of the fair value of their stock in the event of any of the following corporate actions: merger, transfer of all or substantially all of the corporation's assets, participation in a share exchange as the corporation the stock of which is to be acquired, or an amendment to the articles of incorporation that reduces the number of shares of a class or series owned by shareholders to a fraction of a share if the corporation has the obligation or right to repurchase the fractional shares. However, appraisal rights are not available to shareholders in the event of one of the foregoing corporate actions if the stock is (i) listed on the New York Stock Exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held by 2,000 or more shareholders and the outstanding shares of stock, excluding shares held by affiliates or shareholders holding more than 10% of the outstanding shares, have an aggregate market value of \$20 million or more.

Dividends

A West Virginia corporation generally may pay dividends in cash, property or its own shares except when the corporation is unable to pay its debts as they become due in the usual course of business or the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the dividend, to satisfy any shareholders who have rights superior to those receiving the dividend.

Discharge of Duties; Exculpation and Indemnification

West Virginia law requires that a director of a West Virginia corporation discharge duties as a director in good faith, in a manner reasonably believed to be in the best interest of the corporation and with the care that a person in a like position would reasonably believe appropriate under similar circumstances.

Summit

Summit's articles of incorporation provide that each director or officer of Summit shall be indemnified for costs and expenses arising out of any criminal or civil suit or proceeding against the director or officer by reason of being a director or officer of Summit. However, a director or officer shall not be indemnified if he or she is adjudged in such suit or proceeding to be liable for negligence or misconduct in performance of a duty owed to the corporation, unless and only to the extent that the applicable court determines in view of all circumstances of the case, that such person is fairly and reasonably entitled to indemnity of expenses which the court shall deem proper.

Peoples

Peoples' articles of incorporation provide that each director, officer, employee or agent of Peoples shall be indemnified for costs and expenses arising out of any action, suit or proceeding against the director, officer, employee or agent by reason of being a director, officer, employee or agent of Peoples or of any other firm, corporation, association, company or organization which he or she serves or has served as a director, officer, employee or agent at the request of the corporation. However, a director, officer, employee or agent shall not be indemnified if he or she is adjudged, in such suit or proceeding to be liable for gross negligence, willful misconduct or criminal acts in the

performance of his or her duties for the corporation.

Table of Contents

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND
MANAGEMENT OF PEOPLES**

The following table sets forth certain information as of August 27, 2018, concerning the number and percentage of shares of Peoples common stock beneficially owned by each of Peoples directors and by Peoples directors and executive officers as a group. In addition, the table includes information with respect to persons known to Peoples who own or may be deemed to own more than 5% of Peoples common stock as of August 27, 2018. Except as otherwise indicated, all shares are owned directly, the named person possesses sole voting and sole investment power with respect to all such shares, and none of such shares are pledged as security.

	Number of Shares Beneficially Owned	Percentage of Class Beneficially Owned
5% Shareholders:		
H. E. Lilly Trust	150,000	27.673
Barbara Davis Pauley	28,950	5.341
Susan D. Burlingame	30,000	5.535
William R. Davis, II, M.D.	27,950	5.156
Directors:		
Ronald L. Bowling ¹	7,000	1.291
Robert Browning, Jr.	100	0.018
Charles T. Feller	9,531	1.758
Randy Hamilton ²	1,500	0.276
Joseph G. Mason III ³	16,503	3.045
Kenneth W. McBride ⁴	2,750	0.507
Barbara Davis Pauley ⁵	28,950	5.341
Michael N. Wikel	7,100	1.292
Directors and Executive Officers as a group (9 persons)	74,959	13.829%

¹ Includes 6,000 shares held jointly with spouse.

² Includes 1,400 shares held jointly with spouse.

³ Includes 368 shares held as trustee under the Uniform Transfers to Minors Act and 15,778 shares held as trustee of the Joan R. Mason Revocable Trust.

⁴ Includes 2,500 shares held jointly with spouse.

⁵ Includes 1,500 shares held jointly with spouse.

Table of Contents

LEGAL MATTERS

Bowles Rice LLP (Charleston, West Virginia) and Jackson Kelly PLLC (Charleston, West Virginia) will opine as to the qualification of the merger as a merger and the tax treatment of the consideration paid in connection with the merger under the Code. Bowles Rice LLP will opine as to the legality of the common stock of Summit offered by this prospectus and proxy statement.

EXPERTS

The consolidated financial statements of Summit appearing in Summit's Annual Report (Form 10-K) for the year ended December 31, 2017, and the effectiveness of Summit's internal control over financial reporting as of December 31, 2017, have been audited by Yount, Hyde & Barbour P.C., independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and Summit management's assessment of the effectiveness of internal controls over financial reporting as of December 31, 2017 are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

PEOPLES ANNUAL MEETING

Peoples will hold a 2019 annual meeting of shareholders only if the merger is not completed. If determined to be necessary, Peoples' board of directors will provide each shareholder of Peoples information relevant to Peoples' 2019 annual meeting of shareholders.

WHERE YOU CAN FIND MORE INFORMATION

Summit filed with the SEC under the Securities Act the registration statement on Form S-4 to register the shares of Summit common stock to be issued to Peoples shareholders in connection with the merger. The registration statement, including the exhibits and schedules thereto, contains additional relevant information about Summit and its common stock. The rules and regulations of the SEC allow Summit to omit certain information included in the registration statement from this prospectus and proxy statement. This prospectus and proxy statement is part of the registration statement and is a prospectus of Summit in addition to being Peoples' proxy statement for the Peoples special meeting.

Summit (File No. 0-16587) files reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934. You may read and copy this information at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet web site that contains reports, proxy statements and other information about issuers, like Summit, that file electronically with the SEC. The address of that site is <http://www.sec.gov>. Summit also posts its SEC filings on its web site, www.summitfci.com. Information contained on the Summit website is not incorporated by reference into this prospectus and proxy statement, and you should not consider information contained in its website as part of this prospectus and proxy statement. You can also inspect reports, proxy statements and other information that Summit has filed with the SEC at the National Association of Securities Dealers, Inc., 1735 K Street, Washington, D.C. 20096.

The SEC allows Summit to incorporate by reference information into this prospectus and proxy statement. This means that we can disclose important information to you by referring you to another document filed separately by Summit with the SEC. The information incorporated by reference is considered to be a part of this prospectus and proxy statement, except for any information that is superseded by information that is included directly in this prospectus and proxy statement.

Table of Contents

This prospectus and proxy statement incorporates by reference the documents listed below that Summit has previously filed with the SEC:

Annual Report on Form 10-K	Year ended December 31, 2017.
Quarterly Reports on Form 10-Q	Quarters ended June 30, 2018 and March 31, 2018
Current Reports on Form 8-K	Filed on January 12, 2018, January 26, 2018, February 9, 2018, May 18, 2018, July 24, 2018 and July 27, 2018

Summit also incorporates by reference additional documents that may be filed under Sections 13(a), 14 and 15(d) of the Securities Exchange Act with the SEC between the date of this prospectus and proxy statement and the date of Peoples' special meeting of shareholders or the termination of the merger agreement. These include periodic reports such as Definitive Proxy Materials for the 2018 Annual Meeting of Shareholders, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You can obtain additional copies of the documents incorporated by reference in this prospectus and proxy statement free of charge by requesting them in writing or by telephone from the following address:

Summit Financial Group, Inc.

300 North Main Street

Moorefield, West Virginia 26836

Attention: Robert S. Tissue

Telephone: (304) 530-1000

If you would like to request any documents, please do so by [], 2018 in order to receive them before the shareholder meeting.

Neither Summit nor Peoples has authorized anyone to give any information or make any representation about the merger or the companies that is different from, or in addition to, that contained in this prospectus and proxy statement or in any of the materials that we have incorporated into this prospectus and proxy statement. Therefore, if anyone does give you information of this sort, you should not rely on it. Information in this prospectus and proxy statement about Summit has been supplied by Summit and information about Peoples has been supplied by Peoples. The information contained in this prospectus and proxy statement speaks only as of the date of this prospectus and proxy statement unless the information specifically indicates that another date applies.

The representations, warranties and covenants described in this prospectus and proxy statement and included in the merger agreement were made only for purposes of the merger agreement and as of specific dates, are solely for the benefit of Summit and Peoples, may be subject to limitations, qualifications or exceptions agreed upon by the parties, including those included in confidential disclosures made for the purposes of, among other things, allocating contractual risk between Summit and Peoples rather than establishing matters as facts, and may be subject to standards of materiality that differ from those standards relevant to investors. You should not rely on the representations,

warranties or covenants or any description thereof as characterizations of the actual state of facts or condition of Summit, Peoples or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in public disclosures by Summit or Peoples. The representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this prospectus and proxy statement and in the documents incorporated by reference into this prospectus and proxy statement. See [Where You Can Find More Information](#) on page 91.

Table of Contents

Appendix A

Execution Version

AGREEMENT AND PLAN OF MERGER

by and between

SUMMIT FINANCIAL GROUP, INC.

and

PEOPLES BANKSHARES, INC.

Dated as of July 24, 2018

Table of Contents**TABLE OF CONTENTS**

	Page	
ARTICLE I	<u>THE MERGERS</u>	A-2
Section 1.1.	<u>Merger</u>	A-2
Section 1.2.	<u>Effective Time of the Merger</u>	A-2
Section 1.3.	<u>Closing</u>	A-2
Section 1.4.	<u>Effects of the Merger</u>	A-3
Section 1.5.	<u>Governing Documents of Surviving Entity</u>	A-3
Section 1.6.	<u>Managers and Officers</u>	A-3
Section 1.7.	<u>Bank Merger</u>	A-3
Section 1.8.	<u>Tax Treatment of Merger and Agreement</u>	A-3
ARTICLE II	<u>EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS; EXCHANGE OF CERTIFICATES</u>	A-3
Section 2.1.	<u>Effect on Capital Stock</u>	A-3
Section 2.2.	<u>Election Procedures</u>	A-5
Section 2.3.	<u>Exchange Procedures; Surrender of Certificates</u>	A-7
Section 2.4.	<u>Distributions with Respect to Unexchanged Shares</u>	A-8
Section 2.5.	<u>Termination of Exchange Fund</u>	A-8
Section 2.6.	<u>No Liability</u>	A-8
Section 2.7.	<u>Withholding</u>	A-8
Section 2.8.	<u>Dissenting Shares</u>	A-8
ARTICLE III	<u>REPRESENTATIONS AND WARRANTIES OF PEOPLES BANKSHARES</u>	A-9