

SUMMIT FINANCIAL GROUP INC

Form 424B3

September 26, 2018

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Registration No. 333-227080

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 November 8, 2018, at 1:30 p.m., local time, at Twin Falls State Park, located at Rte. 97, Mullens, WV, 25882.

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 September 21, 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 September 21, 2018	\$ 24.24	\$ 41.68	\$ 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 November 8, 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 September 26, 2018 and it is first being mailed or otherwise delivered to Peoples shareholders on or about October 1, 2018.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On November 8, 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 Twin Falls State Park, located at Rte. 97, Mullens, WV, 25882, on November 8, 2018, at 1:30 p.m. 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 September 20, 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

September 26, 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.

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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 October 25, 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 September 26, 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.

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APPENDICES

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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 November 8, 2018, at 1:30 p.m., local time, at Twin Falls State Park, located at Rte. 97, Mullens, WV, 25882.

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.

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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.

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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 September 20, 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

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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.

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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.

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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.

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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.

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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

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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).

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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

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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 November 8, 2018, at 1:30 p.m., local time, at Twin Falls State Park, located at Rte. 97, Mullens, WV, 25882. 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 September 20, 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

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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 13.83% 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;

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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

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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,

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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 September 21, 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,

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which 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 September 21, 2018	\$ 24.24	\$ 41.68	\$ 47.00

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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

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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.

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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

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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.

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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;

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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

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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 September 21, 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 \$24.24.

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			
Third Quarter (through September 21, 2018)	*	\$ 27.50	\$ 23.90
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

* A dividend of \$0.13 was declared on August 23, 2018 and is scheduled to be paid on September 28, 2018. As of September 21, 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 1,154 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 September 21, 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 September 21, 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

September 21, 2018 is determined by multiplying \$24.24 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

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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
September 21, 2018	\$ 24.24	\$ 41.68

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;

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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.

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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 November 8, 2018, at 1:30 p.m., local time, at Twin Falls State Park, located at Rte. 97, Mullens, WV, 25882.

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,

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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 September 20, 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 152,836 shares of Peoples common stock, or approximately 28.20% 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.

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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.

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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.

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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 January 18, 2019. 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.

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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

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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.

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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

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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;

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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;

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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

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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;

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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-