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| <b>Reporting Period / Event Date:</b>   | <b>10/23/09</b>      |
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## EDGAR Submission Header Summary

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| Submission Contact              | Victoria A. Faw           |
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| Emails                          | vikki.faw@cityholding.com |

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### Documents

|         |  |
|---------|--|
| 8-K     | form8-k.htm  |
|         | CHCO Form 8-K, 3rd Quarter 2009 Earnings                                 |
| GRAPHIC | chcologo.jpg   |
|         | CHCO logo  |
| EX-99.1 | ex99-1.htm   |
|         | Exhibit 99.1, Earnings Release   |
| 8-K     | submissionpdf.pdf  |
|         | Printable copy of CHCO Form 8-K, 3rd Quarter Earnings Release and Tables |

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### Module and Segment References

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C., 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported)  
**October 23, 2009**



**CITY HOLDING COMPANY**  
(Exact Name of Registrant as Specified in its Charter)

Commission File Number: **0-11733**

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

**55-0619957**  
(I.R.S. Employer  
Identification No.)

**25 Gatewater Road, Cross Lanes, WV 25313**  
(Address of Principal Executive Offices, Including Zip Code)

**304-769-1100**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR240.13e-4(c))

## **Section 2 - Financial Information**

### **Item 2.02 Results of Operations and Financial Condition.**

On October 23, 2009, City Holding Company ("the Company") issued a news release, attached as Exhibit 99.1, announcing the Company's earnings results for the third quarter ended September 30, 2009. Furnished as Exhibit 99.1 and incorporated herein by reference is the news release issued by the Company.

## **Section 9 - Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

99.1

News Release issued October 23, 2009

### **Signatures**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the Undersigned hereunto duly authorized.

Dated: October 27, 2009

**City Holding Company**

By: /s/ David L. Bumgarner

David L. Bumgarner  
Chief Financial Officer

# ***NEWS RELEASE***

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For Immediate Release  
October 23, 2009

For Further Information Contact:  
Charles R. Hageboeck, Chief Executive Officer and President  
(304) 769-1102

## **City Holding Company Announces Third Quarter Earnings**

Charleston, West Virginia – City Holding Company, “the Company” (NASDAQ:CHCO), a \$2.6 billion bank holding company headquartered in Charleston, today announced net income per diluted share for the third quarter of \$0.66 compared to a net loss of \$(0.16) per diluted share in the third quarter of 2008. Net income for the third quarter of 2009 was \$10.5 million compared to a loss of \$2.6 million in the third quarter of 2008. For the third quarter of 2009, the Company achieved a return on assets of 1.60%, a return on tangible equity of 17.49%, a net interest margin of 4.09%, and an efficiency ratio of 48.8%. Net income for the first nine months of 2009 was \$31.6 million compared to \$23.9 million in the first nine months of 2008. For the first nine months of 2009, the Company achieved a return on assets of 1.62%, a return on tangible equity of 18.1%, a net interest margin of 4.22%, and an efficiency ratio of 49.8%.

City’s CEO Charles Hageboeck stated that, “Despite the continuing impact of the recession that the U.S. economy is experiencing, City’s earnings have held up relatively well, and we believe that our shareholders will be pleased with our third quarter results during this challenging economic environment. Like many retail-deposit focused banking franchises, City’s net interest income has been negatively impacted by historically low interest rates. However our asset quality improved during the third quarter of 2009 with net charge-offs, non-performing assets, and past due loans all declining as compared to the second quarter of 2009. City’s franchise has benefited from lower unemployment rates within the markets it serves as compared to state and national averages. The unemployment rate for the markets served by City approximated 8.1% in July 2009 compared to 9.0% for the state of West Virginia and 9.4% for the United States. City’s most significant asset quality problems continue to be non-owner occupied residential construction at the Greenbrier Resort in White Sulphur Springs, West Virginia and real estate in the Eastern Panhandle of West Virginia, a distant part of the Washington DC metropolitan area.

“We believe that City remains well positioned for the future with strong capital, strong liquidity, and a solid core-deposit franchise. In addition, we are well positioned to benefit from future interest rate increases with our asset sensitive balance sheet. City continues to be one of the most profitable, most liquid, and best capitalized publicly traded banks in the U.S. and we look forward to growing with and for our shareholders and customers.”

### ***Net Interest Income***

The Company's tax equivalent net interest income decreased \$2.6 million, or 9.8%, from \$26.5 million during the third quarter of 2008 to \$23.9 million during the third quarter of 2009, as interest income from loans and investments decreased more quickly than interest expense on deposits and other interest bearing liabilities. The Company's reported net interest margin decreased from 4.78% for the quarter ended September 30, 2008 to 4.09% for the quarter ended September 30, 2009. Compared to the second quarter of 2009, the Company's tax equivalent net interest income increased \$0.2 million. The Company's reported net interest margin decreased from 4.12% for the quarter ended June 30, 2009 to 4.09% for the quarter ended September 30, 2009.

During the third and fourth quarters of 2008, the Company sold \$450 million of interest rate floors. The gain from sales of these interest rate floors of \$16.7 million will be recognized over the remaining lives of the various hedged loans – predominantly prime-based commercial and home equity loans. During the third quarter of 2009, the Company recognized \$2.2 million of interest income compared to \$2.7 million and \$2.4 million of interest income recognized in the second quarter of 2009 and the third quarter of 2008, respectively, from the interest rate floors.

### ***Credit Quality***

Past due loans declined slightly from the second quarter of 2009 to \$7.2 million or 0.40% of total loans outstanding. Past due commercial, financial, and agriculture loans declined \$1.2 million from the second quarter of 2009 to \$0.5 million or 0.07% of loans outstanding. Past due residential real estate loans declined \$1.9 million from the second quarter of 2009 to \$3.2 million or 0.54% of loans outstanding. Past due home equity loans declined \$0.3 million to \$1.7 million or 0.43% of loans outstanding.

The Company's ratio of non-performing assets to total loans and other real estate owned decreased from 1.76% at June 30, 2009 to 1.59% at September 30, 2009, and compares to 1.64% at December 31, 2008. The Company's ratio of non-performing assets to total loans and other real estate owned compares very favorably to peers. The Company's non-performing asset ratio of 1.59% at September 30, 2009 is only 34% of the 4.73% non-performing asset ratio reported by the Company's peer group (bank holding companies with total assets between \$1 and \$5 billion) as of the most recently reported quarter ended June 30, 2009.

The Company had net charge-offs of \$3.0 million for the third quarter of 2009. Net charge-offs on commercial and residential loans were \$2.1 and \$0.5 million, respectively, for the third quarter. Charge-offs for commercial loans were primarily related to three specific credits that had been appropriately considered in establishing the allowance for loans losses in prior periods. In addition, net charge-offs for depository accounts were \$0.4 million for the third quarter of 2009. While charge-offs on depository accounts are appropriately taken against the Allowance for Loan Losses ("ALLL"), the revenue associated with depository accounts is reflected in service charges.

At September 30, 2009, the ALLL was \$19.7 million or 1.09% of total loans outstanding and 119% of non-performing loans compared to \$18.9 million or 1.06% of loans outstanding and 136% of non-performing loans at September 30, 2008, and \$22.3 million or 1.23% of loans outstanding and 86% of non-performing loans at December 31, 2008.

As a result of the Company's quarterly analysis of the adequacy of the ALLL, the Company recorded a provision for loan losses of \$1.68 million in the third quarter of 2009 compared to \$2.35 million for the comparable period in 2008. The provision for loan losses recorded during the third quarter of 2009 reflects commercial loan growth during the third quarter of 2009, the difficulties of certain commercial borrowers of the Company during the quarter, the downgrade of their related credits, and management's assessment of the impact of these difficulties on the ultimate collectability of the loans. Changes in the amount of the provision and related allowance are based on the Company's detailed systematic methodology and are directionally consistent with changes in the composition and quality of the Company's loan portfolio. The Company believes its methodology for determining the adequacy of its ALLL adequately provides for probable losses inherent in the loan portfolio and produces a provision and allowance for loan losses that is directionally consistent with changes in asset quality and loss experience.

#### ***Investment Securities***

During the third quarter of 2009, the Company recorded \$2.3 million of other than temporary impairment losses related to credit, which lowered the Company's reported net income by \$1.4 million or \$0.09 per diluted share. The charges deemed to be other than temporary were related to pooled bank trust preferreds with a remaining book value of \$7.4 million at September 30, 2009 and community bank and bank holding company equity positions with a remaining book value of \$8.5 million at September 30, 2009. The impairment charges of \$1.4 million related to the pooled bank trust preferred securities were based on the Company's quarterly reviews of its investment securities for indications of losses considered to be other than temporary. Based on management's assessment of the securities the Company owns, the seniority position of the securities within the pools, the level of defaults and deferred payments within the pools, and a review of the financial strength of the banks within the respective pools, management concluded that impairment charges of \$1.4 million on the pooled bank trust preferred securities were necessary for the quarter ended September 30, 2009. The impairment charges of \$0.9 million related to community bank equity positions were due to poor financial performance and recent actions taken by the Federal Deposit Insurance Corporation and a state regulator against one of the community banks in whose parent holding company the Company has an equity position.

### ***Non-interest Income***

Exclusive of investment losses, non-interest income remained flat at \$14.7 million for both the third quarter of 2009 and the third quarter of 2008. Insurance commission revenues increased \$0.2 million on the strength of new business and other income increased \$0.1 million from the third quarter of 2008. These increases were offset by a decrease of \$0.3 million from service charges from depository accounts as compared to the third quarter of 2008. We believe that this decrease was primarily attributable to a general nationwide decline in consumer spending.

### ***Non-interest Expenses***

Non-interest expenses decreased \$0.4 million from \$19.2 million in the third quarter of 2008 to \$18.8 million in the third quarter of 2009. Other expenses declined \$0.4 million from the third quarter of 2008 primarily due to lower derivative amortization associated with the Company's sale of its interest rate floors in the third and fourth quarters of 2008. In addition, professional fees decreased \$0.2 million from the third quarter of 2008 and repossessed asset losses (net of expenses) declined \$0.2 million from the third quarter of 2008. Partially offsetting these decreases was an increase in occupancy and equipment expenses of \$0.2 million from the third quarter of 2008. Although insurance and regulatory expense remained flat from the third quarter of 2008, this expense is expected to increase approximately \$0.7 million in the fourth quarter of 2009 as the Company fully utilized its FDIC credits in the third quarter of 2009 and the assessment rates have risen during 2009.

### ***Balance Sheet Trends***

As compared to December 31, 2008, loans have decreased \$15.0 million (0.8%) at September 30, 2009 due to decreases in residential real estate loans of \$21.3 million (3.5%) and commercial loans of \$6.1 million (0.8%). These decreases were partially offset by an increase in home equity loans of \$12.3 million (3.2%).

Total average depository balances decreased \$5.2 million, or 0.2%, from the quarter ended June 30, 2009 to the quarter ended September 30, 2009. Decreases in noninterest bearing demand deposits (\$8.9 million) and time deposits (\$4.0 million) were partially offset by increases in savings deposits (\$5.4 million) and interest bearing demand deposits (\$2.3 million).

### ***Income Tax Expense***

The effective rate is based upon the Company's expected tax rate for the year ending December 31, 2009, excluding impairment losses and the realization of previously unrecognized tax positions. Excluding the impact of other than temporary impairment losses and the realization of previously unrecognized tax positions during the third quarter, the Company's effective income tax rate for the third quarter of 2009 was 34.3% compared to 34.1% for the year ended December 31 2008, and 33.9% for the quarter ended September 30, 2008. During the quarter ended September 30, 2009, the Company realized \$0.2 million of previously unrecognized tax positions compared to \$1.1 million during the quarter ended September 30, 2008.



## **Capitalization and Liquidity**

One of the Company's strengths is that it is highly profitable while maintaining strong liquidity and capital. With respect to liquidity, the Company's loan to deposit ratio was 84.5% and the loan to asset ratio was 69.2% at September 30, 2009. The Company maintained investment securities totaling 19.4% of assets as of this date. Further, the Company's deposit mix is weighted heavily toward checking and saving accounts that fund 42.8% of assets at September 30, 2009. Time deposits fund 39.1% of assets at September 30, 2009, but very few of these deposits are in accounts that have balances of more than \$150,000, reflecting the core retail orientation of the Company.

The Company is also strongly capitalized. The Company's tangible equity ratio was 9.6% at September 30, 2009 compared with a tangible equity ratio of 8.8% at December 31, 2008. At September 30, 2009, City National Bank's Leverage Ratio is 8.24%, its Tier I Capital ratio is 11.09%, and its Total Risk-Based Capital ratio is 12.13%. These preliminary regulatory capital ratios are significantly above levels required to be considered "well capitalized," which is the highest possible regulatory designation.

On September 30, 2009, the Board approved a quarterly cash dividend to 34 cents per share payable October 31, 2009, to shareholders of record as of October 15, 2009. During the quarter ended September 30, 2009, the Company repurchased 56,323 common shares at a weighted average price of \$32.00 as part of a one million share repurchase plan authorized by the Board of Directors in August 2007.

City Holding Company is the parent company of City National Bank of West Virginia. City National operates 68 branches across West Virginia, Eastern Kentucky and Southern Ohio.

## **Forward-Looking Information**

*This news release contains certain forward-looking statements that are included pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such information involves risks and uncertainties that could result in the Company's actual results differing from those projected in the forward-looking statements. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include, but are not limited to, (1) the Company may incur additional loan loss provision due to negative credit quality trends in the future that may lead to a deterioration of asset quality; (2) the Company may incur increased charge-offs in the future; (3) the Company may experience increases in the default rates on previously securitized loans that would result in impairment losses or lower the yield on such loans; (4) the Company may not continue to benefit from strong recovery efforts on previously securitized loans resulting in improved yields on these assets; (5) the Company could have adverse legal actions of a material nature; (6) the Company may face competitive loss of customers; (7) the Company may be unable to manage its expense levels; (8) the Company may have difficulty retaining key employees; (9) changes in the interest rate environment may have results on the Company's operations materially different from those anticipated by the Company's market risk management functions; (10) changes in general economic conditions and increased competition could adversely affect the Company's operating results; (11) changes in other regulations and government policies affecting bank holding companies and their subsidiaries, including changes in monetary policies, could negatively impact the Company's operating results; (12) the Company may experience difficulties growing loan and deposit balances; (13) the current economic environment poses significant challenges for us and could adversely affect our financial condition and results of operations; (14) continued deterioration in the financial condition of the U.S. banking system may impact the valuations of investments the Company has made in the securities of other financial institutions resulting in either actual losses or other than temporary impairments on such investments; and (15) the United States government's plan to purchase large amounts of illiquid, mortgage-backed and other securities from financial institutions may not be effective and/or it may not be available to us. Forward-looking statements made herein reflect management's expectations as of the date such statements are made. Such information is provided to assist stockholders and potential investors in understanding current and anticipated financial operations of the Company and is included pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances that arise after the date such statements are made.*

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Financial Highlights**  
(Unaudited)

|  | Three Months Ended<br>September 30, |           |  | Percent<br>Change |
|--|-------------------------------------|-----------|--|-------------------|
|  | 2009                                | 2008      |  |                   |
| Earnings (\$000s, except per share data):      |                                     |           |  |                   |
| Net Interest Income (FTE)                      | \$ 23,891                           | \$ 26,484 |  | (9.79)%           |
| Net Income (Loss)                              | 10,497                              | (2,557)   |  | (510.52)%         |
| Earnings (Loss) per Basic Share                | 0.66                                | (0.16)    |  | (512.50)%         |
| Earnings (Loss) per Diluted Share              | 0.66                                | (0.16)    |  | (512.50)%         |
|  |                                     |           |  |                   |
| Key Ratios (percent):                          |                                     |           |  |                   |
| Return on Average Assets                       | 1.60%                               | (0.41)%   |  | (490.43)%         |
| Return on Average Tangible Equity              | 17.49%                              | (4.04)%   |  | (532.67)%         |
| Net Interest Margin                            | 4.09%                               | 4.78%     |  | (14.37)%          |
| Efficiency Ratio                               | 48.77%                              | 46.53%    |  | 4.80%             |
| Average Shareholders' Equity to Average Assets | 11.33%                              | 12.45%    |  | (9.01)%           |
|  |                                     |           |  |                   |
| Consolidated Risk Based Capital Ratios (a):    |                                     |           |  |                   |
| Tier I   | 13.02%                              | 13.11%    |  | (0.69)%           |
| Total  | 14.05%                              | 14.13%    |  | (0.57)%           |
|  |                                     |           |  |                   |
| Tangible Equity to Tangible Assets             | 9.62%                               | 9.44%     |  | 1.93%             |
|  |                                     |           |  |                   |
| Common Stock Data:                             |                                     |           |  |                   |
| Cash Dividends Declared per Share              | \$ 0.34                             | \$ 0.34   |  | 0.00%             |
| Book Value per Share                           | 18.95                               | 17.61     |  | 7.62%             |
| Tangible Book Value per Share                  | 15.36                               | 14.05     |  | 9.32%             |
| Market Value per Share:                        |                                     |           |  |                   |
| High   | 34.34                               | 47.28     |  | (27.37)%          |
| Low  | 28.65                               | 35.74     |  | (19.84)%          |
| End of Period                                  | 31.17                               | 42.25     |  | (26.22)%          |
|  |                                     |           |  |                   |
|  | Nine Months Ended<br>September 30,  |           |  | Percent<br>Change |
|  | 2009                                | 2008      |  |                   |
| Earnings (\$000s, except per share data):      |                                     |           |  |                   |
| Net Interest Income (FTE)                      | \$ 72,520                           | \$ 76,295 |  | (4.95)%           |
| Net Income                                     | 31,567                              | 23,860    |  | 32.30%            |
| Earnings per Basic Share                       | 1.99                                | 1.48      |  | 34.46%            |
| Earnings per Diluted Share                     | 1.98                                | 1.47      |  | 34.69%            |
|  |                                     |           |  |                   |
| Key Ratios (percent):                          |                                     |           |  |                   |
| Return on Average Assets                       | 1.62%                               | 1.27%     |  | 27.00%            |
| Return on Average Tangible Equity              | 18.05%                              | 12.73%    |  | 41.82%            |
| Net Interest Margin                            | 4.22%                               | 4.61%     |  | (8.46)%           |
| Efficiency Ratio                               | 49.83%                              | 47.08%    |  | 5.84%             |
| Average Shareholders' Equity to Average Assets | 11.15%                              | 12.31%    |  | (9.43)%           |
|  |                                     |           |  |                   |
| Common Stock Data:                             |                                     |           |  |                   |
| Cash Dividends Declared per Share              | \$ 1.02                             | \$ 1.02   |  | 0.00%             |
| Market Value per Share:                        |                                     |           |  |                   |
| High   | 34.34                               | 47.28     |  | (27.37)%          |
| Low  | 20.88                               | 32.51     |  | (35.77)%          |
|  |                                     |           |  |                   |
| Price/Earnings Ratio (b)                       | 11.75                               | 21.41     |  | (45.13)%          |

(a) September 30, 2009 risk-based capital ratios are estimated

(b) September 30, 2009 price/earnings ratio computed based on annualized third quarter 2009 earnings

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Financial Highlights**  
(Unaudited)

**Book Value and Market Price Range per Share**

|      | Book Value per Share |          |              |             | Market Price Range per Share |          |
|------|----------------------|----------|--------------|-------------|------------------------------|----------|
|      | March 31             | June 30  | September 30 | December 31 | Low                          | High     |
| 2005 | \$ 13.20             | \$ 15.56 | \$ 15.99     | \$ 16.14    | \$ 27.57                     | \$ 39.21 |
| 2006 | 16.17                | 16.17    | 16.99        | 17.46       | 34.53                        | 41.87    |
| 2007 | 17.62                | 17.40    | 17.68        | 18.14       | 31.16                        | 41.54    |
| 2008 | 18.92                | 18.72    | 17.61        | 17.58       | 29.08                        | 42.88    |
| 2009 | 17.69                | 18.24    | 18.95        |             | 28.65                        | 34.34    |

**Earnings per Basic Share**

|      | Quarter Ended |         |              |             |              |
|------|---------------|---------|--------------|-------------|--------------|
|      | March 31      | June 30 | September 30 | December 31 | Year-to-Date |
| 2005 | \$ 0.70       | \$ 0.72 | \$ 0.73      | \$ 0.72     | \$ 2.87      |
| 2006 | 0.71          | 0.78    | 0.78         | 0.74        | 3.00         |
| 2007 | 0.76          | 0.72    | 0.76         | 0.78        | 3.02         |
| 2008 | 0.81          | 0.83    | (0.16)       | 0.26        | 1.74         |
| 2009 | 0.69          | 0.64    | 0.66         |             | 1.99         |

**Earnings per Diluted Share**

|      | Quarter Ended |         |              |             |              |
|------|---------------|---------|--------------|-------------|--------------|
|      | March 31      | June 30 | September 30 | December 31 | Year-to-Date |
| 2005 | \$ 0.69       | \$ 0.71 | \$ 0.72      | \$ 0.72     | \$ 2.84      |
| 2006 | 0.71          | 0.77    | 0.77         | 0.74        | 2.99         |
| 2007 | 0.76          | 0.72    | 0.76         | 0.78        | 3.01         |
| 2008 | 0.80          | 0.83    | (0.16)       | 0.26        | 1.74         |
| 2009 | 0.69          | 0.64    | 0.66         |             | 1.98         |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
(Unaudited) (\$ in 000s, except per share data)

|  | <b>Three Months Ended September 30,</b> |                   |
|--|---|-------------------|
|  | <b>2009</b>                             | <b>2008</b>       |
| <b>Interest Income</b>                                     |   |                   |
| Interest and fees on loans                                 | \$ 26,392                               | \$ 30,254         |
| Interest on investment securities:                         |   |                   |
| Taxable  | 5,820                                   | 5,850             |
| Tax-exempt   | 437                                     | 371               |
| Interest on deposits in depository institutions            | 2                                       | 47                |
| <b>Total Interest Income</b>                               | <b>32,651</b>                           | <b>36,522</b>     |
| <b>Interest Expense</b>                                    |   |                   |
| Interest on deposits                                       | 8,673                                   | 9,446             |
| Interest on short-term borrowings                          | 131                                     | 478               |
| Interest on long-term debt                                 | 191                                     | 317               |
| <b>Total Interest Expense</b>                              | <b>8,995</b>                            | <b>10,241</b>     |
| <b>Net Interest Income</b>                                 | <b>23,656</b>                           | <b>26,281</b>     |
| Provision for loan losses                                  | 1,675                                   | 2,350             |
| <b>Net Interest Income After Provision for Loan Losses</b> | <b>21,981</b>                           | <b>23,931</b>     |
| <b>Non-Interest Income</b>                                 |   |                   |
| Investment securities (losses)                             | (2,320)                                 | (27,467)          |
| Service charges  | 11,689                                  | 11,993            |
| Insurance commissions                                      | 1,208                                   | 1,025             |
| Trust and investment management fee income                 | 590                                     | 640               |
| Bank owned life insurance                                  | 794                                     | 767               |
| Other income   | 379                                     | 284               |
| <b>Total Non-Interest Income</b>                           | <b>12,340</b>                           | <b>(12,758)</b>   |
| <b>Non-Interest Expense</b>                                |   |                   |
| Salaries and employee benefits                             | 9,623                                   | 9,538             |
| Occupancy and equipment                                    | 1,953                                   | 1,800             |
| Depreciation   | 1,171                                   | 1,110             |
| Professional fees  | 216                                     | 435               |
| Postage, delivery, and statement mailings                  | 611                                     | 636               |
| Advertising  | 883                                     | 821               |
| Telecommunications   | 476                                     | 496               |
| Bankcard expenses  | 695                                     | 717               |
| Insurance and regulatory                                   | 411                                     | 354               |
| Office supplies  | 520                                     | 527               |
| Reposessed asset losses, net of expenses                   | 136                                     | 314               |
| Other expenses   | 2,107                                   | 2,498             |
| <b>Total Non-Interest Expense</b>                          | <b>18,802</b>                           | <b>19,246</b>     |
| <b>Income (Loss) Before Income Taxes</b>                   | <b>15,519</b>                           | <b>(8,073)</b>    |
| Income tax expense (benefit)                               | 5,022                                   | (5,516)           |
| <b>Net Income (Loss)</b>                                   | <b>\$ 10,497</b>                        | <b>\$ (2,557)</b> |
| Basic earnings (loss) per share                            | \$ 0.66                                 | \$ (0.16)         |
| Diluted earnings (loss) per share                          | \$ 0.66                                 | \$ (0.16)         |
| <b>Average Common Shares Outstanding:</b>                  |   |                   |
| Basic  | 15,893                                  | 16,142            |
| Diluted  | 15,952                                  | 16,195            |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
(Unaudited) (\$ in 000s, except per share data)

|  | <b>Nine months ended September 30,</b> |                  |
|--|--|------------------|
|  | <b>2009</b>                            | <b>2008</b>      |
| <b>Interest Income</b>                                     |  |                  |
| Interest and fees on loans                                 | \$ 81,396                              | \$ 91,662        |
| Interest on investment securities:                         |  |                  |
| Taxable  | 17,494                                 | 18,034           |
| Tax-exempt   | 1,249                                  | 1,151            |
| Interest on deposits in depository institutions            | 10                                     | 163              |
| <b>Total Interest Income</b>                               | <b>100,149</b>                         | <b>111,010</b>   |
| <b>Interest Expense</b>                                    |  |                  |
| Interest on deposits                                       | 27,230                                 | 31,980           |
| Interest on short-term borrowings                          | 395                                    | 2,286            |
| Interest on long-term debt                                 | 676                                    | 1,070            |
| <b>Total Interest Expense</b>                              | <b>28,301</b>                          | <b>35,336</b>    |
| <b>Net Interest Income</b>                                 | <b>71,848</b>                          | <b>75,674</b>    |
| Provision for loan losses                                  | 5,475                                  | 5,083            |
| <b>Net Interest Income After Provision for Loan Losses</b> | <b>66,373</b>                          | <b>70,591</b>    |
| <b>Non-Interest Income</b>                                 |  |                  |
| Investment securities (losses)                             | (4,727)                                | (27,465)         |
| Service charges  | 33,385                                 | 34,536           |
| Insurance commissions                                      | 4,466                                  | 3,231            |
| Trust and investment management fee income                 | 1,794                                  | 1,721            |
| Bank owned life insurance                                  | 2,518                                  | 2,193            |
| VISA IPO Gain  | -                                      | 3,289            |
| Other income   | 1,624                                  | 1,250            |
| <b>Total Non-Interest Income</b>                           | <b>39,060</b>                          | <b>18,755</b>    |
| <b>Non-Interest Expense</b>                                |  |                  |
| Salaries and employee benefits                             | 29,003                                 | 28,418           |
| Occupancy and equipment                                    | 5,742                                  | 5,098            |
| Depreciation   | 3,566                                  | 3,330            |
| Professional fees  | 1,066                                  | 1,229            |
| Postage, delivery, and statement mailings                  | 2,027                                  | 1,908            |
| Advertising  | 2,673                                  | 2,081            |
| Telecommunications   | 1,410                                  | 1,354            |
| Bankcard expenses  | 2,029                                  | 1,978            |
| Insurance and regulatory                                   | 2,365                                  | 1,025            |
| Office supplies  | 1,521                                  | 1,488            |
| Reposessed asset losses, net of expenses                   | 351                                    | 437              |
| Loss on early extinguishment of debt                       | -                                      | 1,208            |
| Other expenses   | 6,219                                  | 8,352            |
| <b>Total Non-Interest Expense</b>                          | <b>57,972</b>                          | <b>57,906</b>    |
| <b>Income Before Income Taxes</b>                          | <b>47,461</b>                          | <b>31,440</b>    |
| Income tax expense   | 15,894                                 | 7,580            |
| <b>Net Income</b>  | <b>\$ 31,567</b>                       | <b>\$ 23,860</b> |
| Basic earnings per share                                   | \$ 1.99                                | \$ 1.48          |
| Diluted earnings per share                                 | \$ 1.98                                | \$ 1.47          |
| <b>Average Common Shares Outstanding:</b>                  |  |                  |
| Basic  | 15,889                                 | 16,130           |
| Diluted  | 15,944                                 | 16,189           |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Stockholders' Equity**  
(Unaudited) (\$ in 000s)

|   | <b>Three Months Ended</b> |                      |
|---|---------------------------|----------------------|
|   | <b>September 30,</b>      | <b>September 30,</b> |
|   | <b>2009</b>               | <b>2008</b>          |
| <b>Balance at July 1</b>  | \$ 291,182                | \$ 302,056           |
| Net income (loss)   | 10,497                    | (2,557)              |
| Other comprehensive income:                                       |                           |                      |
| Change in unrealized gain (loss) on securities available-for-sale | 8,302                     | (13,682)             |
| Change in unrealized (loss) gain on interest rate floors          | (1,413)                   | 2,923                |
| Cash dividends declared (\$0.34/share)                            | (5,415)                   | (5,492)              |
| Issuance of stock award shares, net                               | 80                        | 70                   |
| Exercise of 750 stock options                                     | 22                        | -                    |
| Exercise of 48,179 stock options                                  | -                         | 1,351                |
| Excess tax benefits on stock compensation                         | -                         | 243                  |
| Purchase of 56,323 common shares of treasury                      | (1,803)                   | -                    |
| <b>Balance at September 30</b>                                    | <u>\$ 301,452</u>         | <u>\$ 284,912</u>    |

|   | <b>Nine Months Ended</b> |                      |
|---|--------------------------|----------------------|
|   | <b>September 30,</b>     | <b>September 30,</b> |
|   | <b>2009</b>              | <b>2008</b>          |
| <b>Balance at January 1</b>                                       | \$ 280,429               | \$ 293,994           |
| Net income  | 31,567                   | 23,860               |
| Other comprehensive income:                                       |                          |                      |
| Change in unrealized gain (loss) on securities available-for-sale | 13,255                   | (18,848)             |
| Change in unrealized (loss) gain on interest rate floors          | (4,982)                  | 3,738                |
| Cash dividends declared (\$1.02/share)                            | (16,251)                 | -                    |
| Cash dividends declared (\$1.02/share)                            | -                        | (16,457)             |
| Issuance of stock award shares, net                               | 454                      | 410                  |
| Exercise of 1,050 stock options                                   | 25                       | -                    |
| Exercise of 66,254 stock options                                  | -                        | 1,666                |
| Excess tax benefits on stock compensation                         | -                        | 266                  |
| Purchase of 105,686 common shares of treasury                     | (3,045)                  | -                    |
| Purchase of 104,960 common shares of treasury                     | -                        | (3,717)              |
| <b>Balance at September 30</b>                                    | <u>\$ 301,452</u>        | <u>\$ 284,912</u>    |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Condensed Consolidated Quarterly Statements of Income**  
(Unaudited) (\$ in 000s, except per share data)

|  | September 30<br>2009 | June 30<br>2009 | Quarter Ended<br>March 31<br>2009 | December 31<br>2008 | September 30<br>2008 |
|--|----------------------|-----------------|-----------------------------------|---------------------|----------------------|
| Interest income  | \$ 32,651            | \$ 32,964       | \$ 34,534                         | \$ 36,663           | \$ 36,522            |
| Taxable equivalent adjustment                          | 236                  | 219             | 220                               | 200                 | 200                  |
| Interest income (FTE)                                  | 32,887               | 33,183          | 34,754                            | 36,863              | 36,722               |
| Interest expense                                       | 8,995                | 9,526           | 9,780                             | 10,582              | 10,241               |
| Net interest income                                    | 23,892               | 23,657          | 24,974                            | 26,281              | 26,481               |
| Provision for loan losses                              | 1,675                | 2,150           | 1,650                             | 5,340               | 2,350                |
| Net interest income after provision<br>for loan losses | 22,217               | 21,507          | 23,324                            | 20,941              | 24,131               |
| Noninterest income                                     | 12,340               | 14,287          | 12,433                            | 3,181               | (12,758)             |
| Noninterest expense                                    | 18,802               | 20,336          | 18,834                            | 17,766              | 19,246               |
| Income (Loss) before income taxes                      | 15,755               | 15,458          | 16,923                            | 6,356               | (7,873)              |
| Income tax expense (benefit)                           | 5,022                | 5,093           | 5,779                             | 1,907               | (5,516)              |
| Taxable equivalent adjustment                          | 236                  | 219             | 220                               | 200                 | 200                  |
| Net income (loss)                                      | \$ 10,497            | \$ 10,146       | \$ 10,924                         | \$ 4,249            | \$ (2,557)           |
|  |                      |                 |                                   |                     |                      |
| Basic earnings (loss) per share                        | \$ 0.66              | \$ 0.64         | \$ 0.69                           | \$ 0.26             | \$ (0.16)            |
| Diluted earnings (loss) per share                      | 0.66                 | 0.64            | 0.69                              | 0.26                | (0.16)               |
| Cash dividends declared per share                      | 0.34                 | 0.34            | 0.34                              | 0.34                | 0.34                 |
|  |                      |                 |                                   |                     |                      |
| Average Common Share (000s):                           |                      |                 |                                   |                     |                      |
| Outstanding  | 15,893               | 15,908          | 15,921                            | 16,078              | 16,142               |
| Diluted  | 15,952               | 15,949          | 15,933                            | 16,100              | 16,195               |
| Net Interest Margin                                    | 4.09%                | 4.12%           | 4.46%                             | 4.73%               | 4.78%                |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Non-Interest Income and Non-Interest Expense**  
(Unaudited) (\$ in 000s)

|  | September 30<br>2009 | June 30<br>2009  | Quarter Ended<br>March 31<br>2009 | December 31<br>2008 | September 30<br>2008 |
|--|----------------------|------------------|-----------------------------------|---------------------|----------------------|
| <b>Non-Interest Income:</b>                |                      |                  |                                   |                     |                      |
| Service charges                            | \$ 11,689            | \$ 11,261        | \$ 10,435                         | \$ 11,459           | \$ 11,993            |
| Insurance commissions                      | 1,208                | 1,325            | 1,933                             | 981                 | 1,025                |
| Trust and investment management fee income | 590                  | 497              | 707                               | 518                 | 640                  |
| Bank owned life insurance                  | 794                  | 992              | 732                               | 739                 | 767                  |
| Other income                               | 379                  | 544              | 701                               | 284                 | 284                  |
| <b>Subtotal</b>                            | <b>14,660</b>        | <b>14,619</b>    | <b>14,508</b>                     | <b>13,981</b>       | <b>14,709</b>        |
| Investment securities (losses)             | (2,320)              | (332)            | (2,075)                           | (10,800)            | (27,467)             |
| <b>Total Non-Interest Income</b>           | <b>\$ 12,340</b>     | <b>\$ 14,287</b> | <b>\$ 12,433</b>                  | <b>\$ 3,181</b>     | <b>\$ (12,758)</b>   |
| <b>Non-Interest Expense:</b>               |                      |                  |                                   |                     |                      |
| Salaries and employee benefits             | \$ 9,623             | \$ 9,797         | \$ 9,583                          | \$ 8,845            | \$ 9,538             |
| Occupancy and equipment                    | 1,953                | 1,880            | 1,909                             | 1,773               | 1,800                |
| Depreciation                               | 1,171                | 1,184            | 1,211                             | 1,193               | 1,110                |
| Professional fees                          | 216                  | 397              | 453                               | 451                 | 435                  |
| Postage, delivery, and statement mailings  | 611                  | 698              | 718                               | 641                 | 636                  |
| Advertising                                | 883                  | 927              | 863                               | 818                 | 821                  |
| Telecommunications                         | 476                  | 514              | 420                               | 562                 | 496                  |
| Bankcard expenses                          | 695                  | 686              | 648                               | 711                 | 717                  |
| Insurance and regulatory                   | 411                  | 1,578            | 376                               | 363                 | 354                  |
| Office supplies                            | 520                  | 470              | 531                               | 533                 | 527                  |
| Reposessed asset losses, net of expenses   | 136                  | 86               | 129                               | 87                  | 314                  |
| Other expenses                             | 2,107                | 2,119            | 1,993                             | 1,789               | 2,498                |
| <b>Total Non-Interest Expense</b>          | <b>\$ 18,802</b>     | <b>\$ 20,336</b> | <b>\$ 18,834</b>                  | <b>\$ 17,766</b>    | <b>\$ 19,246</b>     |
|  |                      |                  |                                   |                     |                      |
|  |                      |                  |                                   |                     |                      |
| Employees (Full Time Equivalent)           | 814                  | 831              | 830                               | 827                 | 812                  |
| Branch Locations                           | 68                   | 69               | 69                                | 69                  | 69                   |



**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
(\$ in 000s)

|   | <b>September 30</b> | <b>December 31</b>  |
|---|---------------------|---------------------|
|   | <b>2009</b>         | <b>2008</b>         |
|   | <i>(Unaudited)</i>  |                     |
| <b>Assets</b>   |                     |                     |
| Cash and due from banks   | \$ 40,638           | \$ 55,511           |
| Interest-bearing deposits in depository institutions  | 4,372               | 4,118               |
| <b>Cash and cash equivalents</b>  | <b>45,010</b>       | <b>59,629</b>       |
| Investment securities available-for-sale, at fair value   | 473,785             | 424,214             |
| Investment securities held-to-maturity, at amortized cost   | 28,679              | 29,067              |
| <b>Total investment securities</b>  | <b>502,464</b>      | <b>453,281</b>      |
| Gross loans   | 1,797,384           | 1,812,344           |
| Allowance for loan losses   | (19,655)            | (22,254)            |
| <b>Net loans</b>  | <b>1,777,729</b>    | <b>1,790,090</b>    |
| Bank owned life insurance   | 72,627              | 70,400              |
| Premises and equipment  | 63,365              | 60,138              |
| Accrued interest receivable   | 8,575               | 9,024               |
| Net deferred tax assets   | 36,672              | 48,462              |
| Intangible assets   | 57,127              | 57,479              |
| Other assets  | 32,667              | 33,943              |
| <b>Total Assets</b>   | <b>\$ 2,596,236</b> | <b>\$ 2,582,446</b> |
| <b>Liabilities</b>  |                     |                     |
| Deposits:   |                     |                     |
| Noninterest-bearing   | \$ 303,121          | \$ 298,530          |
| Interest-bearing:   |                     |                     |
| Demand deposits   | 432,179             | 420,554             |
| Savings deposits  | 375,738             | 354,956             |
| Time deposits   | 1,015,999           | 967,090             |
| <b>Total deposits</b>   | <b>2,127,037</b>    | <b>2,041,130</b>    |
| Short-term borrowings   | 130,000             | 194,463             |
| Long-term debt  | 17,981              | 19,047              |
| Other liabilities   | 19,766              | 47,377              |
| <b>Total Liabilities</b>  | <b>2,294,784</b>    | <b>2,302,017</b>    |
| <b>Stockholders' Equity</b>   |                     |                     |
| Preferred stock, par value \$25 per share: 500,000 shares authorized; none issued   | -                   | -                   |
| Common stock, par value \$2.50 per share: 50,000,000 shares authorized;<br>18,499,282 shares issued at September 30, 2009 and December 31, 2008 |                     |                     |
| less 2,588,861 and 2,548,538 shares in treasury, respectively   | 46,249              | 46,249              |
| Capital surplus   | 101,645             | 102,895             |
| Retained earnings   | 245,929             | 230,613             |
| Cost of common stock in treasury  | (90,045)            | (88,729)            |
| Accumulated other comprehensive (loss):   |                     |                     |
| Unrealized loss on securities available-for-sale  | (2,373)             | (15,628)            |
| Unrealized gain on derivative instruments   | 4,305               | 9,287               |
| Underfunded pension liability   | (4,258)             | (4,258)             |
| <b>Total Accumulated Other Comprehensive (Loss)</b>   | <b>(2,326)</b>      | <b>(10,599)</b>     |
| <b>Total Stockholders' Equity</b>   | <b>301,452</b>      | <b>280,429</b>      |
| <b>Total Liabilities and Stockholders' Equity</b>   | <b>\$ 2,596,236</b> | <b>\$ 2,582,446</b> |

**CITY HOLDING COMPANY AND SUBSIDIARIES**
**Loan Portfolio**
**(Unaudited) (\$ in 000s)**

|  | <b>September 30<br/>2009</b> | <b>June 30<br/>2009</b> | <b>March 31<br/>2009</b> | <b>December 31<br/>2008</b> | <b>September 30<br/>2008</b> |
|--|------------------------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| Residential real estate                | \$ 590,653                   | \$ 596,925              | \$ 599,692               | \$ 611,962                  | \$ 620,951                   |
| Home equity                            | 396,648                      | 392,751                 | 389,453                  | 384,320                     | 377,919                      |
| Commercial, financial, and agriculture | 762,194                      | 747,886                 | 753,234                  | 768,255                     | 729,613                      |
| Installment loans to individuals       | 45,309                       | 45,550                  | 45,175                   | 43,585                      | 44,728                       |
| Previously securitized loans           | 2,580                        | 3,223                   | 3,754                    | 4,222                       | 4,520                        |
| <b>Gross Loans</b>                     | <b>\$ 1,797,384</b>          | <b>\$ 1,786,335</b>     | <b>\$ 1,791,308</b>      | <b>\$ 1,812,344</b>         | <b>\$ 1,777,731</b>          |

**CITY HOLDING COMPANY AND SUBSIDIARIES**
**Previously Securitized Loans**
**(Unaudited) (\$ in millions)**

|                    | <b>December 31</b> | <b>Annualized</b> | <b>Effective</b>  |
|--------------------|--------------------|-------------------|-------------------|
| <b>Year Ended:</b> | <b>Balance (a)</b> | <b>Interest</b>   | <b>Annualized</b> |
|                    |                    | <b>Income (a)</b> | <b>Yield (a)</b>  |
| 2008               | \$ 4.2             | \$ 5.6            | 108%              |
| 2009               | 2.4                | 3.9               | 122%              |
| 2010               | 2.0                | 3.2               | 122%              |
| 2011               | 1.7                | 2.8               | 122%              |
| 2012               | 1.3                | 2.4               | 122%              |

a - 2008 amounts are based on actual results. 2009 amounts are based on actual results through September 30, 2009 and estimated amounts for the remainder of the year. 2010, 2011, and 2012 amounts are based on estimated amounts.

Note: The amounts reflected in the table above require management to make significant assumptions based on estimated future default, prepayment, and discount rates. Actual performance could be significantly different from that assumed, which could result in the actual results being materially different from the amounts estimated above.

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Consolidated Average Balance Sheets, Yields, and Rates**  
(Unaudited) (\$ in 000s)

|   | Three Months Ended September 30, |                  |                |                     |                  |                |
|---|----------------------------------|------------------|----------------|---------------------|------------------|----------------|
|   | 2009                             |                  |                | 2008                |                  |                |
|   | Average<br>Balance               | Interest         | Yield/<br>Rate | Average<br>Balance  | Interest         | Yield/<br>Rate |
| <b>Assets:</b>  |                                  |                  |                |                     |                  |                |
| Loan portfolio:                                       |                                  |                  |                |                     |                  |                |
| Residential real estate                               | \$ 590,108                       | \$ 8,170         | 5.49%          | \$ 613,771          | \$ 9,393         | 6.09%          |
| Home equity   | 394,069                          | 5,972            | 6.01%          | 373,445             | 6,644            | 7.08%          |
| Commercial, financial, and<br>agriculture             | 765,689                          | 10,334           | 5.35%          | 708,665             | 11,622           | 6.52%          |
| Installment loans to individuals                      | 50,935                           | 975              | 7.59%          | 53,521              | 1,270            | 9.44%          |
| Previously securitized loans                          | 2,810                            | 942              | 133.00%        | 4,781               | 1,325            | 110.25%        |
| Total loans   | 1,803,611                        | 26,393           | 5.81%          | 1,754,183           | 30,254           | 6.86%          |
| Securities:   |                                  |                  |                |                     |                  |                |
| Taxable   | 463,703                          | 5,820            | 4.98%          | 407,754             | 5,850            | 5.71%          |
| Tax-exempt  | 43,682                           | 672              | 6.10%          | 34,653              | 571              | 6.56%          |
| Total securities                                      | 507,385                          | 6,492            | 5.08%          | 442,407             | 6,421            | 5.77%          |
| Deposits in depository institutions                   | 5,753                            | 2                | 0.14%          | 8,981               | 47               | 2.08%          |
| Federal funds sold                                    | 489                              | -                | -              | -                   | -                | -              |
| <b>Total interest-earning assets</b>                  | <b>2,317,238</b>                 | <b>32,887</b>    | <b>5.63%</b>   | <b>2,205,571</b>    | <b>36,722</b>    | <b>6.62%</b>   |
| Cash and due from banks                               | 50,496                           |                  |                | 54,572              |                  |                |
| Bank premises and equipment                           | 63,709                           |                  |                | 57,923              |                  |                |
| Other assets  | 212,925                          |                  |                | 195,217             |                  |                |
| Less: Allowance for loan losses                       | (20,828)                         |                  |                | (18,158)            |                  |                |
| <b>Total assets</b>                                   | <b>\$ 2,623,540</b>              |                  |                | <b>\$ 2,495,125</b> |                  |                |
| <b>Liabilities:</b>                                   |                                  |                  |                |                     |                  |                |
| Interest-bearing demand deposits                      | 431,676                          | 418              | 0.38%          | 414,022             | 654              | 0.63%          |
| Savings deposits                                      | 379,793                          | 417              | 0.44%          | 362,550             | 862              | 0.95%          |
| Time deposits   | 1,013,610                        | 7,838            | 3.07%          | 887,884             | 7,929            | 3.55%          |
| Short-term borrowings                                 | 134,323                          | 131              | 0.39%          | 142,290             | 477              | 1.33%          |
| Long-term debt  | 17,988                           | 192              | 4.23%          | 21,089              | 316              | 5.96%          |
| <b>Total interest-bearing liabilities</b>             | <b>1,977,390</b>                 | <b>8,996</b>     | <b>1.80%</b>   | <b>1,827,835</b>    | <b>10,238</b>    | <b>2.23%</b>   |
| Noninterest-bearing demand deposits                   | 325,821                          |                  |                | 331,919             |                  |                |
| Other liabilities                                     | 23,065                           |                  |                | 24,677              |                  |                |
| Stockholders' equity                                  | 297,264                          |                  |                | 310,694             |                  |                |
| <b>Total liabilities and<br/>stockholders' equity</b> | <b>\$ 2,623,540</b>              |                  |                | <b>\$ 2,495,125</b> |                  |                |
| <b>Net interest income</b>                            |                                  | <b>\$ 23,891</b> |                |                     | <b>\$ 26,484</b> |                |
| <b>Net yield on earning assets</b>                    |                                  |                  | <b>4.09%</b>   |                     |                  | <b>4.78%</b>   |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Consolidated Average Balance Sheets, Yields, and Rates**  
(Unaudited) (\$ in 000s)

|   | Nine Months Ended September 30, |                  |                |                     |                  |                |
|---|---------------------------------|------------------|----------------|---------------------|------------------|----------------|
|   | 2009                            |                  |                | 2008                |                  |                |
|   | Average<br>Balance              | Interest         | Yield/<br>Rate | Average<br>Balance  | Interest         | Yield/<br>Rate |
| <b>Assets:</b>  |                                 |                  |                |                     |                  |                |
| Loan portfolio:                                       |                                 |                  |                |                     |                  |                |
| Residential real estate                               | \$ 597,282                      | \$ 25,495        | 5.71%          | \$ 604,798          | \$ 28,187        | 6.23%          |
| Home equity   | 390,388                         | 18,165           | 6.22%          | 359,101             | 19,520           | 7.26%          |
| Commercial, financial, and<br>agriculture             | 758,050                         | 31,519           | 5.56%          | 705,819             | 35,563           | 6.73%          |
| Loans to depository institutions                      | -                               | -                | 0.00%          | 1,551               | 35               | 3.01%          |
| Installment loans to individuals                      | 49,498                          | 3,150            | 8.51%          | 52,277              | 4,014            | 10.26%         |
| Previously securitized loans                          | 3,364                           | 3,067            | 121.90%        | 5,521               | 4,343            | 105.08%        |
| Total loans   | 1,798,582                       | 81,396           | 6.05%          | 1,729,067           | 91,662           | 7.08%          |
| Securities:   |                                 |                  |                |                     |                  |                |
| Taxable   | 453,713                         | 17,494           | 5.16%          | 436,440             | 18,034           | 5.52%          |
| Tax-exempt  | 39,829                          | 1,921            | 6.45%          | 36,253              | 1,771            | 6.53%          |
| Total securities                                      | 493,542                         | 19,415           | 5.26%          | 472,693             | 19,805           | 5.60%          |
| Deposits in depository institutions                   | 5,271                           | 10               | 0.25%          | 8,981               | 163              | 2.42%          |
| Federal funds sold                                    | 165                             | -                | -              | -                   | -                | -              |
| <b>Total interest-earning assets</b>                  | 2,297,560                       | 100,821          | 5.87%          | 2,210,741           | 111,630          | 6.74%          |
| Cash and due from banks                               | 51,553                          |                  |                | 58,293              |                  |                |
| Bank premises and equipment                           | 62,443                          |                  |                | 56,217              |                  |                |
| Other assets  | 213,285                         |                  |                | 191,625             |                  |                |
| Less: Allowance for loan losses                       | (21,867)                        |                  |                | (18,240)            |                  |                |
| <b>Total assets</b>                                   | <b>\$ 2,602,974</b>             |                  |                | <b>\$ 2,498,636</b> |                  |                |
| <b>Liabilities:</b>                                   |                                 |                  |                |                     |                  |                |
| Interest-bearing demand deposits                      | 425,972                         | 1,327            | 0.42%          | 412,417             | 1,979            | 0.64%          |
| Savings deposits                                      | 371,706                         | 1,386            | 0.50%          | 361,465             | 2,796            | 1.03%          |
| Time deposits   | 1,004,959                       | 24,517           | 3.26%          | 910,187             | 27,204           | 3.99%          |
| Short-term borrowings                                 | 135,708                         | 395              | 0.39%          | 136,644             | 2,286            | 2.23%          |
| Long-term debt  | 18,669                          | 676              | 4.84%          | 21,663              | 1,070            | 6.60%          |
| <b>Total interest-bearing liabilities</b>             | 1,957,014                       | 28,301           | 1.93%          | 1,842,376           | 35,335           | 2.56%          |
| Noninterest-bearing demand deposits                   | 328,302                         |                  |                | 322,344             |                  |                |
| Other liabilities                                     | 27,335                          |                  |                | 26,213              |                  |                |
| Stockholders' equity                                  | 290,323                         |                  |                | 307,703             |                  |                |
| <b>Total liabilities and<br/>stockholders' equity</b> | <b>\$ 2,602,974</b>             |                  |                | <b>\$ 2,498,636</b> |                  |                |
| <b>Net interest income</b>                            |                                 | <b>\$ 72,520</b> |                |                     | <b>\$ 76,295</b> |                |
| <b>Net yield on earning assets</b>                    |                                 |                  | <b>4.22%</b>   |                     |                  | <b>4.61%</b>   |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Analysis of Risk-Based Capital**  
**(Unaudited) (\$ in 000s)**

|  | <b>September 30<br/>2009 (a)</b> | <b>June 30<br/>2009</b> | <b>March 31<br/>2009</b> | <b>December 31<br/>2008</b> | <b>September 30<br/>2008</b> |
|--|----------------------------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| <b>Tier I Capital:</b>                         |                                  |                         |                          |                             |                              |
| Stockholders' equity                           | \$ 301,452                       | \$ 291,182              | \$ 281,505               | \$ 280,429                  | \$ 284,912                   |
| Goodwill and other intangibles                 | (56,928)                         | (57,046)                | (57,165)                 | (57,479)                    | (57,600)                     |
| Accumulated other comprehensive loss (income)  | 2,326                            | 9,215                   | 14,073                   | 10,599                      | 14,477                       |
| Qualifying trust preferred stock               | 16,000                           | 16,000                  | 16,000                   | 16,000                      | 16,000                       |
| Unrealized Loss on AFS securities              | (2,557)                          | (3,988)                 | (4,401)                  | (3,342)                     | (761)                        |
| Excess deferred tax assets                     | (10,113)                         | (14,804)                | (15,796)                 | (23,841)                    | (15,470)                     |
| <b>Total tier I capital</b>                    | <b>\$ 250,180</b>                | <b>\$ 240,559</b>       | <b>\$ 234,215</b>        | <b>\$ 222,366</b>           | <b>\$ 241,558</b>            |
| <b>Total Risk-Based Capital:</b>               |                                  |                         |                          |                             |                              |
| Tier I capital                                 | \$ 250,180                       | \$ 240,559              | \$ 234,215               | \$ 222,366                  | \$ 241,558                   |
| Qualifying allowance for loan losses           | 19,655                           | 20,975                  | 21,980                   | 22,254                      | 18,879                       |
| <b>Total risk-based capital</b>                | <b>\$ 269,835</b>                | <b>\$ 261,534</b>       | <b>\$ 256,195</b>        | <b>\$ 244,620</b>           | <b>\$ 260,437</b>            |
| <b>Net risk-weighted assets</b>                | <b>\$ 1,920,900</b>              | <b>\$ 1,912,937</b>     | <b>\$ 1,901,377</b>      | <b>\$ 1,875,934</b>         | <b>\$ 1,842,684</b>          |
| <b>Ratios:</b>                                 |                                  |                         |                          |                             |                              |
| Average stockholders' equity to average assets | 11.33%                           | 11.00%                  | 11.12%                   | 11.53%                      | 12.45%                       |
| Tangible capital ratio                         | 9.62%                            | 9.11%                   | 8.87%                    | 8.83%                       | 9.44%                        |
| <b>Risk-based capital ratios:</b>              |                                  |                         |                          |                             |                              |
| Tier I capital                                 | 13.02%                           | 12.58%                  | 12.32%                   | 11.85%                      | 13.11%                       |
| Total risk-based capital                       | 14.05%                           | 13.67%                  | 13.47%                   | 13.04%                      | 14.13%                       |
| Leverage capital                               | 9.79%                            | 9.47%                   | 9.37%                    | 9.14%                       | 9.97%                        |

(a) September 30, 2009 risk-based capital ratios are estimated

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Intangibles**  
**(Unaudited) (\$ in 000s)**

|                                  | <b>As of and for the Quarter Ended</b> |                         |                          |                             |                              |
|----------------------------------|--|-------------------------|--------------------------|-----------------------------|------------------------------|
|                                  | <b>September 30<br/>2009</b>           | <b>June 30<br/>2009</b> | <b>March 31<br/>2009</b> | <b>December 31<br/>2008</b> | <b>September 30<br/>2008</b> |
| Intangibles, net                 | \$ 57,127                              | \$ 57,244               | \$ 57,362                | \$ 57,479                   | \$ 57,600                    |
| Intangibles amortization expense | 117                                    | 117                     | 117                      | 121                         | 173                          |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Summary of Loan Loss Experience**  
(Unaudited) (\$ in 000s)

|   | Quarter Ended           |                  |                  |                        |                         |
|---|-------------------------|------------------|------------------|------------------------|-------------------------|
|   | September<br>30<br>2009 | June 30<br>2009  | March 31<br>2009 | December<br>31<br>2008 | September<br>30<br>2008 |
| Balance at beginning of period  | \$ 20,975               | \$ 21,980        | \$ 22,254        | \$ 18,879              | \$ 17,959               |
| <b>Charge-offs:</b>   |                         |                  |                  |                        |                         |
| Commercial, financial, and agricultural   | 2,117                   | 2,332            | 1,479            | 1,073                  | 563                     |
| Real estate-mortgage  | 567                     | 507              | 394              | 603                    | 523                     |
| Installment loans to individuals  | 36                      | 73               | 69               | 29                     | 62                      |
| Overdraft deposit accounts  | 795                     | 690              | 664              | 779                    | 783                     |
| <b>Total charge-offs</b>  | 3,515                   | 3,602            | 2,606            | 2,484                  | 1,931                   |
| <b>Recoveries:</b>  |                         |                  |                  |                        |                         |
| Commercial, financial, and agricultural   | 27                      | 91               | 29               | 14                     | (30)                    |
| Real estate-mortgage  | 19                      | (9)              | 81               | 79                     | 69                      |
| Installment loans to individuals  | 95                      | 35               | 55               | 45                     | 71                      |
| Overdraft deposit accounts  | 379                     | 330              | 517              | 381                    | 391                     |
| <b>Total recoveries</b>   | 520                     | 447              | 682              | 519                    | 501                     |
| <b>Net charge-offs</b>  | 2,995                   | 3,155            | 1,924            | 1,965                  | 1,430                   |
| Provision for loan losses   | 1,675                   | 2,150            | 1,650            | 5,340                  | 2,350                   |
| <b>Balance at end of period</b>   | <b>\$ 19,655</b>        | <b>\$ 20,975</b> | <b>\$ 21,980</b> | <b>\$ 22,254</b>       | <b>\$ 18,879</b>        |
| Loans outstanding   | \$ 1,797,384            | \$ 1,786,335     | \$ 1,791,308     | \$ 1,812,344           | \$ 1,777,731            |
| Average loans outstanding   | 1,803,611               | 1,794,022        | 1,798,054        | 1,787,861              | 1,754,183               |
| Allowance as a percent of loans outstanding   | 1.09%                   | 1.17%            | 1.23%            | 1.23%                  | 1.06%                   |
| Allowance as a percent of non-performing loans  | 118.88%                 | 96.80%           | 107.44%          | 86.07%                 | 135.92%                 |
| Net charge-offs (annualized) as a percent of average loans outstanding  | 0.66%                   | 0.70%            | 0.43%            | 0.44%                  | 0.33%                   |
| Net charge-offs, excluding overdraft deposit accounts, (annualized) as a percent of average loans outstanding | 0.57%                   | 0.62%            | 0.40%            | 0.35%                  | 0.24%                   |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Summary of Non-Performing Assets**  
(Unaudited) (\$ in 000s)

|   | <b>September 30<br/>2009</b> | <b>June 30<br/>2009</b> | <b>March 31<br/>2009</b> | <b>December 31<br/>2008</b> | <b>September 30<br/>2008</b> |
|---|------------------------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| Nonaccrual loans  | \$ 16,423                    | \$ 20,956               | \$ 20,007                | \$ 25,224                   | \$ 13,709                    |
| Accruing loans past due 90 days or more   | 98                           | 680                     | 386                      | 623                         | 141                          |
| Previously securitized loans past due 90 days or more                                       | 12                           | 32                      | 64                       | 10                          | 40                           |
| <b>Total non-performing loans</b>   | <b>16,533</b>                | <b>21,668</b>           | <b>20,457</b>            | <b>25,857</b>               | <b>13,890</b>                |
| Other real estate owned, excluding property associated<br>with previously securitized loans | 12,323                       | 9,840                   | 6,686                    | 3,469                       | 3,332                        |
| Other real estate owned associated with previously<br>securitized loans                     | -                            | 189                     | 374                      | 400                         | 417                          |
| <b>Other real estate owned</b>  | <b>12,323</b>                | <b>10,029</b>           | <b>7,060</b>             | <b>3,869</b>                | <b>3,749</b>                 |
| <b>Total non-performing assets</b>  | <b>\$ 28,856</b>             | <b>\$ 31,697</b>        | <b>\$ 27,517</b>         | <b>\$ 29,726</b>            | <b>\$ 17,639</b>             |
| Non-performing assets as a percent of loans and<br>other real estate owned                  | 1.59%                        | 1.76%                   | 1.53%                    | 1.64%                       | 0.99%                        |

**CITY HOLDING COMPANY AND SUBSIDIARIES**  
**Summary of Total Past Due Loans**  
(Unaudited) (\$ in 000s)

|  | <b>September 30<br/>2009</b> | <b>June 30<br/>2009</b> | <b>March 31<br/>2009</b> | <b>December 31<br/>2008</b> | <b>September 30<br/>2008</b> |
|--|------------------------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| Residential real estate                | \$ 3,167                     | \$ 5,029                | \$ 5,882                 | \$ 6,179                    | \$ 3,636                     |
| Home equity                            | 1,718                        | 2,019                   | 1,454                    | 1,243                       | 1,400                        |
| Commercial, financial, and agriculture | 545                          | 1,754                   | 2,044                    | 1,679                       | 1,741                        |
| Installment loans to individuals       | 185                          | 118                     | 192                      | 241                         | 216                          |
| Previously securitized loans           | 1,054                        | 878                     | 818                      | 999                         | 598                          |
| Overdraft deposit accounts             | 510                          | 526                     | 410                      | 592                         | 491                          |
| <b>Total past due loans</b>            | <b>\$ 7,179</b>              | <b>\$ 10,324</b>        | <b>\$ 10,800</b>         | <b>\$ 10,933</b>            | <b>\$ 8,082</b>              |