
EDGAR Submission Header Summary

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| Emails | vikki.faw@cityholding.com |

Documents

| | |
|---------|--|
| 8-K | form8-k.htm |
| | CHCO Form 8-K, Second Quarter 2010 Earnings Release |
| GRAPHIC | chcologo.jpg |
| | CHCO logo |
| EX-99.1 | ex99-1.htm |
| | Exhibit 99.1, Press Release CHCO Second Quarter 2010 Earnings |
| 8-K | submissionpdf.pdf |
| | Printable copy of CHCO Form 8-K and Press Release Second Quarter 2010 Earnings |

Module and Segment References

**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)
July 22, 2010



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 July 22, 2010, City Holding Company ("the Company") issued a news release, attached as Exhibit 99.1, announcing the Company's earnings results for the second quarter ended June 30, 2010. 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 July 22, 2010

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: July 23, 2010

City Holding Company

By: /s/ David L. Bumgarner
David L. Bumgarner
Chief Financial Officer

NEWS RELEASE

For Immediate Release
July 22, 2010

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

City Holding Company Announces Second Quarter Results

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 second quarter of \$0.68 compared to \$0.64 per diluted share in the second quarter of 2009. Net income for the second quarter of 2010 was \$10.7 million compared to \$10.1 million in the second quarter of 2009. For the second quarter of 2010, the Company achieved a return on assets of 1.60%, a return on tangible equity of 16.7%, a net interest margin of 4.22%, and an efficiency ratio of 52.0%. For the first six months of 2010, the Company achieved a return on assets of 1.51%, a return on tangible equity of 15.6%, a net interest margin of 4.18%, and an efficiency ratio of 53.4%.

City’s CEO Charles Hageboeck stated that, “Although the U.S. economy and financial sector are showing early signs of moderate recovery, City’s financial performance continues to be strong compared to our peers in the banking industry. City continues to be one of the most profitable banks in the industry with return on assets of 1.61% and our asset quality remains strong and stable. Excluding the impact of interest income from our interest rate floors and nonrecurring interest income of \$1.1 million related to a change in estimate associated with our previously securitized loans, our net interest income increased \$0.2 million from the quarter ended March 31, 2010 and \$1.6 million from the quarter ended June 30, 2009. We saw loans and deposits grow during the quarter and our expenses remained well controlled. Total loan balances increased \$47 million (2.6%) from June 30, 2009 to June 30, 2010, while total average demand deposit balances increased \$62.6 million (8.2%) and savings deposits grew \$17.0 million (4.6%) from the quarter ended June 30, 2009 to the quarter ended June 30, 2010. Our non-performing assets continue to decline for the fourth consecutive quarter, while net charge-offs and past due loans remain at relatively low levels. These trends are due to the relative stability of the markets we do business within and our disciplined lending model.

“City’s continued trend of solid earnings has allowed the Company to maintain our quarterly dividend of 34 cents per share during a time period in which many banks have eliminated or significantly reduced dividends to shareholders. Our capital levels continue to be healthy, our liquidity remains strong, and we remain a stable core-deposit franchise. While our competitors continue to struggle to work through liquidity and asset quality issues, our strong financial condition enables City to consider the opportunities of growing our company through acquisitions. City continues to be one of the most profitable and best capitalized publicly traded banks in the U.S. and is well prepared to assist our shareholders and customers through the lingering, difficult economic environment,” Hageboeck concluded.

Net Interest Income

The Company's tax equivalent net interest income increased \$1.3 million, or 5.4%, from \$23.6 million during the second quarter of 2009 to \$24.9 million during the second quarter of 2010. This increase is primarily a result of \$1.1 million of additional interest income recognized related to three of the six pools of previously securitized loans that had a negative carrying value due to actual recoveries that exceeded estimates and discount accretion previously recognized. As a result, the June 30, 2010 carrying value for these three pools is \$0 and future cash receipts related to these three pools will be recognized as interest income as received. Excluding this change in estimate, the decline in interest expense exceeded the decline in interest income from the second quarter of 2009 resulting in an increase in tax equivalent net interest income of approximately \$0.2 million. This net increase was in spite of a decline due to the decrease in interest income associated with the gain from the sale of interest rate floors. During the third and fourth quarters of 2008, the Company sold \$450 million of interest rate floors. The \$16.7 million gain from sales of these interest rate floors is being recognized over the remaining lives of the various hedged loans – primarily prime-based commercial and home equity loans. During the second quarter of 2010, the Company recognized \$1.3 million of interest income compared to \$2.7 million of interest income recognized in the second quarter of 2009 from the interest rate floors. The Company's reported net interest margin increased from 4.12% for the quarter ended June 30, 2009 to 4.22% for the quarter ended June 30, 2010.

Credit Quality

Past due loans increased from \$7.2 million at March 31, 2010 to \$11.7 million or 0.64% of total loans outstanding at June 30, 2010 due primarily to a \$2.0 million commercial real estate loan in the Eastern Panhandle of West Virginia. This loan has been considered in the Company's review of its Allowance for Loan Losses ("ALLL"). Past due commercial, financial, and agriculture loans were \$3.7 million or 0.47% of loans outstanding at June 30, 2010; past due residential real estate loans were \$5.3 million or 0.88% of loans outstanding at June 30, 2010; and past due home equity loans were \$1.8 million or 0.44% of loans outstanding at June 30, 2010.

The Company had net charge-offs of \$1.2 million for the second quarter of 2010. Net charge-offs on commercial and residential loans were \$0.4 and \$0.6 million, respectively, for the second quarter. In addition, net charge-offs for depository accounts were \$0.2 million for the second quarter of 2010. While charge-offs on depository accounts are appropriately taken against the ALLL, the revenue associated with depository accounts is reflected in service charges.

At June 30, 2010, the ALLL was \$19.5 million or 1.06% of total loans outstanding and 178% of non-performing loans compared to \$20.9 million or 1.17% of loans outstanding and 97% of non-performing loans at June 30, 2009, and \$18.8 million or 1.04% of loans outstanding and 131% of non-performing loans at December 31, 2009.

As a result of the Company's quarterly analysis of the adequacy of the ALLL, the Company recorded a provision for loan losses of \$1.8 million in the second quarter of 2010 compared to \$2.1 million for the comparable period in 2009. The provision for loan losses recorded during the second quarter of 2010 reflects 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.

Impairment Losses

During the second quarter of 2010, the Company recorded \$0.3 million of credit-related net investment impairment losses. The charges deemed to be other than temporary were related to pooled bank trust preferreds with a remaining book value of \$7.6 million at June 30, 2010. The credit-related net impairment charges 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.

Non-interest Income

Exclusive of net other-than-temporary investment impairment losses, non-interest income decreased \$1.1 million to \$13.5 million in the second quarter of 2010 from \$14.6 million in the second quarter of 2009. Service charges from depository accounts decreased \$0.8 million, or 7.2%, to \$10.2 million in the second quarter of 2010. This decline is attributable to a general decline in consumer spending reflective of current economic conditions and changes the Company began implementing to comply with new federal rules under the Electronic Funds Transfer Act, also known as Regulation E. The new Federal Reserve Board rule prohibits financial institutions from charging consumers fees for paying overdrafts on automated teller machine (ATM) and one-time debit card transactions, unless a consumer consents, or opts in, to the overdraft service for those types of transactions. The regulation was effective July 1, 2010 for new customers and August 15, 2010 for existing accounts. During the second quarter of 2010, the Company integrated new software that now captures debit card and ATM transactions in "real time." The Company has been communicating with customers via mail, website, and in-store communication in order to receive decisions from our customers on whether they want to "opt-in" as required by Regulation E. At this time, the Company anticipates that compliance with the new rules will reduce revenues from deposit-related service charges by approximately 12% to 15%. Additionally, insurance commission revenues decreased \$0.2 million, or 18.0%, from \$1.0 million during the second quarter of 2009 to \$0.8 million during the second quarter of 2010.

Non-interest Expenses

Non-interest expenses decreased \$0.3 million from \$20.3 million in the second quarter of 2009 to \$20.0 million in the second quarter of 2010. Insurance and regulatory expense decreased \$0.3 million, or 24.0%, from the quarter ended June 30, 2009 primarily due to the impact of the special assessment levied by the FDIC during the second quarter of 2009 of \$1.2 million. This special assessment was partially offset by the Company fully utilizing its FDIC credits during 2009 and increases in the assessment rates during 2010, which increased our FDIC insurance expense from \$0.1 million for the quarter ended June 30, 2009 to \$0.9 million for the quarter ended June 30, 2010. In addition, bankcard expenses declined \$0.2 million from the quarter ended June 30, 2009. These increases were partially offset by higher advertising expenses of \$0.3 million, or 33.9%, as part of the Company's efforts to communicate with its customers about their options concerning overdraft privileges.

Balance Sheet Trends

As compared to December 31, 2009, loans have increased \$41.1 million (2.3%) at June 30, 2010 due to increases in commercial loans of \$26.1 million (3.5%), residential real estate loans of \$9.3 million (1.6%), and home equity loans of \$6.0 million (1.5%). As compared to the June 30, 2009, loans have increased \$47.2 million (2.6%) at June 30, 2010 as commercial loans have increased \$30.2 million (4.0%), home equity loans increased \$12.0 million (3.1%), and residential real estate loans increased \$8.1 million (1.4%).

Total average depository balances increased \$30.3 million, or 1.4%, from the quarter ended March 31, 2010 to the quarter ended June 30, 2010. This growth was primarily in noninterest-bearing deposits, savings deposits, and interest-bearing deposits, which have increased \$21.2 million, \$9.5 million, and \$7.3 million, respectively. These increases were partially offset by a decrease of \$7.8 million in time deposits. As compared to the quarter ended June 30, 2009, total average depository balances have increased \$53.5 million, or 2.5%, for the quarter ended June 30, 2010. This increase was due to increased interest bearing deposits (\$34.9 million), noninterest bearing deposits (\$27.6 million), and savings deposits (\$17.0 million) that were partially offset by a decrease in time deposits (\$26.1 million).

Income Tax Expense

The Company's effective income tax rate for the second quarter of 2010 was 33.7% compared to 32.5% for the year ended December 31, 2009, and 33.4% for the quarter ended June 30, 2009. The effective rate is based upon the Company's expected tax rate for the year ending December 31, 2010.

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 84.3% and the loan to asset ratio was 69.5% at June 30, 2010. The Company maintained investment securities totaling 19.2% of assets as of this date. Further, the Company's deposit mix is weighted heavily toward checking and saving accounts that fund 45.0% of assets at June 30, 2010. Time deposits fund 37.4% of assets at June 30, 2010, 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 remained at 9.8% at both June 30, 2010 and December 31, 2009. At June 30, 2010, City National Bank's leverage ratio is 9.05%, its Tier I capital ratio is 12.13%, and its total Risk-Based capital ratio is 13.14%. These regulatory capital ratios are significantly above levels required to be considered "well capitalized," which is the highest possible regulatory designation.

On June 30, 2010, the Board approved a quarterly cash dividend to 34 cents per share payable July 30, 2010, to shareholders of record as of July 15, 2010. During the quarter ended June 30, 2010, the Company repurchased 213,000 common shares at a weighted average price of \$33.36 as part of a one million share repurchase plan authorized by the Board of Directors in October 2009.

City Holding Company is the parent company of City National Bank of West Virginia. City National operates 67 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 June 30, | | Percent |
|--|------------------------------------|-------------|----------------|
| | 2010 | 2009 | Change |
| Earnings (\$000s, except per share data): | | | |
| Net Interest Income (FTE) | \$ 24,922 | \$ 23,656 | 5.35% |
| Net Income available to common shareholders | 10,715 | 10,146 | 5.61% |
| Earnings per Basic Share | 0.68 | 0.64 | 6.76% |
| Earnings per Diluted Share | 0.68 | 0.64 | 6.63% |
| Key Ratios (percent): | | | |
| Return on Average Assets | 1.60% | 1.55% | 3.24% |
| Return on Average Tangible Equity | 16.65% | 17.63% | (5.56)% |
| Net Interest Margin | 4.22% | 4.12% | 2.56% |
| Efficiency Ratio | 52.00% | 53.19% | (2.24)% |
| Average Shareholders' Equity to Average Assets | 11.76% | 11.00% | 6.86% |
| Consolidated Risk Based Capital Ratios (a): | | | |
| Tier I | 13.46% | 12.59% | 6.91% |
| Total | 14.45% | 13.69% | 5.55% |
| Tangible Equity to Tangible Assets | 9.86% | 9.24% | 6.73% |
| Common Stock Data: | | | |
| Cash Dividends Declared per Share | \$ 0.34 | \$ 0.34 | - |
| Book Value per Share | 19.95 | 18.45 | 8.10% |
| Tangible Book Value per Share | 16.31 | 14.87 | 9.71% |
| Market Value per Share: | | | |
| High | 37.28 | 33.78 | 10.36% |
| Low | 27.88 | 27.02 | 3.18% |
| End of Period | 27.88 | 30.88 | (9.72)% |
| Price/Earnings Ratio (b) | 10.25 | 12.12 | (15.43)% |
| | Six Months Ended June 30, | | Percent |
| | 2010 | 2009 | Change |
| Earnings (\$000s, except per share data): | | | |
| Net Interest Income (FTE) | \$ 48,670 | \$ 48,629 | 0.08% |
| Net Income available to common shareholders | 20,028 | 21,070 | (4.95)% |
| Earnings per Basic Share | 1.27 | 1.32 | (3.94)% |
| Earnings per Diluted Share | 1.26 | 1.31 | (4.03)% |
| Key Ratios (percent): | | | |
| Return on Average Assets | 1.51% | 1.63% | (7.09)% |
| Return on Average Tangible Equity | 15.61% | 18.36% | (14.95)% |
| Net Interest Margin | 4.18% | 4.29% | (2.41)% |
| Efficiency Ratio | 53.42% | 50.31% | 6.18% |
| Average Shareholders' Equity to Average Assets | 11.81% | 11.06% | 6.79% |
| Common Stock Data: | | | |
| Cash Dividends Declared per Share | \$ 0.68 | \$ 0.68 | - |
| Market Value per Share: | | | |
| High | 37.28 | 33.78 | 10.36% |
| Low | 27.88 | 20.88 | 33.52% |
| Price/Earnings Ratio (b) | 11.01 | 11.72 | (6.01)% |

(a) June 30, 2010 risk-based capital ratios are estimated

(b) June 30, 2010 price/earnings ratio computed based on annualized second quarter 2010 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 |
| 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 | 19.37 | 20.88 | 34.34 |
| 2010 | 19.71 | 19.95 | | | 27.88 | 37.28 |

Earnings per Basic Share

| | Quarter Ended | | | | |
|------|---------------|---------|--------------|-------------|--------------|
| | March 31 | June 30 | September 30 | December 31 | Year-to-Date |
| 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 | 0.70 | 2.69 |
| 2010 | 0.59 | 0.68 | | | 1.27 |

Earnings per Diluted Share

| | Quarter Ended | | | | |
|------|---------------|---------|--------------|-------------|--------------|
| | March 31 | June 30 | September 30 | December 31 | Year-to-Date |
| 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 | 0.70 | 2.68 |
| 2010 | 0.58 | 0.68 | | | 1.26 |

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

| | Three Months Ended June 30, | |
|--|------------------------------------|------------------|
| | 2010 | 2009 |
| Interest Income | | |
| Interest and fees on loans | \$ 25,991 | \$ 26,946 |
| Interest on investment securities: | | |
| Taxable | 5,317 | 5,612 |
| Tax-exempt | 461 | 403 |
| Interest on deposits in depository institutions | - | 3 |
| Interest on federal funds sold | 1 | - |
| Total Interest Income | 31,770 | 32,964 |
| Interest Expense | | |
| Interest on deposits | 6,831 | 9,184 |
| Interest on short-term borrowings | 98 | 111 |
| Interest on long-term debt | 163 | 231 |
| Total Interest Expense | 7,092 | 9,526 |
| Net Interest Income | 24,678 | 23,438 |
| Provision for loan losses | 1,823 | 2,128 |
| Net Interest Income After Provision for Loan Losses | 22,855 | 21,310 |
| Non-Interest Income | | |
| Total investment securities impairment losses | (1,237) | - |
| Noncredit impairment losses recognized in other comprehensive income | 944 | - |
| Net investment securities impairment losses | (293) | - |
| Gain (loss) on sale of investment securities | 62 | (332) |
| Service charges | 10,448 | 11,261 |
| Insurance commissions | 1,244 | 1,325 |
| Trust and investment management fee income | 567 | 497 |
| Bank owned life insurance | 813 | 992 |
| Other income | 437 | 544 |
| Total Non-Interest Income | 13,278 | 14,287 |
| Non-Interest Expense | | |
| Salaries and employee benefits | 9,745 | 9,797 |
| Occupancy and equipment | 1,874 | 1,880 |
| Depreciation | 1,174 | 1,184 |
| Professional fees | 398 | 397 |
| Postage, delivery, and statement mailings | 615 | 698 |
| Advertising | 1,241 | 927 |
| Telecommunications | 440 | 514 |
| Bankcard expenses | 448 | 686 |
| Insurance and regulatory | 1,200 | 1,578 |
| Office supplies | 484 | 470 |
| Repossessed asset losses, net of expenses | 78 | 86 |
| Other expenses | 2,268 | 2,141 |
| Total Non-Interest Expense | 19,965 | 20,358 |
| Income Before Income Taxes | 16,168 | 15,239 |
| Income tax expense | 5,453 | 5,093 |
| Net Income Available to Common Shareholders | \$ 10,715 | \$ 10,146 |
| Distributed earnings allocated to common shareholders | | |
| | \$ 5,274 | \$ 5,398 |
| Undistributed earnings allocated to common shareholders | | |
| | 5,373 | 4,736 |
| Net earnings allocated to common shareholders | \$ 10,647 | \$ 10,134 |
| Average common shares outstanding | 15,656 | 15,908 |
| Effect of dilutive securities: | | |
| Employee stock options | 65 | 47 |
| Shares for diluted earnings per share | 15,721 | 15,955 |
| Basic earnings per common share | \$ 0.68 | \$ 0.64 |
| Diluted earnings per common share | \$ 0.68 | \$ 0.64 |

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

| | Six months ended June 30, | |
|--|---------------------------|------------------|
| | 2010 | 2009 |
| Interest Income | | |
| Interest and fees on loans | \$ 50,845 | \$ 55,004 |
| Interest on investment securities: | | |
| Taxable | 10,928 | 11,674 |
| Tax-exempt | 931 | 812 |
| Interest on deposits in depository institutions | - | 8 |
| Interest on federal funds sold | 1 | - |
| Total Interest Income | 62,705 | 67,498 |
| Interest Expense | | |
| Interest on deposits | 14,015 | 18,557 |
| Interest on short-term borrowings | 198 | 264 |
| Interest on long-term debt | 323 | 485 |
| Total Interest Expense | 14,536 | 19,306 |
| Net Interest Income | 48,169 | 48,192 |
| Provision for loan losses | 2,903 | 3,839 |
| Net Interest Income After Provision for Loan Losses | 45,266 | 44,353 |
| Non-Interest Income | | |
| Total investment securities impairment losses | (4,440) | (2,157) |
| Noncredit impairment losses recognized in other comprehensive income | 2,496 | - |
| Net investment securities impairment losses | (1,944) | (2,157) |
| Gain (loss) on sale of investment securities | 62 | (250) |
| Service charges | 20,676 | 21,696 |
| Insurance commissions | 2,641 | 3,258 |
| Trust and investment management fee income | 1,429 | 1,204 |
| Bank owned life insurance | 1,541 | 1,724 |
| Other income | 985 | 1,245 |
| Total Non-Interest Income | 25,390 | 26,720 |
| Non-Interest Expense | | |
| Salaries and employee benefits | 19,494 | 19,380 |
| Occupancy and equipment | 3,919 | 3,789 |
| Depreciation | 2,392 | 2,395 |
| Professional fees | 761 | 850 |
| Postage, delivery, and statement mailings | 1,224 | 1,416 |
| Advertising | 2,154 | 1,790 |
| Telecommunications | 891 | 934 |
| Bankcard expenses | 924 | 1,334 |
| Insurance and regulatory | 2,387 | 1,954 |
| Office supplies | 977 | 1,001 |
| Reposessed asset losses, net of expenses | 1,024 | 215 |
| Other expenses | 4,369 | 4,073 |
| Total Non-Interest Expense | 40,516 | 39,131 |
| Income Before Income Taxes | 30,140 | 31,942 |
| Income tax expense | 10,112 | 10,872 |
| Net Income Available to Common Shareholders | \$ 20,028 | \$ 21,070 |
| Distributed earnings allocated to common shareholders | \$ 10,549 | \$ 10,797 |
| Undistributed earnings allocated to common shareholders | 9,355 | 10,163 |
| Net earnings allocated to common shareholders | \$ 19,904 | \$ 20,959 |
| Average common shares outstanding | 15,722 | 15,903 |
| Effect of dilutive securities: | | |
| Employee stock options | 63 | 48 |
| Shares for diluted earnings per share | 15,785 | 15,951 |
| Basic earnings per common share | \$ 1.27 | \$ 1.32 |
| Diluted earnings per common share | \$ 1.26 | \$ 1.31 |

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

| | Three Months Ended | |
|--|--------------------|-------------------|
| | June 30, 2010 | June 30, 2009 |
| Balance at April 1 | \$ 311,668 | \$ 284,444 |
| Net income | 10,715 | 10,146 |
| Other comprehensive income: | | |
| Change in unrealized gain on securities available-for-sale | 2,106 | 7,104 |
| Change in unrealized (gain) on interest rate floors | (826) | (1,783) |
| Cash dividends declared (\$0.34/share) | (5,312) | (5,426) |
| Issuance of stock award shares, net | 119 | 99 |
| Exercise of 1,500 stock options | 43 | - |
| Purchase of 213,000 common shares of treasury | (7,105) | - |
| Balance at June 30 | <u>\$ 311,408</u> | <u>\$ 294,584</u> |

| | Six Months Ended | |
|--|-------------------|-------------------|
| | June 30, 2010 | June 30, 2009 |
| Balance at January 1 | \$ 307,735 | \$ 284,296 |
| Net income | 20,028 | 21,070 |
| Other comprehensive income: | | |
| Change in unrealized gain on securities available-for-sale | 5,242 | 4,488 |
| Change in unrealized (gain) on interest rate floors | (1,738) | (3,569) |
| Cash dividends declared (\$0.68/share) | (10,685) | (10,836) |
| Issuance of stock award shares, net | 490 | 374 |
| Exercise of 1,700 stock options | 46 | - |
| Exercise of 1,500 stock options | - | 3 |
| Purchase of 297,015 common shares of treasury | (9,710) | - |
| Purchase of 49,363 common shares of treasury | - | (1,242) |
| Balance at June 30 | <u>\$ 311,408</u> | <u>\$ 294,584</u> |

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

| | June 30 2010 | March 31 2010 | Quarter Ended December 31 2009 | September 30 2009 | June 30 2009 |
|---|-----------------|------------------|--------------------------------------|----------------------|-----------------|
| Interest income | \$ 31,770 | \$ 30,935 | \$ 31,887 | \$ 32,651 | \$ 32,964 |
| Taxable equivalent adjustment | 246 | 255 | 234 | 236 | 219 |
| Interest income (FTE) | 32,016 | 31,190 | 32,121 | 32,887 | 33,183 |
| Interest expense | 7,092 | 7,444 | 8,302 | 8,995 | 9,526 |
| Net interest income | 24,924 | 23,746 | 23,819 | 23,892 | 23,657 |
| Provision for loan losses | 1,823 | 1,080 | 1,475 | 1,681 | 2,128 |
| Net interest income after provision for loan losses | 23,101 | 22,666 | 22,344 | 22,211 | 21,529 |
| Noninterest income | 13,278 | 12,112 | 12,923 | 12,340 | 14,287 |
| Noninterest expense | 19,965 | 20,551 | 19,316 | 18,796 | 20,358 |
| Income before income taxes | 16,414 | 14,227 | 15,951 | 15,755 | 15,458 |
| Income tax expense | 5,453 | 4,659 | 4,639 | 5,022 | 5,093 |
| Taxable equivalent adjustment | 246 | 255 | 234 | 236 | 219 |
| Net income available to common shareholders | \$ 10,715 | \$ 9,313 | \$ 11,078 | \$ 10,497 | \$ 10,146 |
| | | | | | |
| Distributed earnings allocated to common shareholders | \$ 5,274 | \$ 5,345 | \$ 5,370 | \$ 5,380 | \$ 5,398 |
| Undistributed earnings allocated to common shareholders | 5,373 | 3,918 | 5,697 | 5,116 | 4,695 |
| Net earnings allocated to common shareholders | \$ 10,647 | \$ 9,263 | \$ 11,067 | \$ 10,496 | \$ 10,093 |
| Average common shares outstanding | 15,656 | 15,793 | 15,838 | 15,893 | 15,908 |
| Effect of dilutive securities: | | | | | |
| Employee stock options | 65 | 58 | 53 | 59 | 47 |
| Shares for diluted earnings per share | 15,721 | 15,851 | 15,891 | 15,952 | 15,955 |
| Basic earnings per common share | \$ 0.68 | \$ 0.59 | \$ 0.70 | \$ 0.66 | \$ 0.64 |
| Diluted earnings per common share | 0.68 | 0.58 | 0.70 | 0.66 | 0.64 |
| Cash dividends declared per share | 0.34 | 0.34 | 0.34 | 0.34 | 0.34 |
| | | | | | |
| Average Common Share (000s): | | | | | |
| Outstanding | 15,656 | 15,793 | 15,838 | 15,893 | 15,908 |
| Diluted | 15,721 | 15,851 | 15,897 | 15,952 | 15,949 |
| Net Interest Margin | 4.22% | 4.14% | 4.07% | 4.09% | 4.12% |

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

| | June 30 2010 | March 31 2010 | Quarter Ended December 31 2009 | September 30 2009 | June 30 2009 |
|--|------------------|------------------|--------------------------------------|----------------------|------------------|
| Non-Interest Income: | | | | | |
| Service charges | \$ 10,448 | \$ 10,228 | \$ 11,628 | \$ 11,689 | \$ 11,261 |
| Insurance commissions | 1,244 | 1,397 | 1,110 | 1,208 | 1,325 |
| Trust and investment management fee income | 567 | 862 | 549 | 590 | 497 |
| Bank owned life insurance | 813 | 728 | 753 | 794 | 992 |
| Other income | 437 | 548 | 320 | 379 | 544 |
| Subtotal | 13,509 | 13,763 | 14,360 | 14,660 | 14,619 |
| Total investment securities impairment losses | (1,237) | (3,203) | (861) | (2,306) | - |
| Noncredit impairment losses recognized in other comprehensive income | 944 | 1,552 | - | - | - |
| Net investment securities impairment losses | (293) | (1,651) | (861) | (2,306) | - |
| Gain (loss) on sale of investment securities | 62 | - | (576) | (14) | (332) |
| Total Non-Interest Income | \$ 13,278 | \$ 12,112 | \$ 12,923 | \$ 12,340 | \$ 14,287 |
| Non-Interest Expense: | | | | | |
| Salaries and employee benefits | \$ 9,745 | \$ 9,749 | \$ 8,523 | \$ 9,623 | \$ 9,797 |
| Occupancy and equipment | 1,874 | 2,045 | 1,947 | 1,953 | 1,880 |
| Depreciation | 1,174 | 1,218 | 1,180 | 1,171 | 1,184 |
| Professional fees | 398 | 363 | 439 | 216 | 397 |
| Postage, delivery, and statement mailings | 615 | 609 | 573 | 611 | 698 |
| Advertising | 1,241 | 913 | 830 | 883 | 927 |
| Telecommunications | 440 | 451 | 455 | 476 | 514 |
| Bankcard expenses | 448 | 476 | 570 | 695 | 686 |
| Insurance and regulatory | 1,200 | 1,187 | 1,014 | 411 | 1,578 |
| Office supplies | 484 | 493 | 484 | 520 | 470 |
| Reposessed asset losses, net of expenses | 78 | 946 | 321 | 136 | 86 |
| Other expenses | 2,268 | 2,101 | 2,880 | 2,107 | 2,119 |
| Total Non-Interest Expense | \$ 19,965 | \$ 20,551 | \$ 19,216 | \$ 18,802 | \$ 20,336 |
| | | | | | |
| | | | | | |
| Employees (Full Time Equivalent) | 812 | 815 | 809 | 814 | 831 |
| Branch Locations | 67 | 67 | 67 | 68 | 69 |

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

| | June 30 | December 31 |
|--|---------------------|---------------------|
| | 2010 | 2009 |
| | <i>(Unaudited)</i> | |
| Assets | | |
| Cash and due from banks | \$ 40,861 | \$ 59,116 |
| Interest-bearing deposits in depository institutions | 4,146 | 3,519 |
| Cash and cash equivalents | 45,007 | 62,635 |
| Investment securities available-for-sale, at fair value | 481,692 | 485,767 |
| Investment securities held-to-maturity, at amortized cost | 24,531 | 28,164 |
| Total investment securities | 506,223 | 513,931 |
| Gross loans | 1,833,572 | 1,792,434 |
| Allowance for loan losses | (19,456) | (18,541) |
| Net loans | 1,814,116 | 1,773,893 |
| Bank owned life insurance | 74,858 | 73,388 |
| Premises and equipment | 64,515 | 64,193 |
| Accrued interest receivable | 8,270 | 7,969 |
| Net deferred tax assets | 26,233 | 29,480 |
| Intangible assets | 56,791 | 57,010 |
| Other assets | 43,170 | 40,121 |
| Total Assets | \$ 2,639,183 | \$ 2,622,620 |
| Liabilities | | |
| Deposits: | | |
| Noninterest-bearing | \$ 331,286 | \$ 328,440 |
| Interest-bearing: | | |
| Demand deposits | 461,829 | 457,293 |
| Savings deposits | 395,718 | 379,893 |
| Time deposits | 986,879 | 998,096 |
| Total deposits | 2,175,712 | 2,163,722 |
| Short-term borrowings | 113,239 | 118,329 |
| Long-term debt | 16,915 | 16,959 |
| Other liabilities | 21,909 | 15,875 |
| Total Liabilities | 2,327,775 | 2,314,885 |
| Stockholders' Equity | | |
| 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; 18,499,282 shares issued at June 30, 2010 and December 31, 2009 | | |
| less 2,889,927 and 2,616,161 shares in treasury, respectively | 46,249 | 46,249 |
| Capital surplus | 101,546 | 101,750 |
| Retained earnings | 262,510 | 253,167 |
| Cost of common stock in treasury | (99,847) | (90,877) |
| Accumulated other comprehensive income (loss): | | |
| Unrealized gain/(loss) on securities available-for-sale | 3,362 | (1,880) |
| Unrealized gain on derivative instruments | 1,325 | 3,063 |
| Underfunded pension liability | (3,737) | (3,737) |
| Total Accumulated Other Comprehensive Income (Loss) | 950 | (2,554) |
| Total Stockholders' Equity | 311,408 | 307,735 |
| Total Liabilities and Stockholders' Equity | \$ 2,639,183 | \$ 2,622,620 |

CITY HOLDING COMPANY AND SUBSIDIARIES

Investment Portfolio
(Unaudited) (\$ in 000s)

| | <u>Original Cost</u> | <u>Other Than Temporary Credit Impairment Charges through June 30, 2010</u> | <u>Unrealized Gains (Losses)</u> | <u>Carrying Value</u> |
|--|----------------------|---|--------------------------------------|-----------------------|
| Mortgage Backed Securities | 295,986 | - | 11,526 | 307,513 |
| Municipal Bonds | 53,585 | - | 527 | 54,112 |
| Pooled Bank Trust Preferreds | 27,088 | (18,516) | (982) | 7,590 |
| Single Issuer Bank Trust Preferreds, Subdebt of Financial Institutions, and | | | | |
| Bank Holding Company Preferred Stocks | 104,479 | (1,638) | (1,967) | 100,874 |
| Money Markets and Mutual Funds | 18,426 | - | 17 | 18,443 |
| Federal Reserve Bank and FHLB stock | 12,940 | - | - | 12,940 |
| Community Bank Equity Positions | 10,167 | (1,749) | (3,668) | 4,751 |
| Total Investments | <u>\$ 522,672</u> | <u>\$ (21,903)</u> | <u>\$ 5,454</u> | <u>\$ 506,223</u> |

CITY HOLDING COMPANY AND SUBSIDIARIES

Loan Portfolio

(Unaudited) (\$ in 000s)

| | June 30 2010 | March 31 2010 | December 31 2009 | September 30 2009 | June 30 2009 |
|--|-------------------------|--------------------------|-----------------------------|------------------------------|-------------------------|
| Residential real estate | \$ 605,026 | \$ 597,429 | \$ 595,678 | \$ 590,653 | \$ 596,925 |
| Home equity | 404,789 | 398,443 | 398,752 | 396,648 | 392,751 |
| Commercial, financial, and agriculture | 778,114 | 761,223 | 752,052 | 762,194 | 747,886 |
| Installment loans to individuals | 43,859 | 43,597 | 44,239 | 45,309 | 45,550 |
| Previously securitized loans | 1,784 | 1,148 | 1,713 | 2,580 | 3,223 |
| Gross Loans | \$ 1,833,572 | \$ 1,801,840 | \$ 1,792,434 | \$ 1,797,384 | \$ 1,786,335 |

CITY HOLDING COMPANY AND SUBSIDIARIES

Previously Securitized Loans

(Unaudited) (\$ in millions)

| | December 31 | Annualized | Effective |
|--------------------|--------------------|-------------------|-------------------|
| Year Ended: | Balance (a) | Interest | Annualized |
| | | Income (a) | Yield (a) |
| 2009 | \$ 1.7 | \$ 5.6 | 108% |
| 2010 | 1.6 | 3.9 | 238% |
| 2011 | 1.4 | 2.5 | 171% |
| 2012 | 1.2 | 2.2 | 171% |
| 2013 | 1.0 | 1.8 | 171% |

a - 2009 amounts are based on actual results. 2010 amounts are based on actual results through June 30, 2010 and estimated amounts for the remainder of the year. 2011, 2012, and 2013 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, 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 June 30, | | | | | |
|---|-----------------------------|------------------|----------------|---------------------|------------------|----------------|
| | 2010 | | | 2009 | | |
| | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| Assets: | | | | | | |
| Loan portfolio: | | | | | | |
| Residential real estate | \$ 596,474 | \$ 7,885 | 5.30% | \$ 598,122 | \$ 8,545 | 5.73% |
| Home equity | 401,757 | 5,316 | 5.31% | 390,361 | 6,050 | 6.22% |
| Commercial, financial, and agriculture | 771,234 | 10,017 | 5.21% | 752,157 | 10,311 | 5.50% |
| Installment loans to individuals | 51,442 | 1,015 | 7.91% | 49,956 | 1,057 | 8.49% |
| Previously securitized loans | 915 | 1,757 | 770.20% | 3,426 | 984 | 115.20% |
| Total loans | 1,821,822 | 25,990 | 5.72% | 1,794,022 | 26,947 | 6.02% |
| Securities: | | | | | | |
| Taxable | 487,604 | 5,317 | 4.37% | 466,341 | 5,612 | 4.83% |
| Tax-exempt | 49,501 | 708 | 5.74% | 38,179 | 621 | 6.52% |
| Total securities | 537,105 | 6,025 | 4.50% | 504,520 | 6,233 | 4.96% |
| Deposits in depository institutions | 6,110 | - | - | 5,224 | 3 | 0.23% |
| Federal funds sold | 1,445 | 1 | - | - | - | - |
| Total interest-earning assets | 2,366,482 | 32,016 | 5.43% | 2,303,766 | 33,183 | 5.78% |
| Cash and due from banks | 53,556 | | | 51,774 | | |
| Bank premises and equipment | 64,486 | | | 62,775 | | |
| Other assets | 206,809 | | | 215,907 | | |
| Less: Allowance for loan losses | (19,520) | | | (22,229) | | |
| Total assets | \$ 2,671,813 | | | \$ 2,611,993 | | |
| Liabilities: | | | | | | |
| Interest-bearing demand deposits | 464,306 | 342 | 0.30% | 429,381 | 446 | 0.42% |
| Savings deposits | 391,407 | 259 | 0.27% | 374,375 | 463 | 0.50% |
| Time deposits | 991,902 | 6,231 | 2.52% | 1,017,984 | 8,276 | 3.26% |
| Short-term borrowings | 110,954 | 99 | 0.36% | 125,436 | 111 | 0.35% |
| Long-term debt | 16,925 | 163 | 3.86% | 18,998 | 231 | 4.88% |
| Total interest-bearing liabilities | 1,975,494 | 7,094 | 1.44% | 1,966,174 | 9,527 | 1.94% |
| Noninterest-bearing demand deposits | 362,363 | | | 334,735 | | |
| Other liabilities | 19,792 | | | 23,680 | | |
| Stockholders' equity | 314,164 | | | 287,404 | | |
| Total liabilities and stockholders' equity | \$ 2,671,813 | | | \$ 2,611,993 | | |
| Net interest income | | \$ 24,922 | | | \$ 23,656 | |
| Net yield on earning assets | | | 4.22% | | | 4.12% |

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

| | Six Months Ended June 30, | | | | | |
|---|---------------------------|------------------|----------------|---------------------|------------------|----------------|
| | 2010 | | | 2009 | | |
| | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| Assets: | | | | | | |
| Loan portfolio: | | | | | | |
| Residential real estate | \$ 594,715 | \$ 15,779 | 5.35% | \$ 600,929 | \$ 17,325 | 5.81% |
| Home equity | 399,735 | 10,674 | 5.38% | 388,517 | 12,193 | 6.33% |
| Commercial, financial, and agriculture | 762,440 | 19,928 | 5.27% | 754,168 | 21,186 | 5.66% |
| Installment loans to individuals | 49,492 | 1,928 | 7.86% | 48,768 | 2,175 | 8.99% |
| Previously securitized loans | 1,177 | 2,536 | 434.50% | 3,645 | 2,125 | 117.56% |
| Total loans | 1,807,559 | 50,845 | 5.67% | 1,796,027 | 55,004 | 6.18% |
| Securities: | | | | | | |
| Taxable | 482,646 | 10,928 | 4.57% | 448,636 | 11,674 | 5.25% |
| Tax-exempt | 49,567 | 1,432 | 5.83% | 37,871 | 1,249 | 6.65% |
| Total securities | 532,213 | 12,360 | 4.68% | 486,507 | 12,923 | 5.36% |
| Deposits in depository institutions | 5,446 | - | - | 5,026 | 8 | 0.32% |
| Federal funds sold | 727 | 1 | - | - | - | - |
| Total interest-earning assets | 2,345,945 | 63,206 | 5.43% | 2,287,560 | 67,935 | 5.99% |
| Cash and due from banks | 54,094 | | | 52,090 | | |
| Bank premises and equipment | 64,302 | | | 61,800 | | |
| Other assets | 207,310 | | | 213,467 | | |
| Less: Allowance for loan losses | (19,315) | | | (22,395) | | |
| Total assets | \$ 2,652,336 | | | \$ 2,592,522 | | |
| Liabilities: | | | | | | |
| Interest-bearing demand deposits | 460,658 | 692 | 0.30% | 423,073 | 909 | 0.43% |
| Savings deposits | 386,680 | 540 | 0.28% | 367,595 | 969 | 0.53% |
| Time deposits | 995,760 | 12,783 | 2.59% | 1,000,562 | 16,679 | 3.36% |
| Short-term borrowings | 110,561 | 198 | 0.36% | 136,412 | 264 | 0.39% |
| Long-term debt | 16,934 | 323 | 3.85% | 19,015 | 485 | 5.14% |
| Total interest-bearing liabilities | 1,970,593 | 14,536 | 1.49% | 1,946,657 | 19,306 | 2.00% |
| Noninterest-bearing demand deposits | 351,806 | | | 329,563 | | |
| Other liabilities | 16,588 | | | 29,506 | | |
| Stockholders' equity | 313,349 | | | 286,796 | | |
| Total liabilities and stockholders' equity | \$ 2,652,336 | | | \$ 2,592,522 | | |
| Net interest income | | \$ 48,670 | | | \$ 48,629 | |
| Net yield on earning assets | | | 4.18% | | | 4.29% |

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

| | June 30 2010 (a) | March 31 2010 | December 31 2009 | September 30 2009 | June 30 2009 |
|--|---------------------|------------------|---------------------|----------------------|-----------------|
| Tier I Capital: | | | | | |
| Stockholders' equity | \$ 311,408 | \$ 311,668 | \$ 307,735 | \$ 303,973 | \$ 294,584 |
| Goodwill and other intangibles | (56,596) | (56,705) | (56,810) | (56,928) | (57,046) |
| Accumulated other comprehensive (income) loss | (950) | 330 | 2,554 | (330) | 5,970 |
| Qualifying trust preferred stock | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Unrealized Loss on AFS securities | (3,668) | (2,950) | (3,531) | (2,355) | (4,146) |
| Excess deferred tax assets | (3,530) | (3,827) | (3,412) | (10,105) | (14,804) |
| Total tier I capital | \$ 262,664 | \$ 264,516 | \$ 262,536 | \$ 250,255 | \$ 240,558 |
| Total Risk-Based Capital: | | | | | |
| Tier I capital | \$ 262,664 | \$ 264,516 | \$ 262,536 | \$ 250,255 | \$ 240,558 |
| Qualifying allowance for loan losses | 19,456 | 18,982 | 18,687 | 19,655 | 20,975 |
| Total risk-based capital | \$ 282,120 | \$ 283,498 | \$ 281,223 | \$ 269,910 | \$ 261,533 |
| Net risk-weighted assets | \$ 1,952,076 | \$ 1,935,071 | \$ 1,926,824 | \$ 1,919,093 | \$ 1,910,831 |
| Ratios: | | | | | |
| Average stockholders' equity to average assets | 11.76% | 11.87% | 11.70% | 11.33% | 11.00% |
| Tangible capital ratio | 9.86% | 9.79% | 9.77% | 9.62% | 9.11% |
| Risk-based capital ratios: | | | | | |
| Tier I capital | 13.46% | 13.67% | 13.63% | 13.04% | 12.59% |
| Total risk-based capital | 14.45% | 14.65% | 14.60% | 14.06% | 13.69% |
| Leverage capital | 10.06% | 10.28% | 10.23% | 9.79% | 9.47% |

(a) June 30, 2010 risk-based capital ratios are estimated

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

| | As of and for the Quarter Ended | | | | |
|----------------------------------|---------------------------------|------------------|---------------------|----------------------|-----------------|
| | June 30 2010 | March 31 2010 | December 31 2009 | September 30 2009 | June 30 2009 |
| Intangibles, net | \$ 56,791 | \$ 56,900 | \$ 57,010 | \$ 57,127 | \$ 57,244 |
| Intangibles amortization expense | 109 | 110 | 117 | 117 | 117 |

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

| | June 30 2010 | March 31 2010 | Quarter Ended December 31 2009 | September 30 2009 | June 30 2009 |
|---|------------------|------------------|--------------------------------------|----------------------|------------------|
| Balance at beginning of period | \$ 18,836 | \$ 18,541 | \$ 19,609 | \$ 20,923 | \$ 21,950 |
| Charge-offs: | | | | | |
| Commercial, financial, and agricultural | 796 | 361 | 1,821 | 2,117 | 2,332 |
| Real estate-mortgage | 637 | 423 | 448 | 567 | 507 |
| Installment loans to individuals | 20 | 26 | 87 | 36 | 73 |
| Overdraft deposit accounts | 565 | 550 | 737 | 795 | 690 |
| Total charge-offs | 2,018 | 1,360 | 3,093 | 3,515 | 3,602 |
| Recoveries: | | | | | |
| Commercial, financial, and agricultural | 378 | 9 | 88 | 27 | 91 |
| Real estate-mortgage | 38 | 23 | 31 | 19 | (9) |
| Installment loans to individuals | 53 | 50 | 37 | 95 | 35 |
| Overdraft deposit accounts | 346 | 493 | 394 | 379 | 330 |
| Total recoveries | 815 | 575 | 550 | 520 | 447 |
| Net charge-offs | 1,203 | 785 | 2,543 | 2,995 | 3,155 |
| Provision for loan losses | 1,823 | 1,080 | 1,475 | 1,681 | 2,128 |
| Balance at end of period | \$ 19,456 | \$ 18,836 | \$ 18,541 | \$ 19,609 | \$ 20,923 |
| Loans outstanding | \$ 1,833,572 | \$ 1,801,840 | \$ 1,792,434 | \$ 1,797,384 | \$ 1,786,335 |
| Average loans outstanding | 1,821,822 | 1,793,134 | 1,792,759 | 1,803,611 | 1,794,022 |
| Allowance as a percent of loans outstanding | 1.06% | 1.05% | 1.03% | 1.09% | 1.17% |
| Allowance as a percent of non-performing loans | 177.78% | 131.60% | 132.02% | 118.61% | 96.56% |
| Net charge-offs (annualized) as a percent of average loans outstanding | 0.26% | 0.18% | 0.57% | 0.66% | 0.70% |
| Net charge-offs, excluding overdraft deposit accounts, (annualized) as a percent of average loans outstanding | 0.22% | 0.16% | 0.49% | 0.57% | 0.62% |

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

| | June 30 2010 | March 31 2010 | December 31 2009 | September 30 2009 | June 30 2009 |
|--|-------------------------|--------------------------|-----------------------------|------------------------------|-------------------------|
| Nonaccrual loans | \$ 10,246 | \$ 14,008 | \$ 13,583 | \$ 16,423 | \$ 20,956 |
| Accruing loans past due 90 days or more | 698 | 305 | 382 | 98 | 680 |
| Previously securitized loans past due 90 days or more | - | - | 79 | 12 | 32 |
| Total non-performing loans | 10,944 | 14,313 | 14,044 | 16,533 | 21,668 |
| Other real estate owned, excluding property associated with previously securitized loans | 12,722 | 10,800 | 11,729 | 12,323 | 9,840 |
| Other real estate owned associated with previously securitized loans | - | - | - | - | 189 |
| Other real estate owned | 12,722 | 10,800 | 11,729 | 12,323 | 10,029 |
| Total non-performing assets | \$ 23,666 | \$ 25,113 | \$ 25,773 | \$ 28,856 | \$ 31,697 |
| Non-performing assets as a percent of loans and other real estate owned | 1.28% | 1.39% | 1.43% | 1.59% | 1.76% |

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

| | June 30 2010 | March 31 2010 | December 31 2009 | September 30 2009 | June 30 2009 |
|--|-------------------------|--------------------------|-----------------------------|------------------------------|-------------------------|
| Residential real estate | \$ 5,298 | \$ 3,850 | \$ 3,830 | \$ 3,167 | \$ 5,029 |
| Home equity | 1,763 | 1,818 | 2,396 | 1,718 | 2,019 |
| Commercial, financial, and agriculture | 3,680 | 498 | 601 | 545 | 1,754 |
| Installment loans to individuals | 168 | 133 | 172 | 185 | 118 |
| Previously securitized loans | 394 | 539 | 1,023 | 1,054 | 878 |
| Overdraft deposit accounts | 399 | 326 | 461 | 510 | 526 |
| Total past due loans | \$ 11,702 | \$ 7,164 | \$ 8,483 | \$ 7,179 | \$ 10,324 |