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## EDGAR Submission Header Summary

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|                                 |                           |
|---------------------------------|---------------------------|
| Submission Type                 | 8-K                       |
| Live File                       | on                        |
| Return Copy                     | on                        |
| Submission Contact              | Victoria A. Faw           |
| Submission Contact Phone Number | 304-769-1112              |
| Exchange                        | NASD                      |
| Confirming Copy                 | off                       |
| Filer CIK                       | 0000726854                |
| Filer CCC                       | xxxxxxx                   |
| Period of Report                | 07/31/12                  |
| Item IDs                        | 7.01                      |
|                                 | 9.01                      |
| Notify via Filing website Only  | off                       |
| Emails                          | vikki.faw@cityholding.com |

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### Documents

|         |  |
|---------|--|
| 8-K     | form8-k.htm  |
|         | Form 8-K, CHCO presentation at KBW Annual Community Bank Investor Conference |
| GRAPHIC | chcologo.jpg   |
|         | CHCO logo  |
| EX-99.1 | ex99-1.htm   |
|         | Exhibit 99.1, Slides used for CHCO presentation at KBW conference            |
| GRAPHIC | ex99-11.jpg  |
|         |  |
| GRAPHIC | ex99-12.jpg  |
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| GRAPHIC  | ex99-146.jpg      |
| GRAPHIC  | ex99-147.jpg      |
| GRAPHIC  | ex99-148.jpg      |
| 8-K  | submissionpdf.pdf |
| Printable copy of Form 8-K, CHCO Presentation at KBW Conference and slides |                   |

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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)  
**July 31, 2012**



**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 7 – Regulation FD

### Item 7.01 – Regulation FD Disclosure.

On July 31, 2012, Charles R. (Skip) Hageboeck, President and CEO of City Holding Company (“the Company”) delivered a presentation regarding the Company’s financial performance to analysts and investors at the 2012 Keefe Bruyette & Woods Annual Community Bank Investor Conference held in New York City, NY.

Copies of the slides used in the presentations will be available on the Company’s web site at [www.bankatcity.com](http://www.bankatcity.com) and are attached as Exhibit 99.1 and incorporated herein by reference.

This Report, including its exhibit, which is furnished under Section 7, Item 7.01 of Form 8-K, is not to be deemed an admission as to the materiality of any information in the Report that is required to be disclosed by Regulation FD.

## Section 9 - Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1

Copy of slide presentation

### 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: August 1, 2012

**City Holding Company**

By: /s/ David L. Bumgarner

David L. Bumgarner  
Chief Financial Officer



# Keefe, Bruyette & Woods

## New York Conference

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July 31, 2012

# Forward looking statements

*This presentation 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 could have adverse legal actions of a material nature; (4) the Company may face competitive loss of customers; (5) the Company may be unable to manage its expense levels; (6) the Company may have difficulty retaining key employees; (7) 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; (8) changes in general economic conditions and increased competition could adversely affect the Company's operating results; (9) 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; (10) the Company may experience difficulties growing loan and deposit balances; (11) the current economic environment poses significant challenges for us and could adversely affect our financial condition and results of operations; (12) 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 (13) the effects of the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") recently adopted by the United States Congress. 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.*



- Total Assets \$2.9 bil
- Branches 73
- FTE 831
- Market Cap \$498 mil
- Institutional Ownership 63%
- Average Daily Volume \$1.7 mil

Date: Jul 20, 2012

# Value in the banking sector?

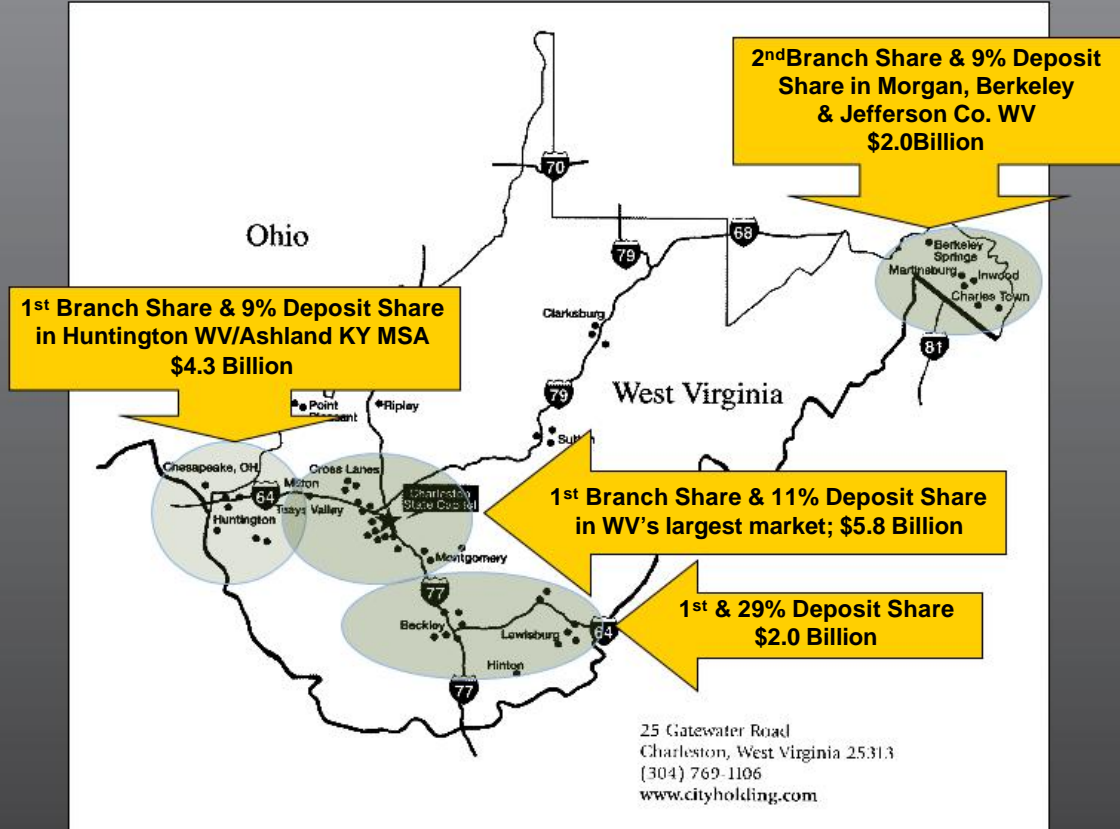
## Checklist for success in current environment:

- Capital
  - Strongly capitalized
- Markets
  - Solid distribution network
  - Stable geographic markets
  - Disciplined competition
- Performance
  - Strong net interest margin
  - Strong NIM management
  - Strong fee income
  - Ability to control expenses
- Growth
  - Liquidity to grow
  - Ability to grow share in market
  - Opportunity to grow into new markets
- Management

# City Holding Company

- **Markets:** Operates an extremely strong retail/commercial franchise in stable markets with disciplined competition
- **Asset Quality:** Strong compared to peers and City's management has recognized and dealt with issues
- **Performance:** Has consistently outperformed peers with respect to earnings, capital, and liquidity
- **Growth:** Growing and succeeding in slow-growth stable markets with targeted expansion into new markets

# Key markets



Map of the Shenandoah Valley showing the locations of the 11 Shenandoah Valley National Guard Armies. The map covers parts of Virginia, West Virginia, and Maryland. The Armies are marked with stars: five yellow stars and six orange stars. The yellow stars are located in the southern part of the valley, near Winchester, Berryville, and Haysville. The orange stars are located in the northern part of the valley, near Haysville, Haysville, and Haysville. The map also shows major roads, towns, and geographical features.

Copyright (C) 2015 S.J. Wessell. All rights reserved.



# Virginia Savings Bank

- Closed May 31, 2012
- Systems Conversion completed July 6, 2012
- Issued 240,000 shares of CHCO common stock and paid cash of \$4.7 million
- Projected Population growth of 5.5% over 5 years is much faster than CHCO's historical footprint
- Added:
  - 5 branches in Virginia
  - \$73 million in loans
  - \$123 million in deposits
  - 5,700 households
  - Annualized net interest income of \$4.2 million
  - Annualized non-interest income of \$1.0 million
  - Projected annualized expenses of \$2.2 million
  - Projected annualized net income of \$2.0 million

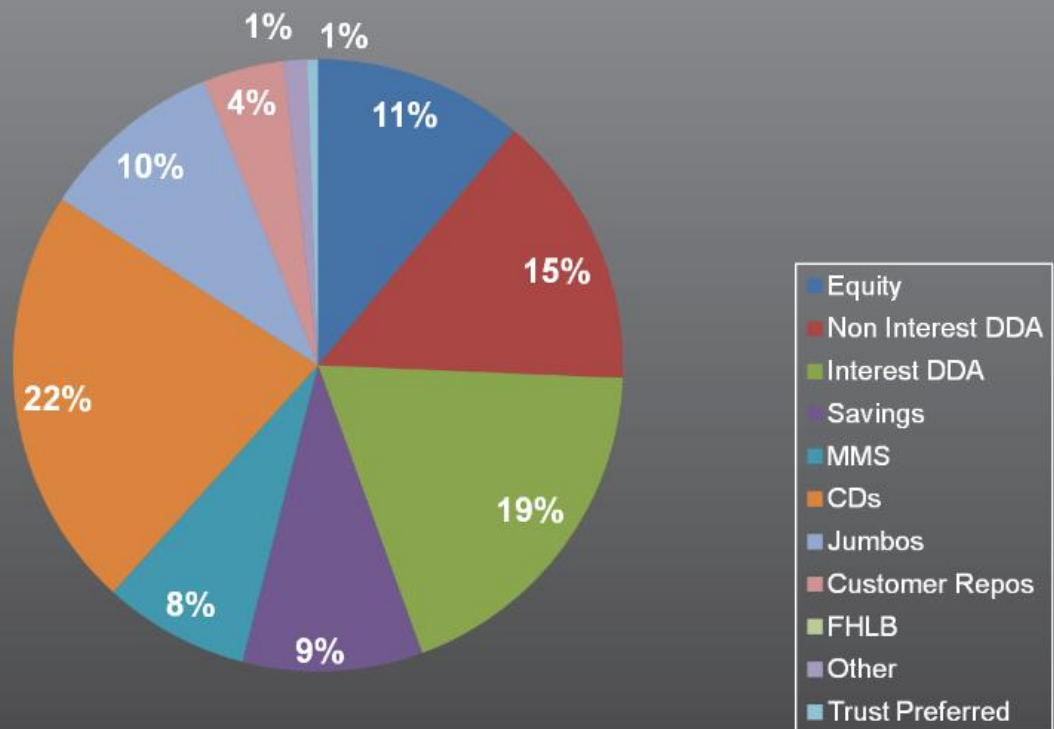
# Market Position

|                               | Population | CHCO<br>Deposits | Branches | Branch<br>Share       | Deposit<br>Share |
|-------------------------------|------------|------------------|----------|-----------------------|------------------|
| Charleston<br>MSA             | 305,000    | \$575 mil        | 17       | 1 <sup>st</sup> - 17% | 10%              |
| Huntington<br>/Ashland<br>MSA | 285,000    | \$366 mil        | 13       | 1 <sup>st</sup> - 12% | 9%               |
| Beckley                       | 80,000     | \$322 mil        | 7        | 1 <sup>st</sup> - 25% | 27%              |
| Lewisburg                     | 35,000     | \$179 mil        | 6        | 1 <sup>st</sup> - 33% | 25%              |
| Eastern<br>Panhandle          | 165,000    | \$173 mil        | 7        | 2 <sup>nd</sup> - 13% | 9%               |
| VSB Region                    | 186,000    | \$120 mil        | 5        | 6%                    | 4%               |

## The key to City's success: an enviable deposit franchise

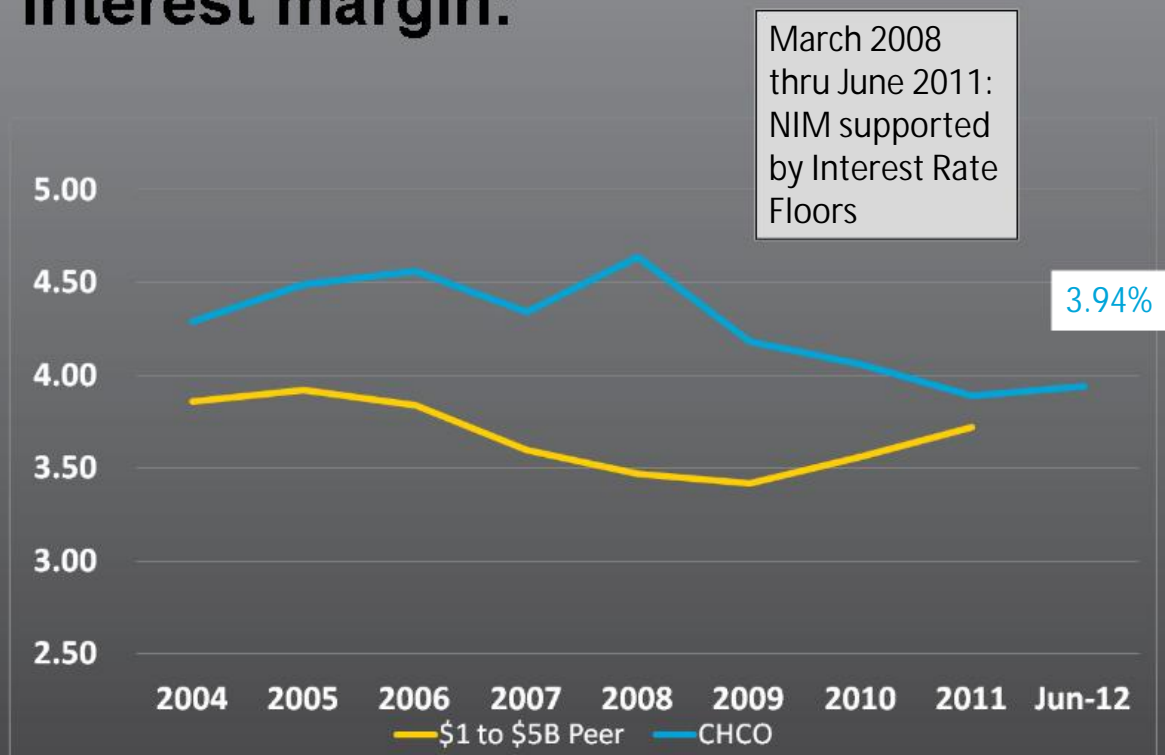
- Branches 73
- Average Deposits per Branch \$32.8 MM
- Average Households per Branch 2,200
- Average Deposit Share 12.3%
- Average Household Share 27%

## Low cost and stable funding:



Data: June 30, 2012

## Solid core deposits drive strong net interest margin:



Peer Data as of December 31, 2011

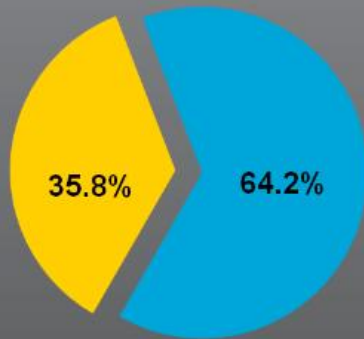
## CHCO is well positioned with respect to interest rate risk:

| Immediate Basis Point Change in Interest Rates | Estimated Increase or Decrease in Net Income between 1-12 months |
|--|--|
| +400 Bp  | +22.2%   |
| +300 Bp  | +15.9%   |
| +200 Bp  | 9.8%   |
| +100 Bp  | 2.2%   |

Data: June 30, 2012

# Strong deposit franchise drives top decile non-interest revenue:

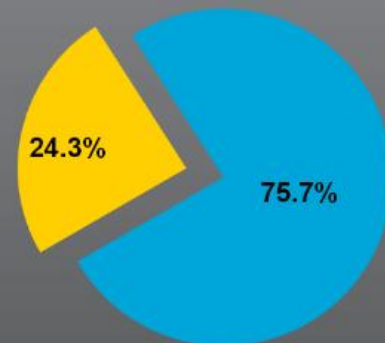
City Holding Company



■ Non Interest Income  
■ Net Interest Income

\*As of June 30, 2012. Non-interest income excludes investment gains/(losses)

Peer Group



■ Non Interest Income  
■ Net Interest Income

Sample of 282 reporting publicly traded banks and thrifts with assets between \$1 and \$10 billion as of March 31, 2012, excluding investment gains/(losses)

## Non-interest income is branch driven:

|                                    | 2007   | 2008   | 2009   | 2010   | 2011   | YTD<br>2012 |
|------------------------------------|--------|--------|--------|--------|--------|-------------|
| Electronic<br>Fee Income           | \$7.9  | \$8.6  | \$9.0  | \$9.9  | \$11.1 | \$6.2       |
| All Other<br>Service Fee<br>Income | \$36.5 | \$37.4 | \$36.0 | \$30.1 | \$27.0 | \$12.5      |
| Insurance                          | 4.1    | 4.2    | 5.6    | 5.5    | 5.9    | 3.3         |
| Investment<br>Management           | 2.0    | 2.2    | 2.3    | 2.8    | 3.1    | 1.7         |
| BOLI                               | 2.5    | 2.9    | 3.3    | 3.4    | 3.2    | 1.5         |



## City's deposit franchise:

Decreases in branch service charges reflect :

- May 2010 - Real-time Processing
- Aug 2010 - Reg E - Opt in for Electronic Transactions
- Nov 2011 - Ceased processing checks in high to low \$ order

| All Other Service Fee Income | 2009   | 2010   | 2011   | 2012 |
|------------------------------|--------|--------|--------|------|
| Fiscal Year                  | \$36.0 | \$30.1 | \$27.0 |      |
| 1 <sup>st</sup> Quarter      | 8.3    | 7.9    | 6.4    | 6.0  |
| 2 <sup>nd</sup> Quarter      | 9.0    | 8.0    | 7.1    | 6.5  |
| 3 <sup>rd</sup> Quarter      | 9.4    | 7.2    | 7.0    |      |
| 4 <sup>th</sup> Quarter      | 9.3    | 7.0    | 6.5    |      |

# Service Charge competitive landscape:



|             | Actions                    |
|-------------|----------------------------|
| BB&T        | \$10 monthly svc charge    |
| Chase       | \$12 monthly svc charge    |
| United      | Still offers free checking |
| Huntington  | Still offers free checking |
| Fifth Third | \$15 monthly svc charge    |
| FCBC        | Still offers free checking |



# NSF Fee Comparison With Competitors:

|             | Overdraft Fee  | Daily Overdraft Fee     |
|-------------|--|-------------------------|
| <b>CHCO</b> | <b>\$36</b>  | <b>None</b>             |
| BBT         | \$35   | \$33 every 7 days       |
| JPM         | \$34   | \$15 daily after 5 days |
| UBSI        | \$36   | \$5 daily after 5 days  |
| HBAN        | 1 <sup>st</sup> -\$23; \$37.50   | \$7 daily after 5 days  |
| PNC         | 1 <sup>st</sup> -\$25; \$36  | \$7 daily after 5 days  |
| FITB        | 1 <sup>st</sup> -\$25; 2 <sup>nd</sup> -\$33; 3 <sup>rd</sup> -\$33; 4 <sup>th</sup> -\$37 | \$8 daily after 3 days  |

CHCO waives 1<sup>st</sup> two overdrafts and does not charge a daily overdraft fee.

# Asset quality:

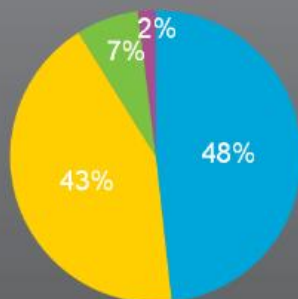
A function of culture and market

- City's loans are 60% retail/40% commercial
- City's market area tends to be more stable
- Real estate prices in City's market area have been relatively stable
- City's past-due loan trends are stable
- City's non-performing asset levels are stronger than peers
- City has been aggressive about charging down non-performing loans

# Loan Portfolio weighted toward Retail

## But - CHCO's markets have been more stable

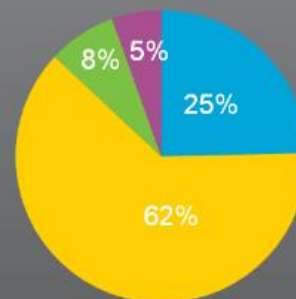
### City Holding Company



- Residential Real Estate
- Commercial
- HELOC's
- Consumer/Other

As of June 30, 2012

### Peer Group

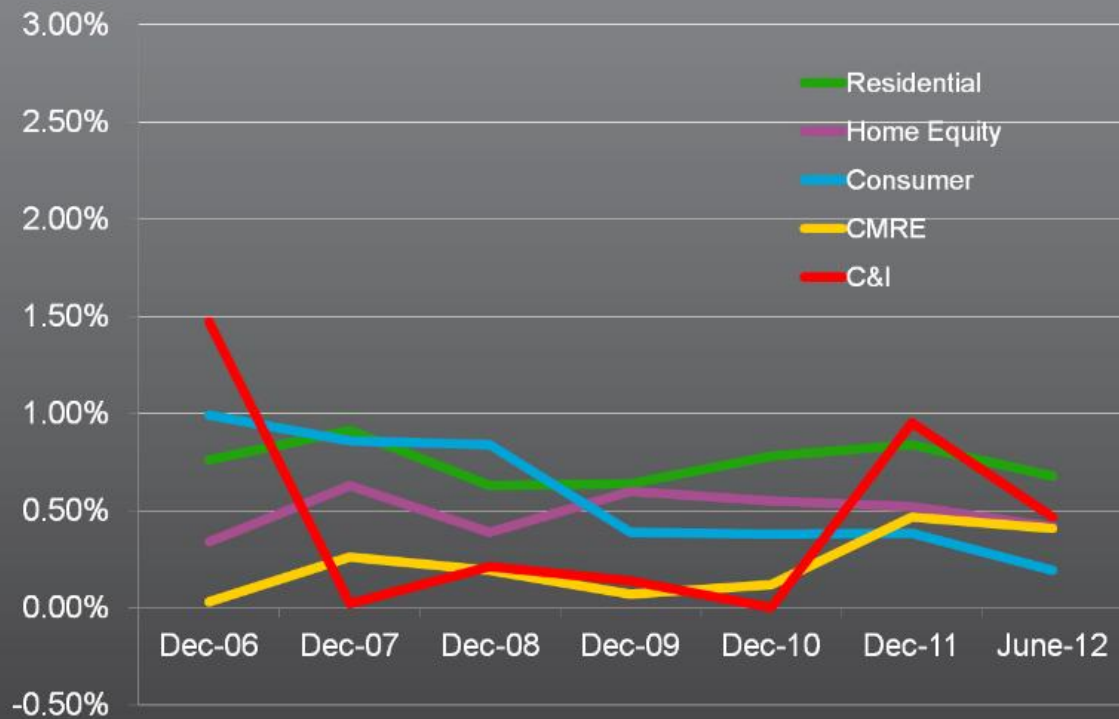


- Residential Real Estate
- Commercial
- HELOC's
- Consumer/Other

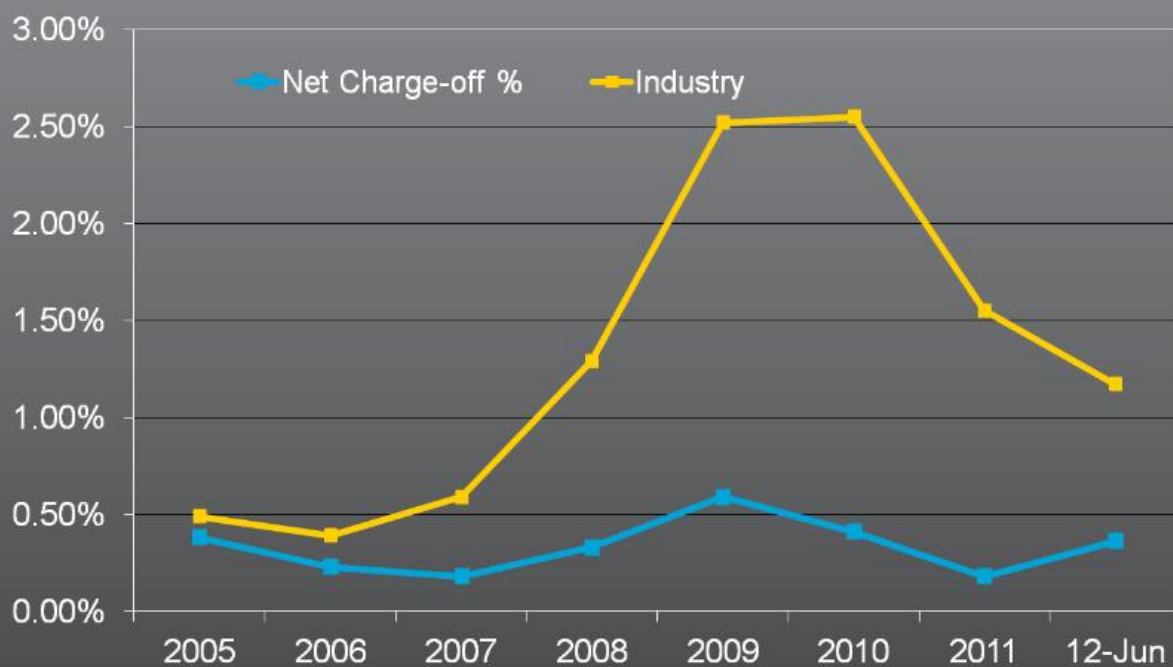
Sample of 282 publicly traded banks and thrifts with assets between \$1-\$10 billion as of March 31, 2012

## Stable past-due loans (30+ days)

Past-due loans trends are stable and reflect better economics in City's core markets

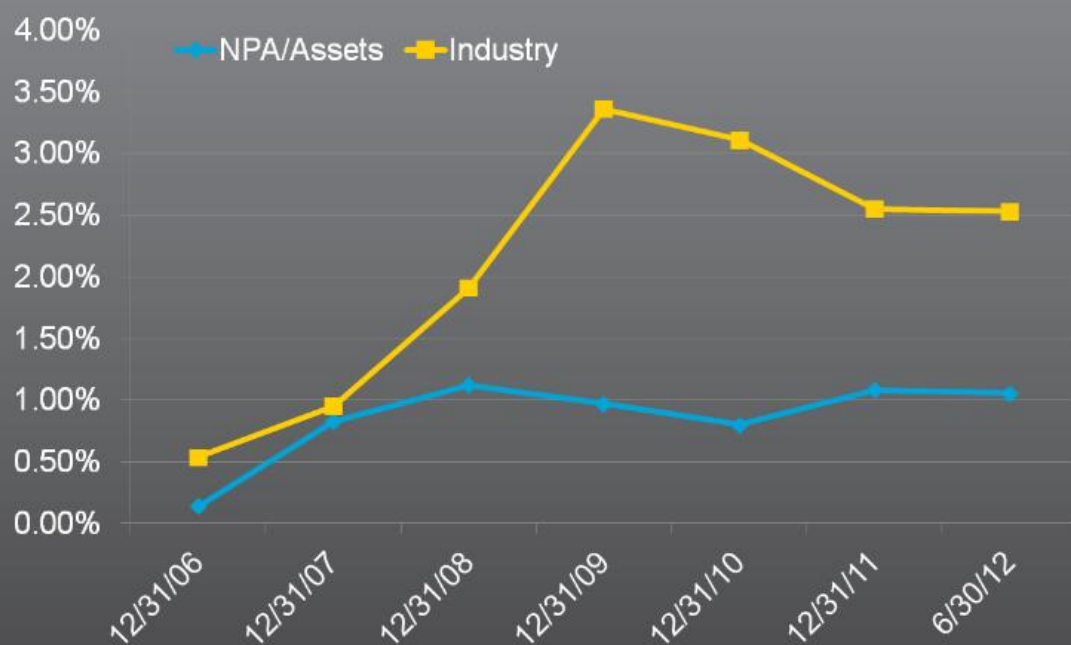


## Charge-off trends:



Source: FDIC, All Insured Depository Institutions  
Peer data as of March 31, 2012

# Non-performing assets & OREO



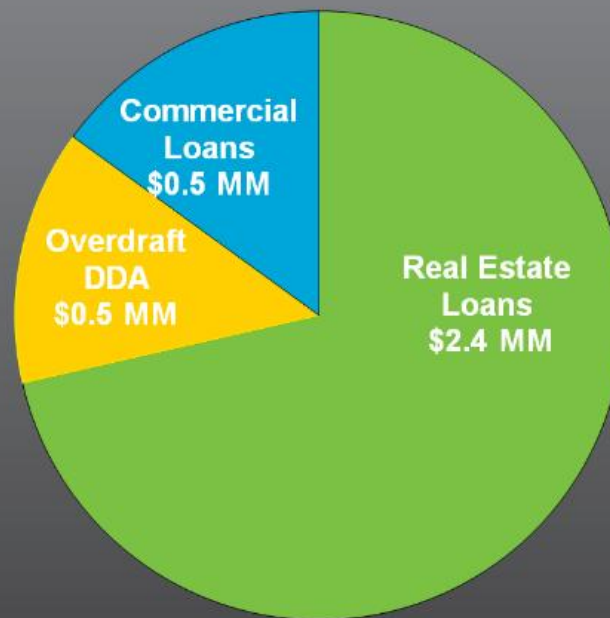
Source: FDIC, All Insured Depository Institutions  
Peer data as of June 30, 2012



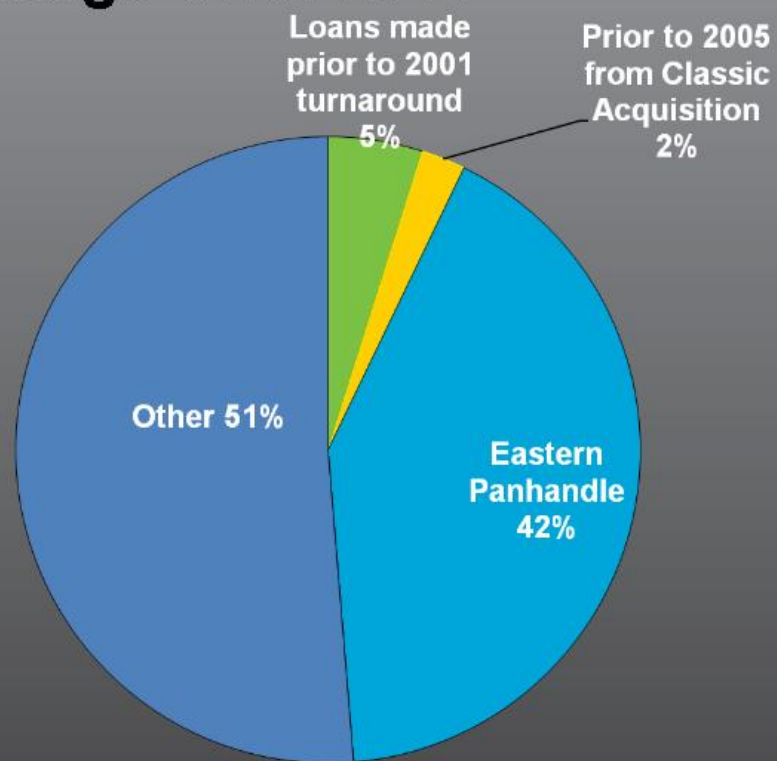
## Net charge-offs: 2011

Net C/O: \$3.4 MM (0.18% of Average Loans)

Provision \$4.6 MM



# Retail charge-offs: 2011



# A High Performing Bank for shareholders & employees:

**City Ranked #3**  
of Top 150 US Banks  
in 2010 by *Bank Director*

*What Does It Take*  
**TO BE GREAT?**  
by JACK MILLIGAN

**W**hat it takes to be a great bank in today's in-your-face business climate is pretty much what it always has, only more so. Consistency, strong management, a deep understanding of one's core market and careful risk taking headlined most of the top place finishers on Bank Director's 2011 Bank Performance Scorecard, a ranking of the 150 largest U.S. publicly traded banks and thrifts based on 2010 calendar year earnings.

PROFITABILITY, CAPITAL AND ASSET QUALITY ARE THE MAIN INGREDIENTS IN A CAN'T-MISS RECIPE.

gave State Bank plenty of capital. And the bank received less share assistance from the FDIC, which partly explains its outstanding asset quality. But FDIC-assisted deals have been one of the industry's best growth options in a stagnant economy—Etrus has now done five deals with the FDIC—and he deserves credit for building a strong institution out of the remains on several failed banks. (For more on State Bank Financial, see "Opportunity of a lifetime" on page 32).

| BANK PERFORMANCE SCORECARD TOP 150 BANKS |                                  |        |       |                      |               |               |          |               |          |                                     |          |                        |          |
|--|----------------------------------|--------|-------|----------------------|---------------|---------------|----------|---------------|----------|-------------------------------------|----------|------------------------|----------|
| Rank                                     | Company Name                     | Ticker | State | Total Assets (\$000) | Industry Type | Profitability |          |               |          | Capital Adequacy                    |          |                        |          |
|  |                                  |        |       |                      |               | Core ROAA (%) | ROA Rank | Core ROAE (%) | ROE Rank | Total Common Equity/Targ Assets (%) | TCE Rank | NPA's/Loans & OREO (%) | NPA Rank |
| 1  | State Bank Financial Corp.       | STBZ   | GA    | 2,828,579            | Bank          | 1.66          | 4        | 13.07         | 10       | 12.42                               | 10       | 1.20                   | 17       |
| 2  | First Financial Bankshares, Inc. | FFIN   | TX    | 3,776,367            | Bank          | 1.73          | 3        | 13.55         | 7        | 9.97                                | 25       | 1.40                   | 20       |
| 3  | City Holding Company             | CHCO   | WV    | 2,637,295            | Bank          | 1.59          | 6        | 13.38         | 9        | 10.01                               | 22       | 1.07                   | 13       |
| 4  | First Republic Bank              | FRC    | CA    | 22,377,633           | Bank          | 1.39          | 9        | 18.00         | 2        | 8.81                                | 44       | 0.11                   | 2        |
| 5  | Republic Bancorp, Inc.           | RBCAA  | KY    | 3,622,703            | Bank          | 1.05          | 2        | 17.97         | 3        | 10.00                               | 23       | 3.08                   | 57       |
| 6  | BankUnited, Inc.                 | BKU    | FL    | 10,869,360           | Thrift        | 2.66          | 4        | 15.50         | 4        | 10.97                               | 12       | 0.00                   | 1        |
| 7  | Commerce Bancshares, Inc.        | CBSH   | MO    | 10,902,339           | Bank          | 1.22          | 17       | 11.26         | 17       | 10.27                               | 20       | 1.66                   | 25       |
| 8  | Bank of the Ozarks, Inc.         | OZBK   | AR    | 3,273,699            | Bank          | 1.36          | 10       | 13.75         | 6        | 9.57                                | 31       | 2.96                   | 53       |
| 9  | Cullen/Frost Bankers, Inc.       | CFR    | TX    | 17,617,092           | Bank          | 1.23          | 16       | 10.46         | 24       | 8.90                                | 43       | 2.03                   | 32       |
| 10                                       | Brookline Bancorp, Inc.          | BRKL   | MA    | 2,720,542            | Thrift        | 1.04          | 29       | 5.58          | 74       | 16.83                               | 4        | 0.58                   | 5        |

City Holding Company

## CHCO *consistently* strong performance

|                                 | 2008  | 2009  | 2010   | 2011  | YTD<br>2012* | 2011 Regional Peer<br>Median  |
|---------------------------------|-------|-------|--------|-------|--------------|-------------------------------|
| Reported<br>ROA                 | 1.12% | 1.63% | 1.47%  | 1.51% | 1.45%        | 1.07% - 91 <sup>st</sup> %ile |
| ROATCE                          | 11.4% | 18.0% | 15.1%  | 15.7% | 15.3%        | 13.2% - 82 <sup>nd</sup> %ile |
| Tangible<br>Common<br>Equity/TA | 8.83% | 9.78% | 10.01% | 9.37% | 9.04%        | 9.11% - 55 <sup>th</sup> %ile |
| NIM                             | 4.64% | 4.18% | 4.06%  | 3.89% | 3.94%        | 3.91% - 45 <sup>th</sup> %ile |
| Efficiency<br>Ratio             | 46.3% | 50.0% | 51.6%  | 53.8% | 54.3%        | 58.4% - 86 <sup>th</sup> %ile |
| Non-Int<br>Rev/Total<br>Rev**   | 35.9% | 37.9% | 36.3%  | 36.2% | 35.5%        | 29.5% - 91 <sup>st</sup> %ile |

\* Data thru 6/30/2012 excludes VSB merger expenses of \$4.0 million (2.65 million, net of taxes)

\* \*Non-int rev excludes gain on Visa IPO; securities transactions

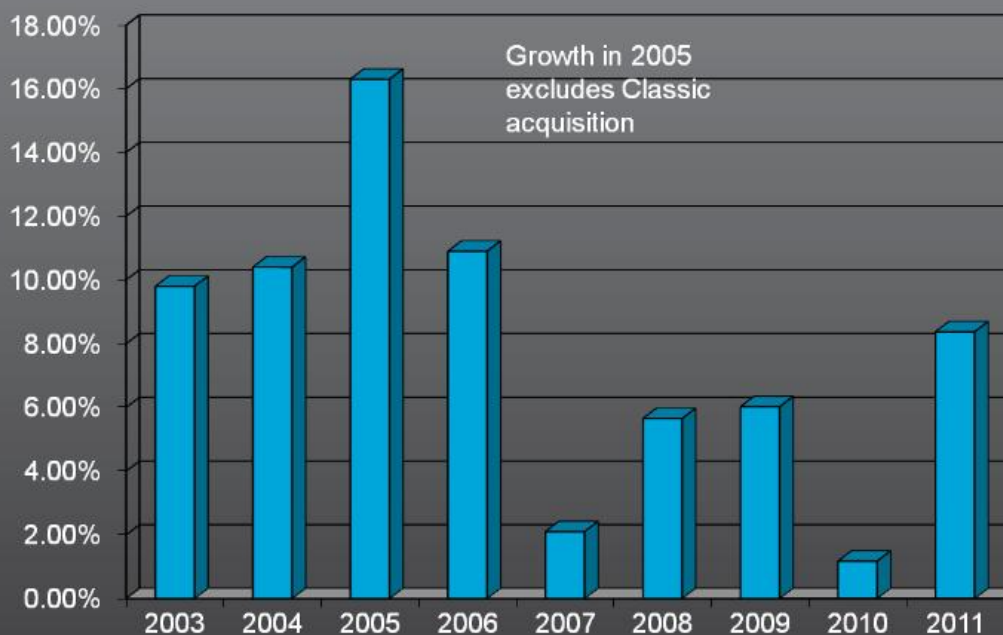
## **Growth:**

CHCO is positioned to achieve “reasonable growth” in its core franchise

- Commercial
- Retail
- Insurance
- Trust & Investment Management

## Commercial loan growth:

Success achieved due to community bank orientation, strong team, strong underwriting, and strong local economies



# North Carolina Loan Portfolio

In 2007, City hired a lender with significant experience in the Charleston WV MSA to call in both Charleston WV and in North Carolina. Over 54 months, City has developed a strong portfolio of commercial real-estate loans in North Carolina & Virginia from these efforts. A second lender has been hired, and office space secured for the Charlotte-based office going forward.

- Markets: Charlotte, Winston-Salem, Raleigh, & Norfolk, VA
- Projects: Apartments 25%, High Tech Office Bldgs 10%, GSA 30%, Grocery Stores 10%; Medical Office Bldgs 15%
- Loans Outstanding: \$64.5 million
- Debt Service Coverage \* 1.53x
- Loan to Value\* 71%
- Weighted Average Rate 4.57%
- Average Loan Size \$5.9 million

\* Based on average of this portfolio

## Deposit growth opportunity:

CHCO has many small deposit relationships; peers tend to have larger commercial & public deposits

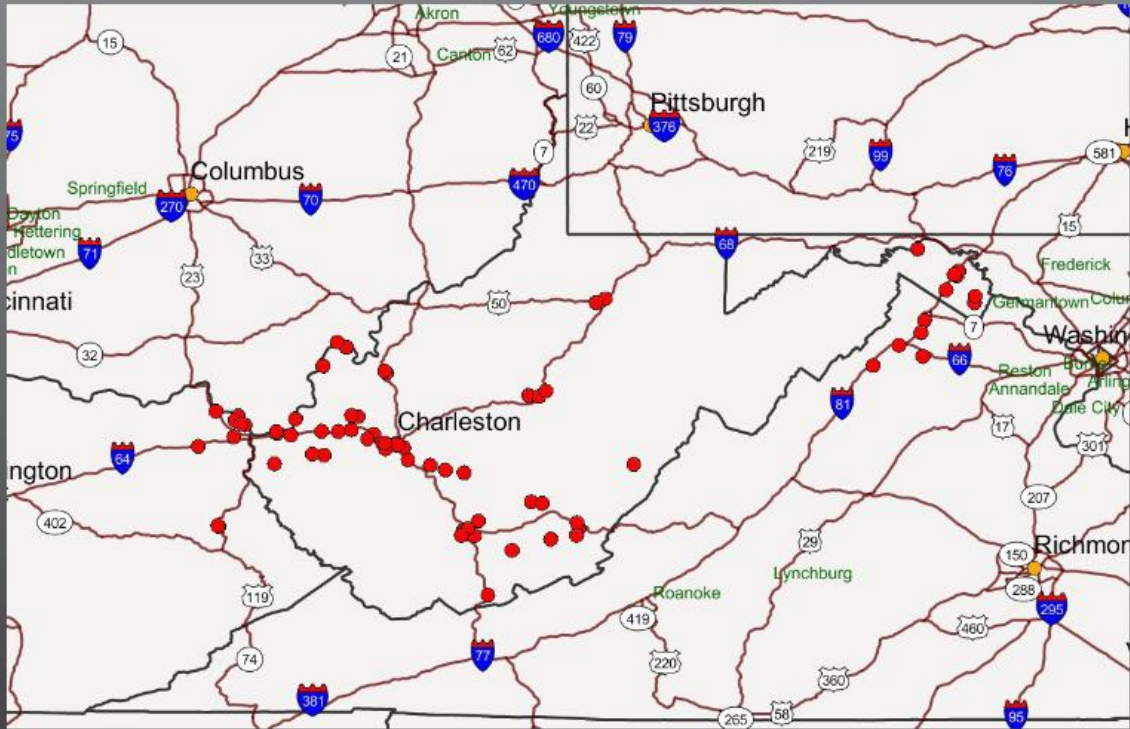
|             | Branches  | Deposits        | Deposits/Branch     |
|-------------|-----------|-----------------|---------------------|
| <b>CHCO</b> | <b>73</b> | <b>\$ 2.4 B</b> | <b>\$33 million</b> |
| BBT         | 36        | \$ 3.2 B        | \$90 million        |
| JPM         | 24        | \$ 1.4 B        | \$60 million        |
| UBSI        | 19        | \$ 1.1 B        | \$60 million        |
| HBAN        | 15        | \$ 0.9 B        | \$59 million        |
| WSBC        | 11        | \$0.3 B         | \$30 million        |
| FITB        | 10        | \$ 0.3 B        | \$30 million        |

Includes branches within 5 miles of City branch  
Source: SNL



# Growth:

Expanding retail distribution to capture additional retail households



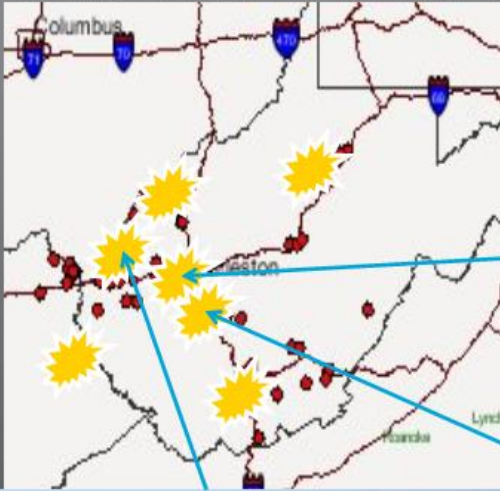
Source: SNL

City Holding Company

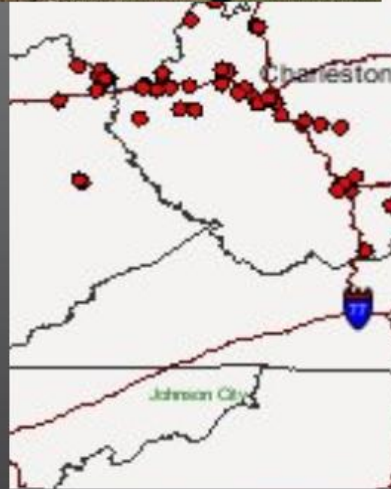
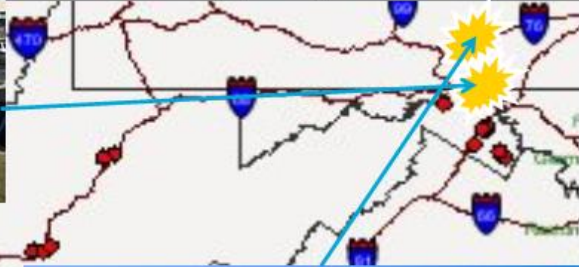
## City opened four Wal-Marts in key markets where it had significant share



# Branch renovations/expansions to meet customer demand



# Eastern panhandle expansion exhibits strong demographics





# New Locations

- Relocated North Lewisburg WV Office
- Mortgage Production Office in Morgantown WV



# De novo branch results



# CityInsurance: Growing

## Revenues

|        |               |
|--------|---------------|
| • 2006 | \$2.3 million |
| • 2007 | \$4.1 million |
| • 2008 | \$4.2 million |
| • 2009 | \$5.6 million |
| • 2010 | \$5.5 million |
| • 2011 | \$5.9 million |

## Markets

Charleston (3 locations)  
Huntington  
Ripley  
Beckley  
Martinsburg  
Ashland

## Lines of Business

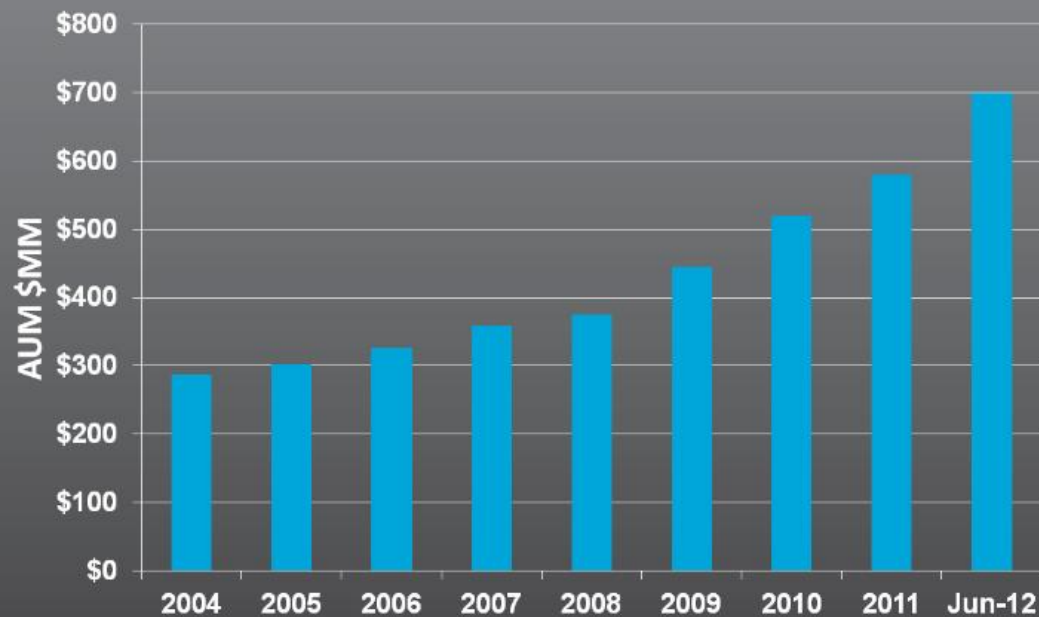
Personal Lines  
Workers Compensation  
Health/Benefits/Life Ins  
Property/Casualty

## Acquisitions

Dickens & Clark (Teays Valley)  
Patton Insurance - Nitro  
Millcreek Insurance - Ripley  
Ashland Area Insurance

## Trust AUM: Strong growth

CAGR (Dec 31, 2004-June 30, 2012) over 12.4%



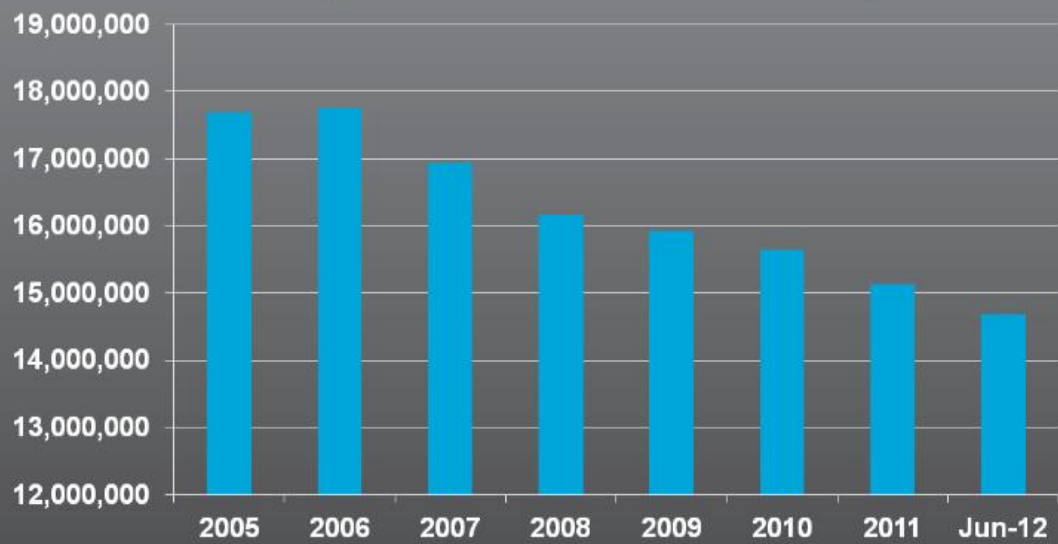


# CHCO: Capital flexibility

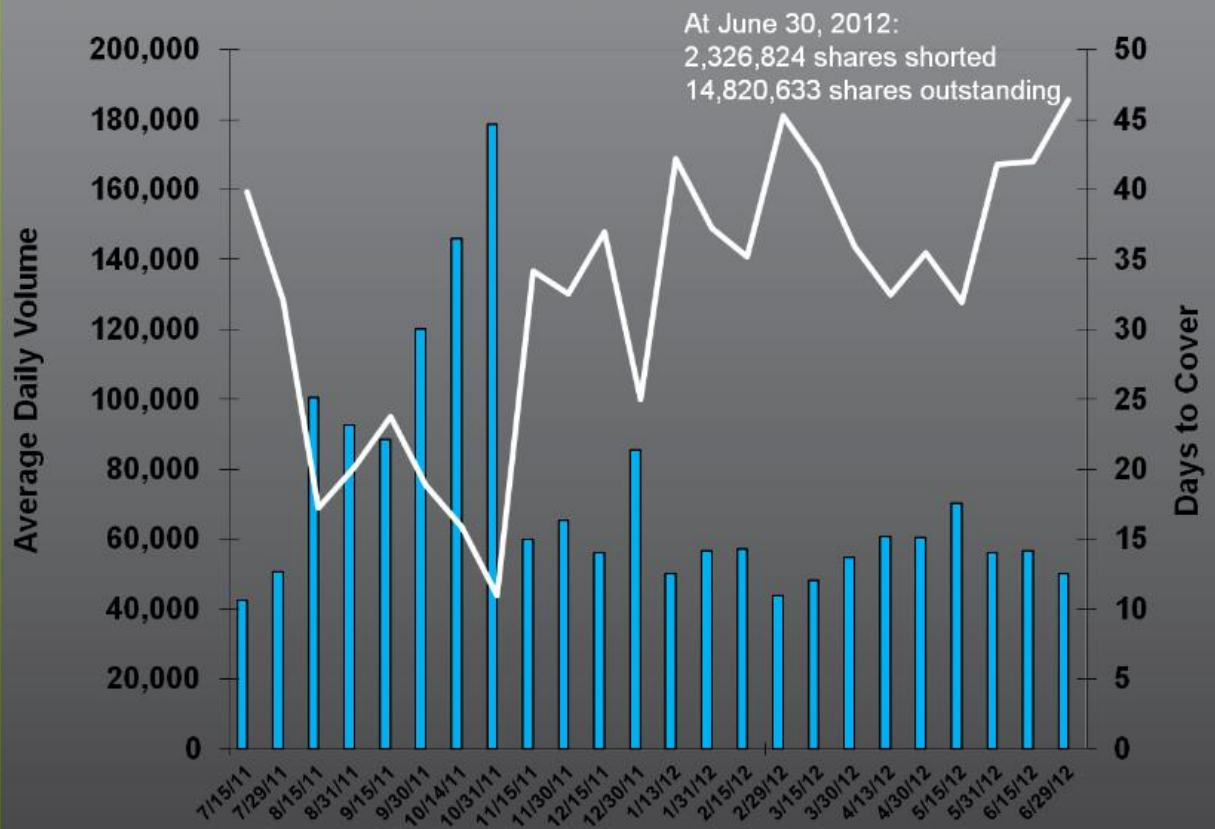
- Tangible common equity at 6/30/12: 9.04%
- No TARP!!!!
- Dividends
  - Increased 10% in April 2004 to \$0.88
  - Increased 14% in April 2005 to \$1.00
  - Increased 12% in April 2006 to \$1.12
  - Increased 11% in April 2007 to \$1.24
  - Increased 10% in April 2008 to \$1.36
  - **Increased 3% in January 2012 to \$1.40**
  - **Dividend yield of 4.1% (as of 7/23/12)**
  - **Dividend payout ratio 52% (Analyst est. EPS for 2012 of \$2.70)**
- Share repurchases
  - **Purchased 237,535 shares during 1<sup>st</sup> half of 2012 (1.6%)**
  - Purchased 755,501 shares during 2011 (4.9%)
  - Driven by CHCO's strong profitability, CHCO can achieve greater long-term share repurchase activity than peers.

## Share Count:

Average Shares Outstanding



# Short Position in CHCO



## Growth per share (12/31/04 - 12/31/11):

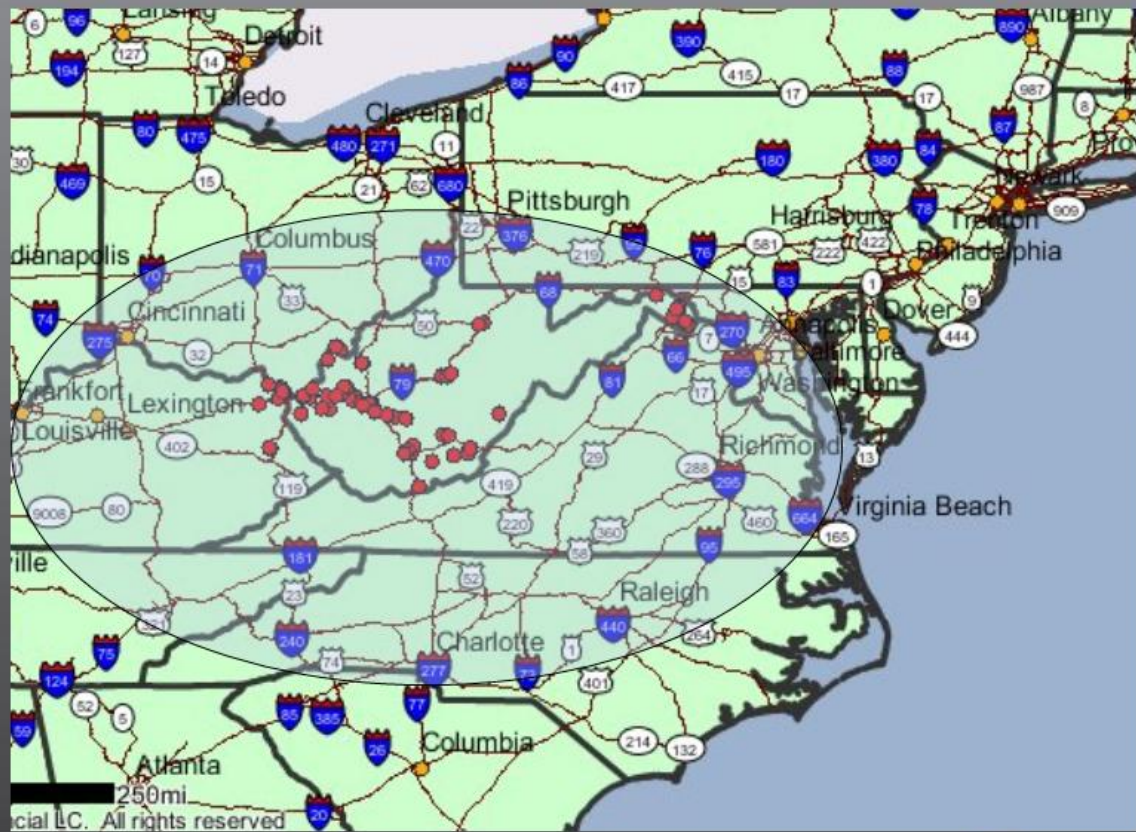
- Loans per share: 5.9% CAGR
- Deposits per share: 5.1% CAGR
- Non-interest inc per share: 2.3% CAGR
- Expenses per share: 4.0% CAGR

Implication: While CHCO operates in relatively low growth markets, high profitability allows share repurchases, which have driven core earnings despite the economic environment of the last several years

## Acquisition philosophy:

- Historically less acquisitive than peers
- Acquisitions must truly be strategic or meaningfully accretive
- Opportunities have increased
- Actively looking at FDIC and non-FDIC deals
  - In-market
  - Adjacent market
  - Growth markets
- Size: Generally \$100MM to \$1B

## Acquisition territory:



## An experienced management team

| TITLE            | EXPERIENCE             | AGE | JOINED |
|------------------|------------------------|-----|--------|
| CEO              | PPLS; CHCO CFO; PHD    | 50  | 2001   |
| EVP - Retail     | PPLS                   | 56  | 2001   |
| EVP - Commercial | One Valley; BB&T, CPA  | 62  | 2004   |
| CFO              | Public Accounting, CPA | 47  | 2005   |
| CAO/CIO          | City National Bank     | 48  | 1989   |
| SVP - Branches   | BB&T                   | 44  | 2001   |
| SVP - CCO        | United Bankshares, CPA | 39  | 1998   |
| SVP - CRO        | BB&T                   | 56  | 2001   |
| SVP Consumer     | Bank One               | 45  | 2001   |
| SVP Mortgage     | United Bankshares      | 61  | 2004   |
| SVP Trust        | City National Bank     | 57  | 1985   |
| SVP Insurance    | Rogers; Principal      | 42  | 2007   |
| Treasurer        | City National Bank     | 45  | 1990   |

# Value in the banking sector?

Checklist for success in current environment:

## Capital

- Strongly capitalized - *Top 10%*

## Markets

- Solid distribution network - *Excellent*
- Stable geographic markets - *Yes; WV & E Kentucky*
- Disciplined competition - *Yes; see NIM*

## Performance

- Strong net interest margin - *Yes*
- Strong NIM management - *See results (floors)*
- Dependence on Non-Interest Income - *Top decile*
- Ability to control expenses - *Top decile efficiency ratio*

## Growth

- Liquidity to grow - *Extremely strong*
- Ability to grow share in market - *5-mile branch share 32%; deposit share 14%*
- Opportunity to grow into new markets - *Well positioned*
- Management - *Experienced team with great results*



## CHCO represents good value and stability

- **Pricing Metrics\*:**

- Price to Book: 153%
- Price to Tangible Book: 192%
- Price to 2012 Projected Earnings\*\* 12.2x
- Dividend Yield 4.1%
- Div Payout Ratio (First Call)\*\* 52%
- Tangible Capital/Tangible Assets 9.04%
- Institutional Ownership 63%

\* Based on Price of \$33.76 (7/23/12)

\*\* Based on analyst estimate of \$2.70 (average of 8)