

CITY HOLDING CO
Form 10-Q
November 08, 2011

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Quarterly Period Ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Transition Period From _____ To _____.

Commission File number 0-11733

CITY HOLDING COMPANY

(Exact name of registrant as specified in its charter)

West Virginia	55-0619957
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

25 Gatewater Road	
Charleston, West Virginia	25313
(Address of principal executive offices)	(Zip Code)

(304) 769-1100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practical date.

Common stock, \$2.50 Par Value – 14,811,289 shares as of November 8, 2011.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q, including statements in Management's Discussion and Analysis of Financial Condition and Results of Operations are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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; (13) the effects of the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") recently adopted by the United States Congress; and (14) disruptions to the credit and financial markets including any impact of the downgrade of U. S. government obligations by one of the credit ratings agencies and the adverse effects of the debt crisis in Europe. 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.

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City Holding Company and Subsidiaries

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PART I, ITEM 1 – FINANCIAL STATEMENTS

Consolidated Balance Sheets

City Holding Company and Subsidiaries

(in thousands)

	September 30 2011 (Unaudited)	December 31 2010 (Note A)
Assets		
Cash and due from banks	\$42,188	\$50,043
Interest-bearing deposits in depository institutions	6,599	5,336
Federal funds sold	35,000	11,000
Cash and Cash Equivalents	83,787	66,379
Investment securities available for sale, at fair value	393,261	429,720
Investment securities held-to-maturity, at amortized cost (approximate fair value at September 30, 2011 and December 31, 2010 - \$23,550 and \$23,100, respectively)	23,759	23,865
Total Investment Securities	417,020	453,585
Gross loans	1,925,798	1,865,000
Allowance for loan losses	(19,848)	(18,224)
Net Loans	1,905,950	1,846,776
Bank owned life insurance	78,233	76,231
Premises and equipment, net	64,813	64,530
Accrued interest receivable	6,800	7,264
Net deferred tax asset	31,000	29,235
Intangible assets	56,266	56,573
Other assets	41,377	36,722
Total Assets	\$2,685,246	\$2,637,295
Liabilities		
Deposits:		
Noninterest-bearing	\$363,504	\$337,927
Interest-bearing:		
Demand deposits	505,863	486,737
Savings deposits	433,298	397,042
Time deposits	891,656	949,669
Total Deposits	2,194,321	2,171,375
Short-term borrowings		
FHLB borrowings	305	375
Customer repurchase agreements	127,576	112,335
Long-term debt	16,495	16,495
Other liabilities	36,657	21,854
Total Liabilities	2,375,354	2,322,434
Shareholders' Equity		
Preferred stock, par value \$25 per share: 500,000 shares authorized; none issued	-	-
	46,249	46,249

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Common stock, par value \$2.50 per share: 50,000,000 shares authorized; 18,499,282 shares issued at September 30, 2011 and December 31, 2010, less 3,640,993 and 2,994,501 shares in treasury, respectively		
Capital surplus	103,120	103,057
Retained earnings	286,535	270,905
Cost of common stock in treasury	(123,311)	(102,853)
Accumulated other comprehensive (loss):		
Unrealized gain on securities available-for-sale	1,113	1,022
Unrealized gain on derivative instruments	-	295
Underfunded pension liability	(3,814)	(3,814)
Total Accumulated Other Comprehensive Loss	(2,701)	(2,497)
Total Shareholders' Equity	309,892	314,861
Total Liabilities and Shareholders' Equity	\$2,685,246	\$2,637,295

See notes to consolidated financial statements.

