

SUMMIT FINANCIAL GROUP INC
Form 10-Q
August 09, 2006

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

FORM 10 - Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2006**.
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 **0-16587**

Summit Financial Group, Inc.
(Exact name of registrant as specified in its charter)

West Virginia (State or other jurisdiction of incorporation or organization)	55-0672148 (IRS Employer Identification No.)
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300 North Main Street Moorefield, West Virginia 26836 (Address of principal executive offices)	26836 (Zip Code)
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(304) 530-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities and 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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 practicable date.

Common Stock, \$2.50 par value
7,135,120 shares outstanding as of August 4, 2006

Summit Financial Group, Inc. and Subsidiaries

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	Exhibit 11.	Statement re: Computation of Earnings per Share - Information contained in Note 2 to the Consolidated Financial Statements on page 9 of this Quarterly Report is incorporated herein by reference.
	Exhibit 31.1	Sarbanes-Oxley Act Section 302 Certification of Chief Executive Officer
	Exhibit 31.2	Sarbanes-Oxley Act Section 302 Certification of Chief Financial Officer
	Exhibit 32.1	Sarbanes-Oxley Act Section 906 Certification of Chief Executive Officer
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Summit Financial Group, Inc. and Subsidiaries
Consolidated Balance Sheets (unaudited)

	June 30, 2006 (unaudited)	December 31, 2005 (*)	June 30, 2005 (unaudited)
ASSETS			
Cash and due from banks	\$ 12,529,955	\$ 22,535,761	\$ 16,944,283
Interest bearing deposits with other banks	123,007	1,536,506	2,341,860
Federal funds sold	1,590,000	3,650,000	-
Securities available for sale	238,381,668	223,772,298	209,561,053
Loans held for sale	9,702,114	16,584,990	17,073,628
Loans, net	866,680,077	793,766,837	659,792,179
Property held for sale	358,287	378,287	906,334
Premises and equipment, net	23,553,482	23,089,412	20,514,791
Accrued interest receivable	5,024,931	4,835,763	3,940,495
Intangible assets	3,272,097	3,347,672	3,423,248
Other assets	18,432,692	16,034,499	11,989,316
Total assets	\$ 1,179,648,310	\$ 1,109,532,025	\$ 946,487,187

LIABILITIES AND SHAREHOLDERS'**EQUITY**

Liabilities

Deposits

Non interest bearing	\$ 66,070,752	\$ 62,631,410	\$ 63,207,232
Interest bearing	695,491,425	611,269,308	501,960,173
Total deposits	761,562,177	673,900,718	565,167,405
Short-term borrowings	164,185,071	182,028,113	127,973,843
Long-term borrowings	147,578,964	150,911,835	165,455,406
Subordinated debentures owed to unconsolidated subsidiary trusts	19,589,000	19,589,000	11,341,000
Other liabilities	10,174,068	9,299,134	6,711,767
Total liabilities	1,103,089,280	1,035,728,800	876,649,421

Commitments and Contingencies**Shareholders' Equity**

Common stock and related surplus, \$2.50 par value;
 authorized 20,000,000 shares, issued and outstanding

2005 - 7,135,120 shares; issued December 2005 -
 7,126,220

shares; issued June 2005 - 7,123,820 shares	18,913,551	18,856,774	18,724,826
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Retained earnings