

SUMMIT FINANCIAL GROUP INC
Form 10-Q
May 09, 2008

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 March 31, 2008.

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.)

300 North Main Street
Moorefield, West Virginia 26836
(Address of principal executive offices) (Zip Code)
(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, 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

Edgar Filing: SUMMIT FINANCIAL GROUP INC - Form 10-Q

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
7,410,741 shares outstanding as of May 7, 2008

Summit Financial Group, Inc. and Subsidiaries

Table of Contents

	Page	
PART I. FINANCIAL INFORMATION		
Item 1.	Financial Statements	
	Consolidated balance sheets March 31, 2008 (unaudited), December 31, 2007, and March 31, 2007 (unaudited)	4
	Consolidated statements of income for the three months ended March 31, 2008 and 2007 (unaudited)	5
	Consolidated statements of shareholders' equity for the three months ended March 31, 2008 and 2007 (unaudited)	6
	Consolidated statements of cash flows for the three months ended March 31, 2008 and 2007 (unaudited)	7-8
	Notes to consolidated financial statements (unaudited)	9-25
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	26-36
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	35
Item 4.	Controls and Procedures	36

Summit Financial Group, Inc. and Subsidiaries

Table of Contents

PART II. OTHER INFORMATION

Item 1.	Legal Proceedings	37
Item 1A.	Risk Factors	37
Item 2.	Changes in Securities and Use of Proceeds	None
Item 3.	Defaults upon Senior Securities	None
Item 4.	Submission of Matters to a Vote of Security Holders	None
Item 5.	Other Information	None
Item 6.	Exhibits	
	Exhibits	
	Exhibit 11	Statement re: Computation of Earnings per Share – Information contained in Note 5 to the Consolidated Financial Statements on page 14 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
	Exhibit 32.2	Sarbanes-Oxley Act Section 906 Certification of Chief Financial Officer
SIGNATURES		38

Summit Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheet (unaudited)

Dollars in thousands	March 31, 2008 (unaudited)	December 31, 2007 (*)	March 31, 2007 (unaudited)
ASSETS			
Cash and due from banks	\$ 21,912	\$ 21,285	\$ 12,232
Interest bearing deposits with other banks	103	77	106
Federal funds sold	1,514	181	1,412
Securities available for sale	284,082	283,015	244,438
Other Investments	17,947	17,051	13,735
Loan held for sale, net	489	1,377	-
Loans, net	1,079,223	1,052,489	930,769
Property held for sale	2,183	2,058	42
Premises and equipment, net	22,055	22,130	22,178
Accrued interest receivable	6,851	7,191	6,656
Intangible assets	9,968	10,055	3,159
Other assets	18,783	18,413	17,631
Assets related to discontinued operations	-	214	2,170
Total assets	\$ 1,465,110	\$ 1,435,536	\$ 1,254,528
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits			
Non interest bearing	\$ 64,111	\$ 65,727	\$ 60,644
Interest bearing	772,833	762,960	816,581
Total deposits	836,944	828,687	877,225
Short-term borrowings	93,950	172,055	79,886
Long-term borrowings	412,329	315,738	183,819
Subordinated debentures owed to unconsolidated subsidiary trusts	19,589		