



City Holding
Company



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Friedman Billings Ramsey
Financial Institutions Conference
December 2003

FORWARD-LOOKING STATEMENTS

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, or conversely, the Company may incur less, or even negative, loan loss provision due to positive credit quality trends in the future; (2) the Company may not continue to experience significant recoveries of previously charged-off loans and the Company may incur increased charge-offs in the future; (3) the Company may experience increases in the default rates on its retained interests in securitized mortgages causing it to take impairment charges to earnings; (4) the Company may not realize the expected cash payments that it is presently accruing from its retained interests in securitized mortgages; (5) the Company may experience either faster or slower rates of amortization of its retained interests and loans previously securitized; (6) the Company could have adverse legal actions of a material nature; (7) the Company may face competitive loss of customers associated with its efforts to increase fee-based revenues; (8) the Company may be unable to maintain or improve upon current levels of expense associated with managing its business; (9) rulings affecting, among other things, the Company's and its banking subsidiaries' regulatory capital and required loan loss allocations may change, resulting in the need for increased capital levels; (10) 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; (11) changes in general economic conditions and increased competition could adversely affect the Company's operating results; (12) 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; (13) the Company may experience difficulties growing loan and deposit balances. 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.

Corporate Profile

- \$2.0 Billion Commercial Bank headquartered in Charleston WV
- 55 Banking Offices
- 150,000 households; 275,000 accounts
- 16,636,000 common shares outstanding
- \$571 million market capitalization*

Prior History

- Net loss of \$54.4 million or \$3.81 per share for 2000 & 2001
- Formal Agreements with OCC and Federal Reserve
- \$130 million in “problem loans”
- Stock trading at \$5.125 per share from a high of \$45 per share
- Discontinued common share cash dividends and deferred trust preferred dividends

Managing the Turnaround



- Jerry Francis becomes CEO 1/31/01
 - ◆ 31 years in banking
 - ◆ First National Bank, Dayton
 - ◆ National City
 - ◆ Metropolitan Bank, Lima - President
 - ◆ Bank One - Regional President
 - ◆ Peoples Bank of Indianapolis - President

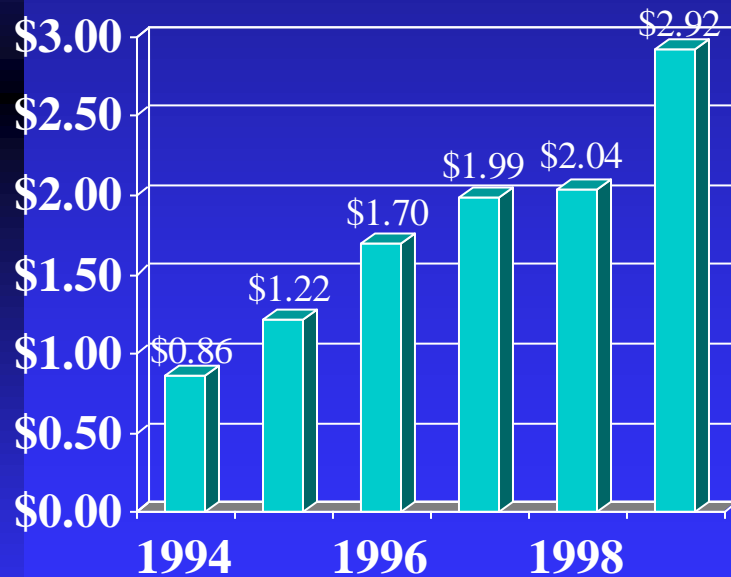
Assembling The Management Team

- Skip Hageboeck, PhD, CFO and CIO
 - ◆ 14 years in banking
 - ◆ Indiana National, NBD,
 - ◆ Peoples Bank of Indianapolis
- John Loeber, Commercial Banking and Senior Credit Officer
 - ◆ 36 years in banking
 - ◆ Fleet Boston Financial, First American, Signet,
 - ◆ Peoples Bank of Indianapolis
- Bill Butcher, Retail Banking and Sr. Operations Officer
 - ◆ 15 years in banking
 - ◆ Norwest, Bank One,
 - ◆ Peoples Bank of Indianapolis
- Craig Stilwell, Marketing Director and Human Resources Director
 - ◆ 25 years in banking
 - ◆ Peoples Bank of Indianapolis

It's All About Management

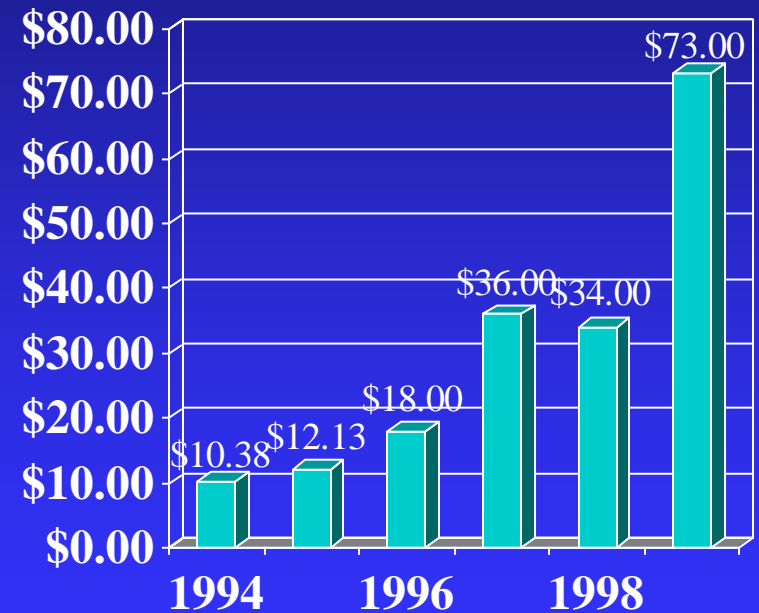
Peoples Bank Corporation of Indianapolis

Earnings Per Share (Fully Diluted)



CAGR 28%

Stock Price



CAGR 60%
(34% w/o merger)

Writing It Down



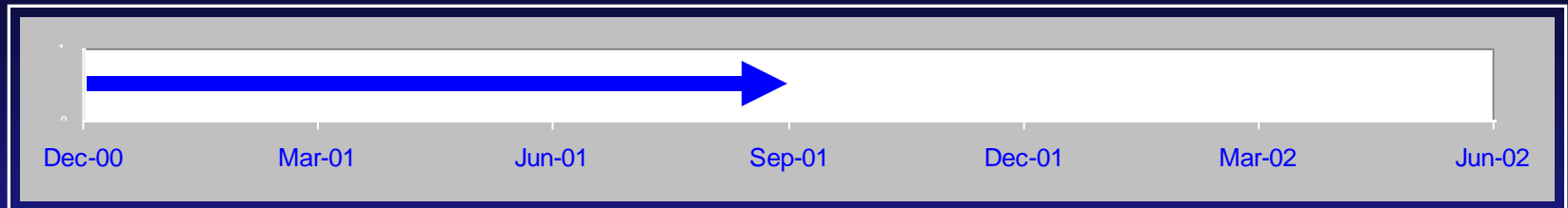
- By April 1, 2001:
 - ◆ Exited the mortgage servicing business
 - ◆ Wrote down \$30 million in accordance with new accounting guidance related to retained interest in securitized loans
 - ◆ Wrote off \$7.9 million to reflect unrecognized losses
 - ◆ Charged off \$7.5 million in loans
 - ◆ Took provision expense of \$5.7 million

Revenue Enhancement/Best Practices



- By June 30, 2001:
 - ◆ Initiated revenue enhancement and “best practices” projects:
 - ◆ Increased collection of service fees from < 50% to over 90% resulting in 60% increase in service charge revenue
 - ◆ Reduced staff by 27% with annual savings of \$7 million
 - ◆ Implemented hundreds of operational changes
 - ◆ Consolidated Operations from 4 facilities to 1
 - ◆ Sold the non-banking subsidiaries
 - ◆ Charged off \$3.4 million in loans; took provision expense of \$10.3 million

Focus On Credit



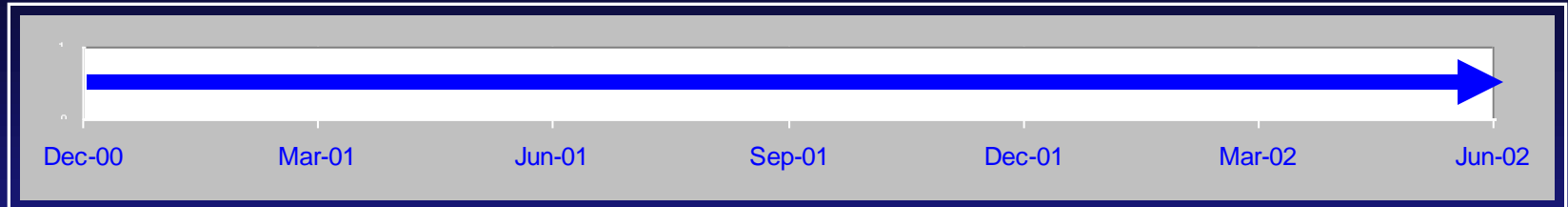
- By September 30, 2001:
 - ◆ Reviewed 100% of commercial loans & assigned risk rating; scored all 66,000 Retail loans; adopted a formal and comprehensive loan policy
 - ◆ Centralized loan underwriting and loan approval
 - ◆ Hired experienced loan workout team of 7 persons
 - ◆ Charged off \$2.9 million in loans; took provision expense of \$14.3 million

Returning To Profitability



- By December 31, 2001:
 - ◆ Returned to profitability with operating ROA of 0.86% and ROE of 13.3%
 - ◆ Initiated 4 month comprehensive credit training program for commercial lenders
 - ◆ Complied fully with OCC and Fed agreements
 - ◆ Sold \$18 million of substandard loans
 - ◆ Charged off \$8.3 million in loans; reduced provision expense to \$1.8 million

Mission Accomplished:



- Within first 18 months:
 - ◆ Reported second quarter 2002 ROA of 1.48% and ROE of 19.7%
 - ◆ Terminated Formal Agreements with OCC and Federal Reserve
 - ◆ Announced resumption of common dividends and payment of Trust Preferred dividends
 - ◆ Approved 1 million share common stock buy-back program
 - ◆ Charged off \$22.4 million in loans; returned to “normalized” provision expense of \$1.8 million

A High Performing Success Story

2002

- Net income \$32.5 million or \$1.90 per share with ROA of 1.59% and ROE of 20.54%

2003 (1st nine months)

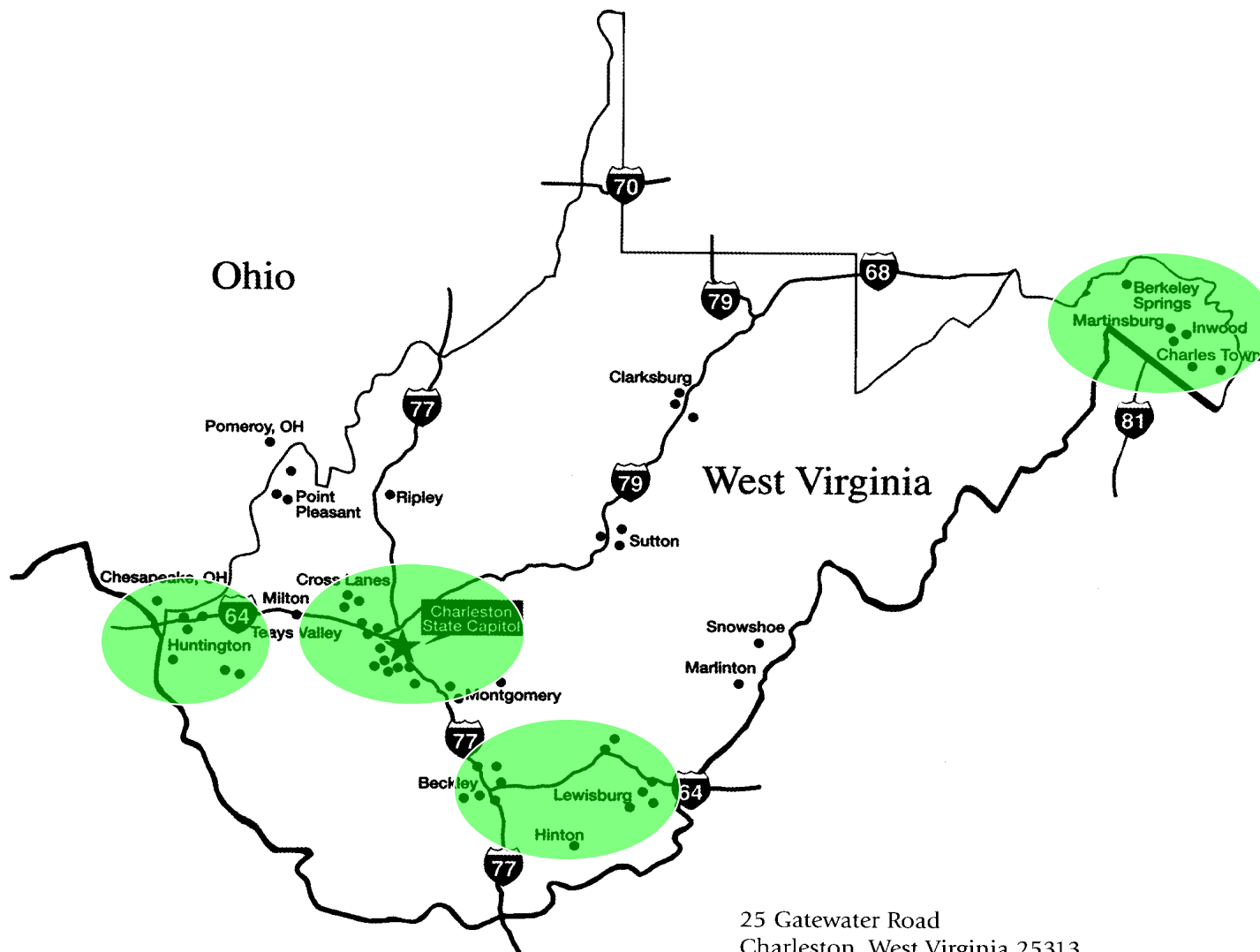
- Net Income \$33.0 million or \$1.95 per share with ROA of 2.21% and ROE of 25.11%
- YTD Non-Interest Income (excluding investment securities gains/losses) up 25%
- Efficiency Ratio 48.05%
- Non-performing Loans as a percent of loans 0.34%
- Allowance for Loan & Lease Losses to outstanding loans 1.89%

High Performance

- 7th best performing, publicly traded stock of 2002 by the Bloomberg 100 annual index
- 1st of all USA banks and 4th best of all US publicly traded companies over the prior two years with appreciation of 391%
- CEO accepts “Community Banker of the Year” award on behalf of Employees & Directors

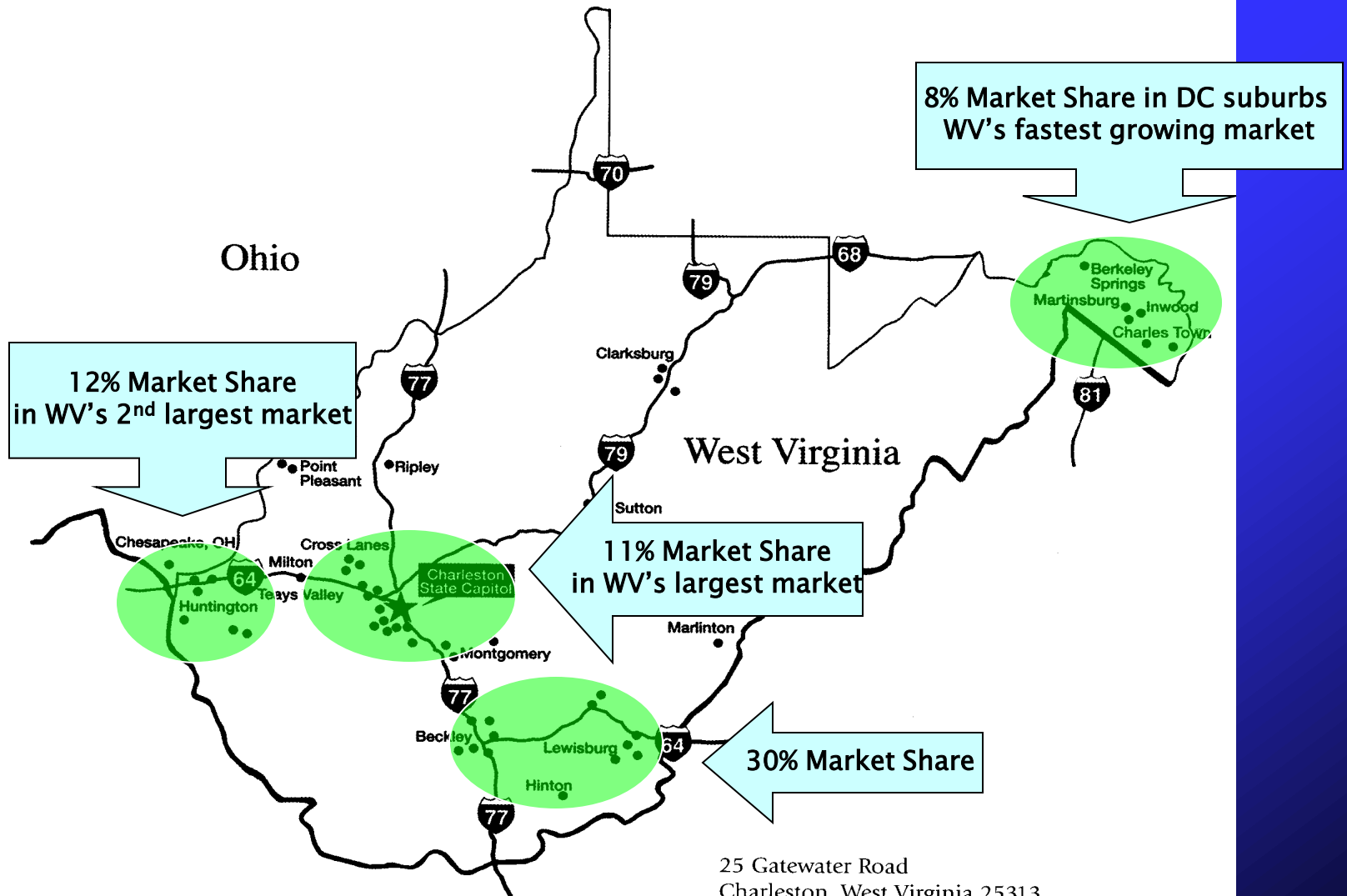
*The “Bloomberg 100” lists the top 100 companies by total return for the period of November 2, 2001, to November 1, 2002. Companies with share prices under \$5 and market capitalization below \$100 million were excluded.

Key Markets



25 Gateway Road
Charleston, West Virginia 25313
(304) 769-1106
www.cityholding.com

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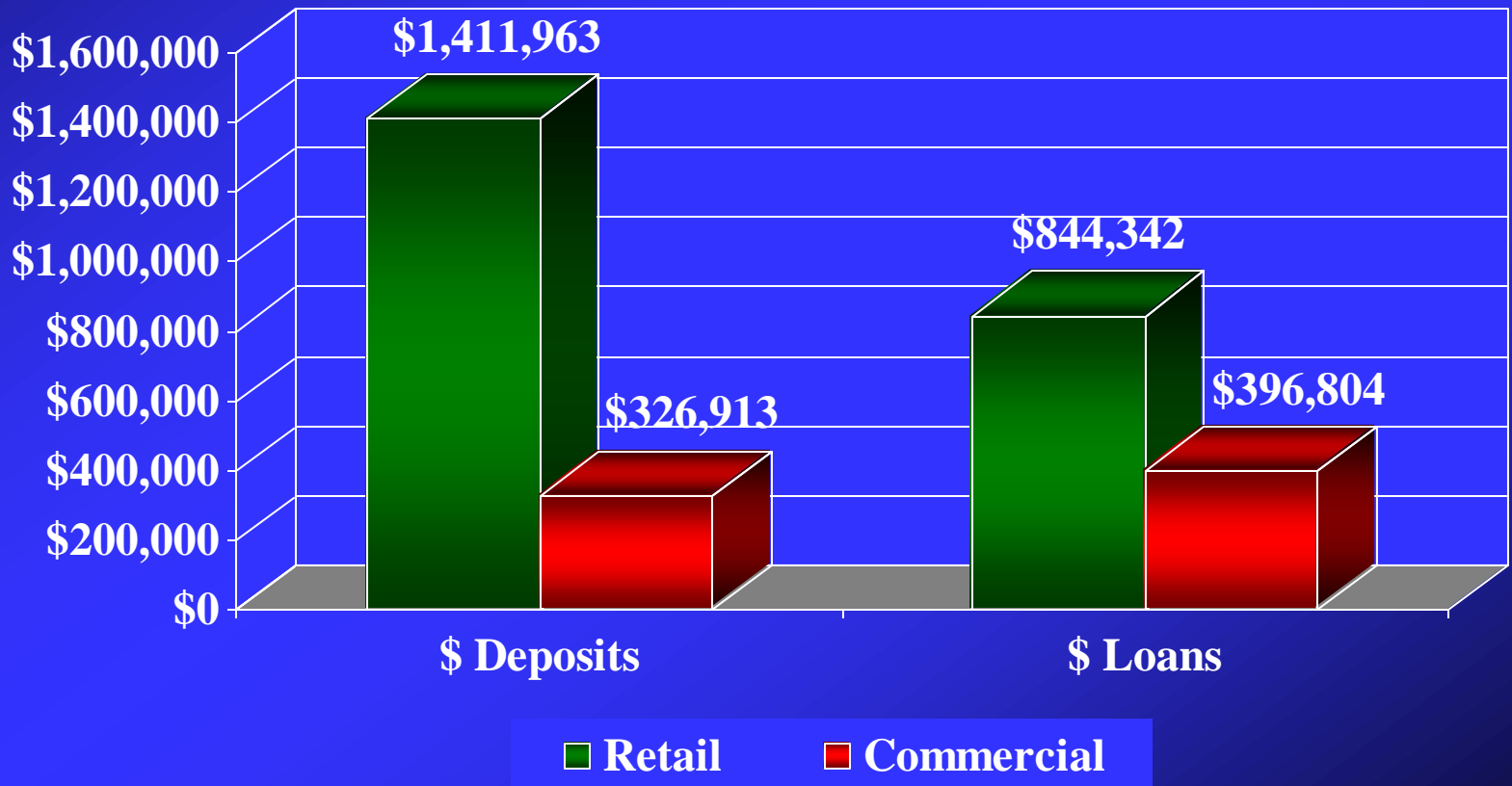
CHCO's Value Proposition

- Proven management team focused on delivering shareholder value
- Low risk/High returns
- Highly visible near-term opportunities

CHCO's Business Model

- We are a **retail bank**
- We focus on **core deposit** gathering

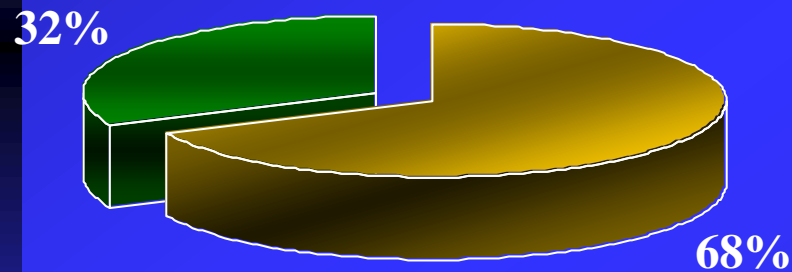
City National Bank Customer Profile



Source: Internal data as of October 31, 2003

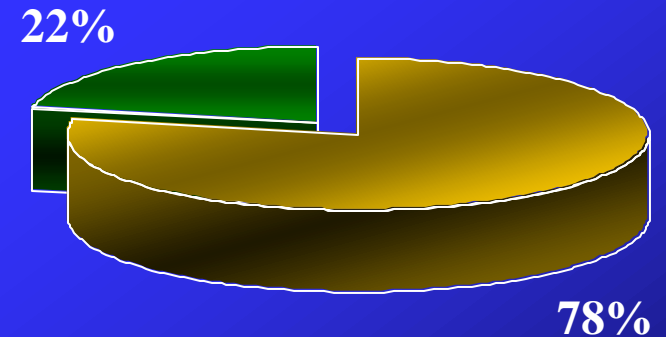
Favorable Revenue Profile

City Holding Company



■ Net Interest Income
■ Non Interest Income

Peer Group



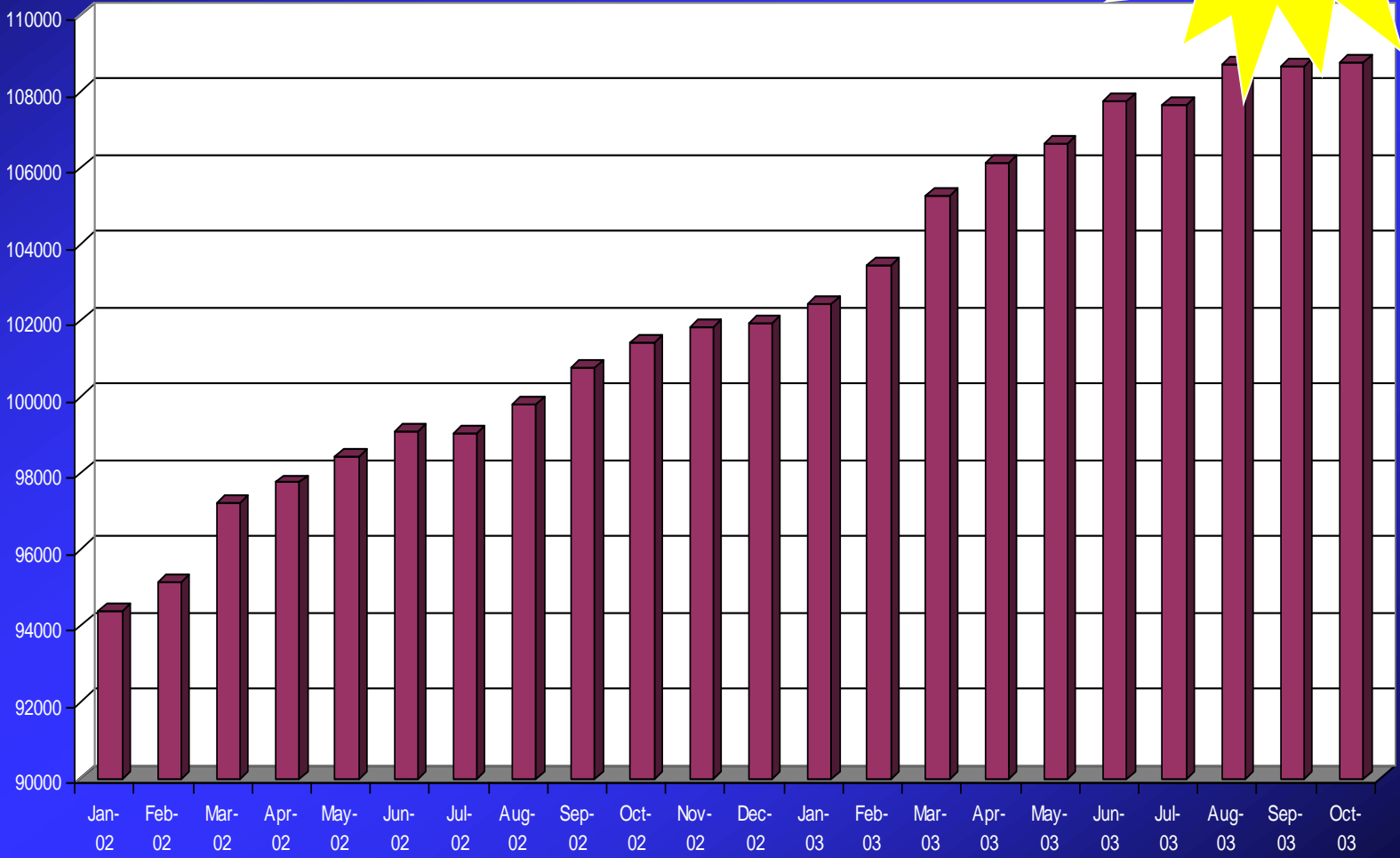
■ Net Interest Income
■ Non Interest Income

As of September 30, 2003

*\$1-3 billion peer group as compiled by the FFIEC in their Uniform Bank Performance Reports

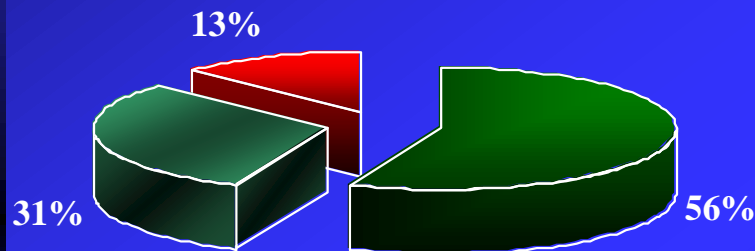
Totally Free Checking Accounts

15% Growth

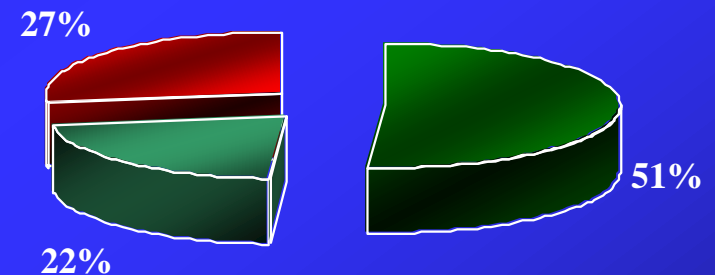


High Quality and Stable Funding Source

City Holding Company



*Peer Group**



- Transaction & Savings Deposits
- Time <\$100k
- Time >\$100k; Repo & Other Borrowing

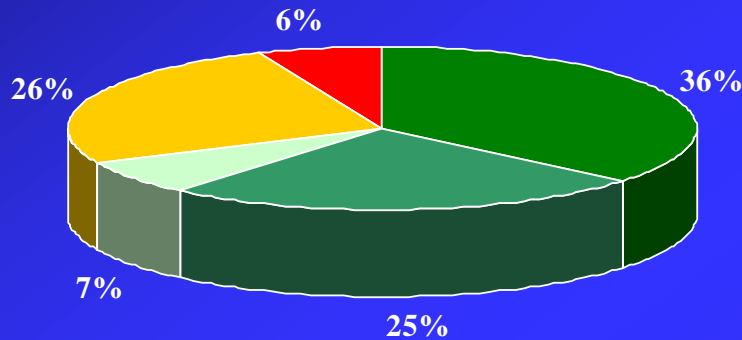
- Transaction & Savings Deposits
- Time <\$100k
- Time >\$100k; Repo & Other Borrowing

As of September 30, 2003

*\$1-3 billion peer group as compiled by the FFIEC in their Uniform Bank Performance Reports

Conservative Loan Portfolio Mix

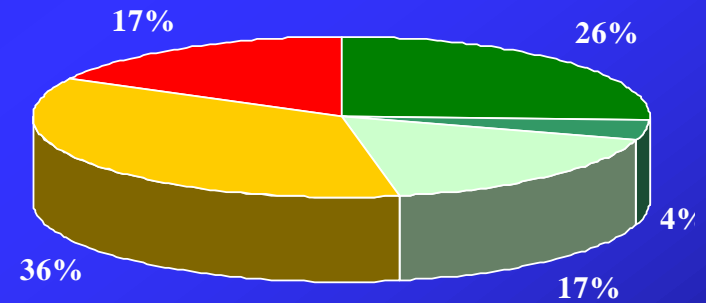
City Holding Company



- Residential Real Estate
- Home Equity
- Consumer/Other
- Commercial Real Estate
- C&I

Loan to Core Deposits 80.4%

*Peer Group**



- Residential Real Estate
- Home Equity
- Consumer/Other
- Commercial Real Estate
- C&I

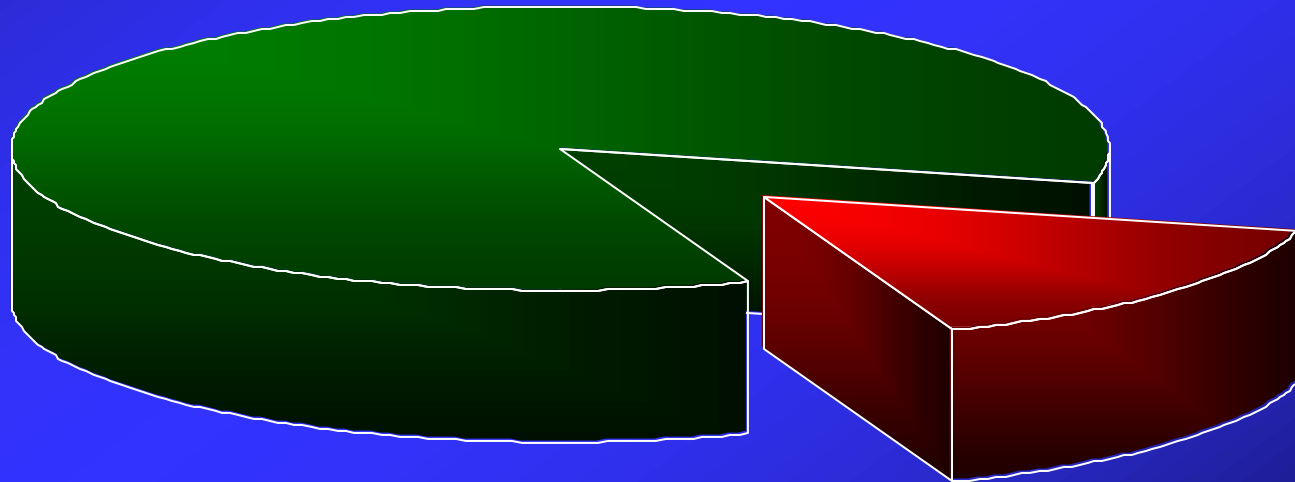
Loan to Core Deposits 99.9%

As of September 30, 2003

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Real Estate Based Lending Focus

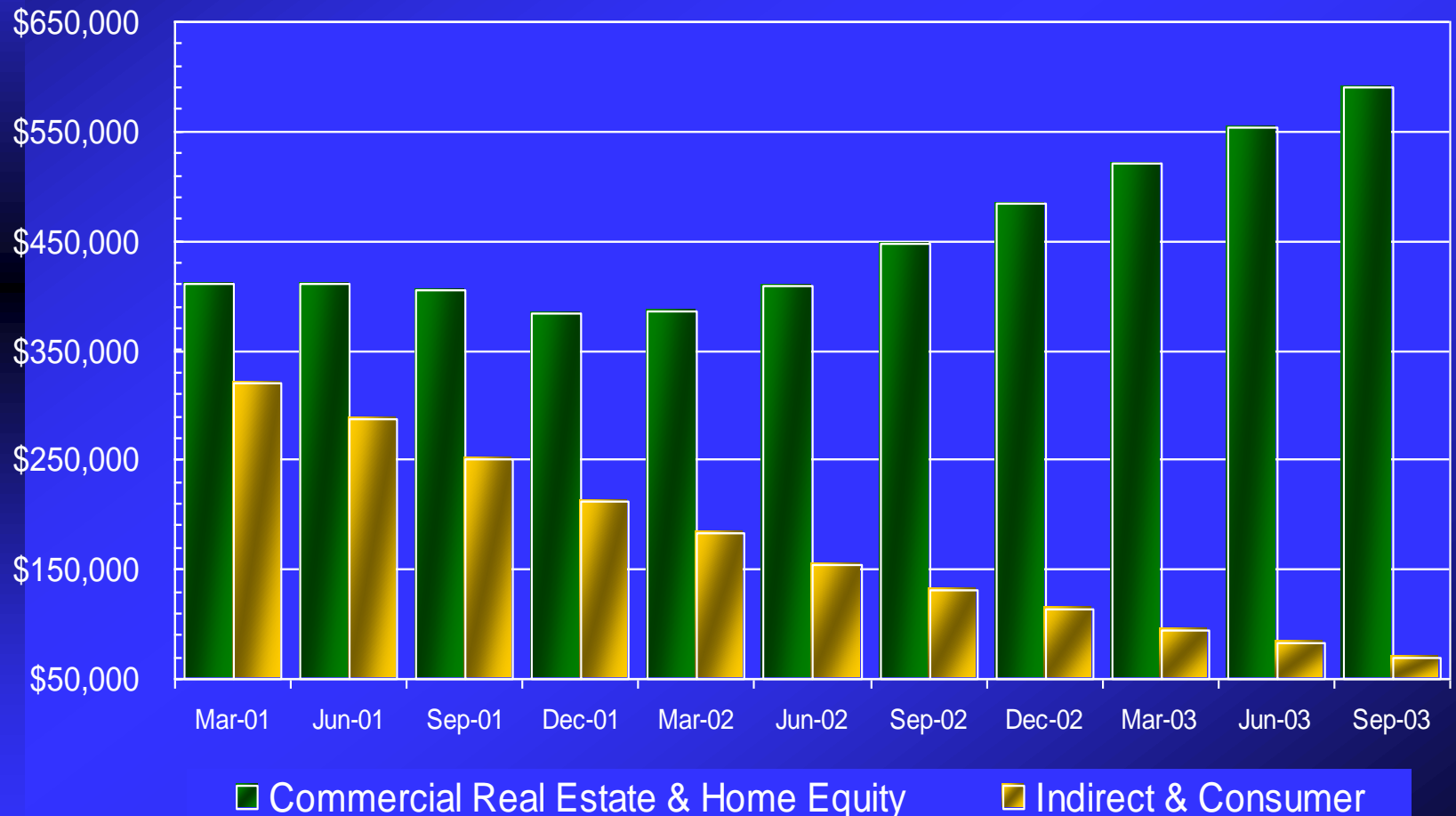
Real Estate Secured Loans
86.6%



Other Loans
13.4%

As of September 30, 2003

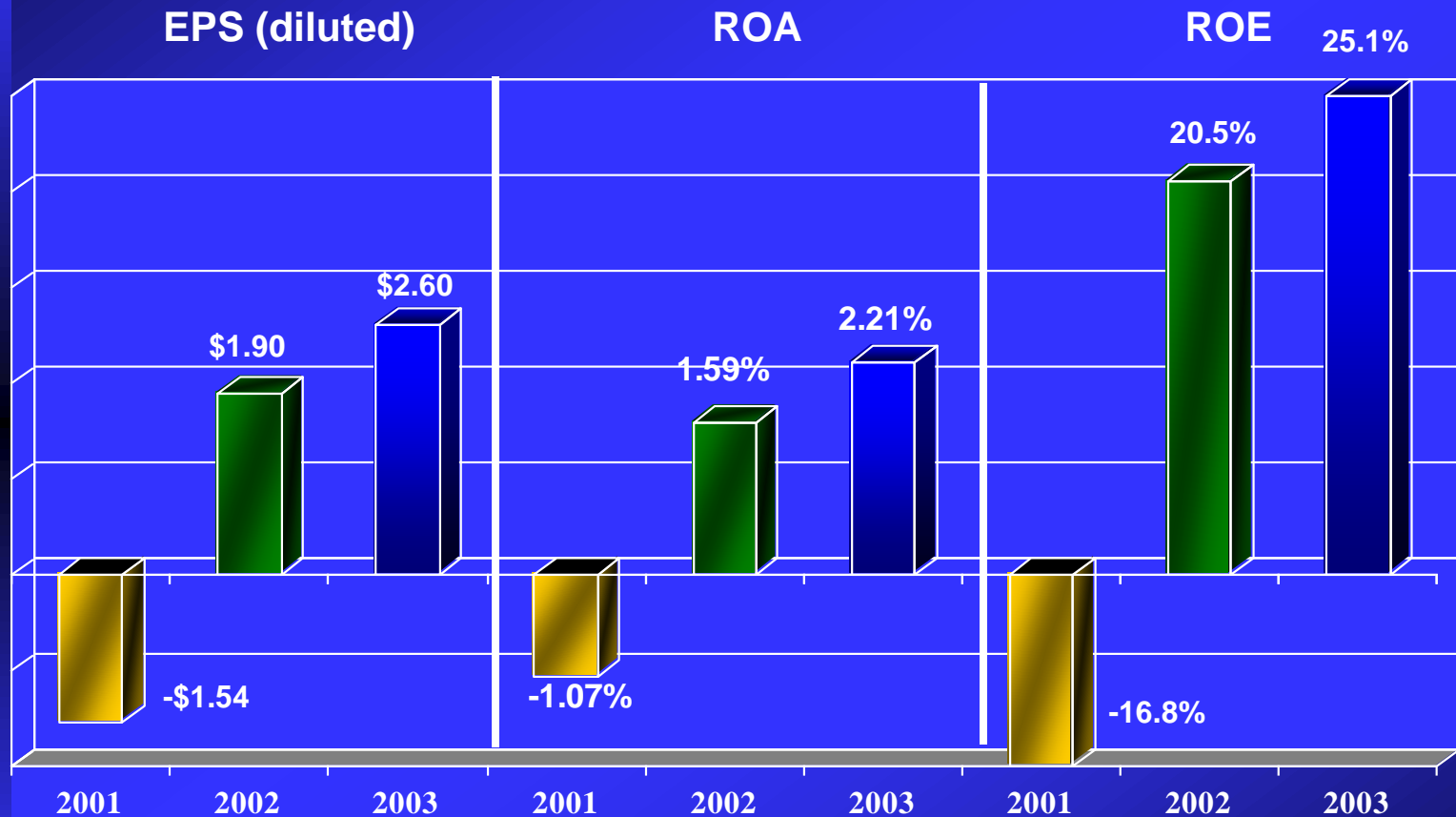
Growth in targeted lines of business



Performance Objectives

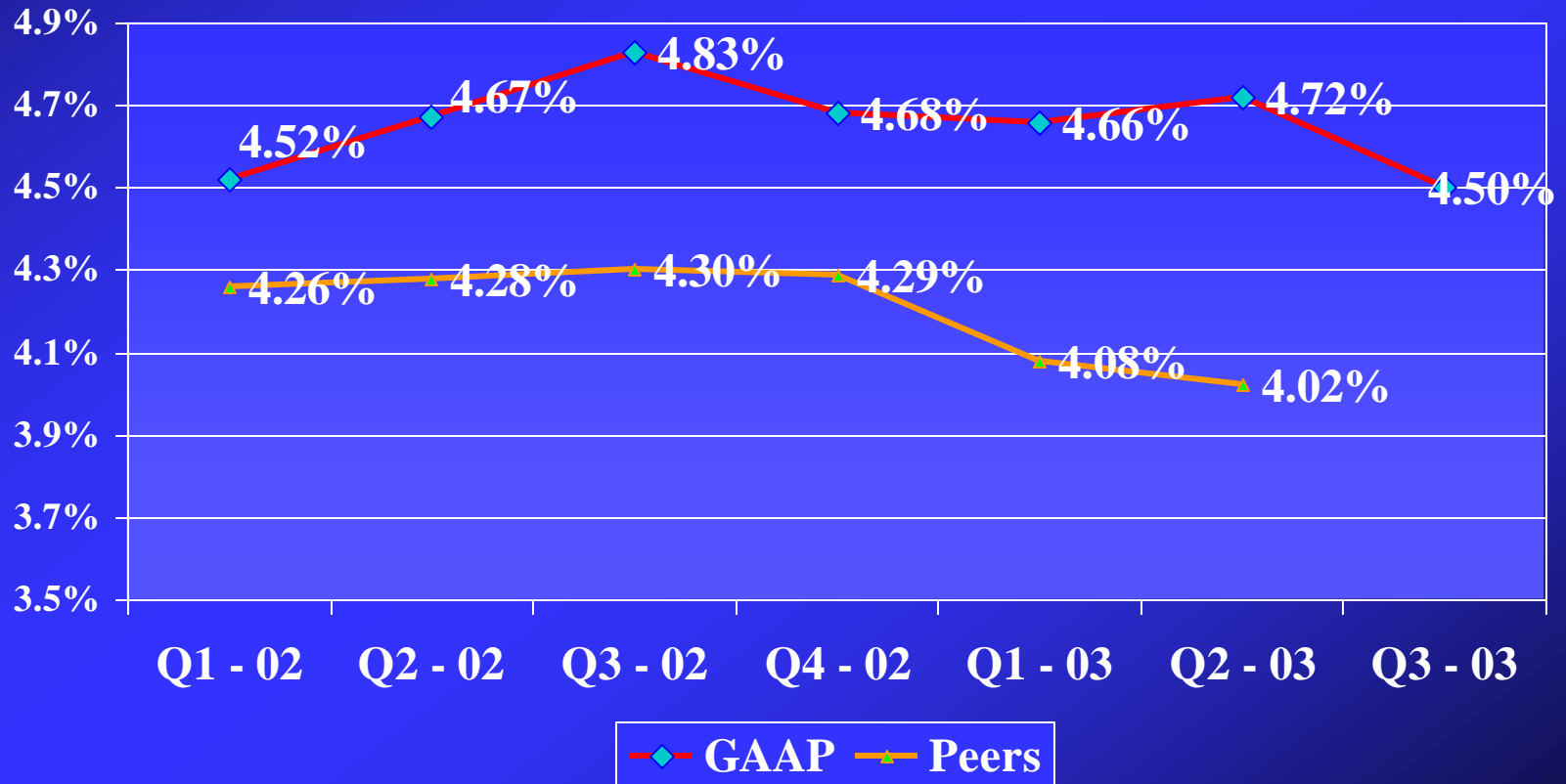
Earnings Per Share Growth	10% +
ROE	20%
ROA	1.50%
Capital	Maintain well-capitalized status

Performance Measures



2003 is 9/30/03 YTD annualized.

Strong & Stable Net Interest Margin

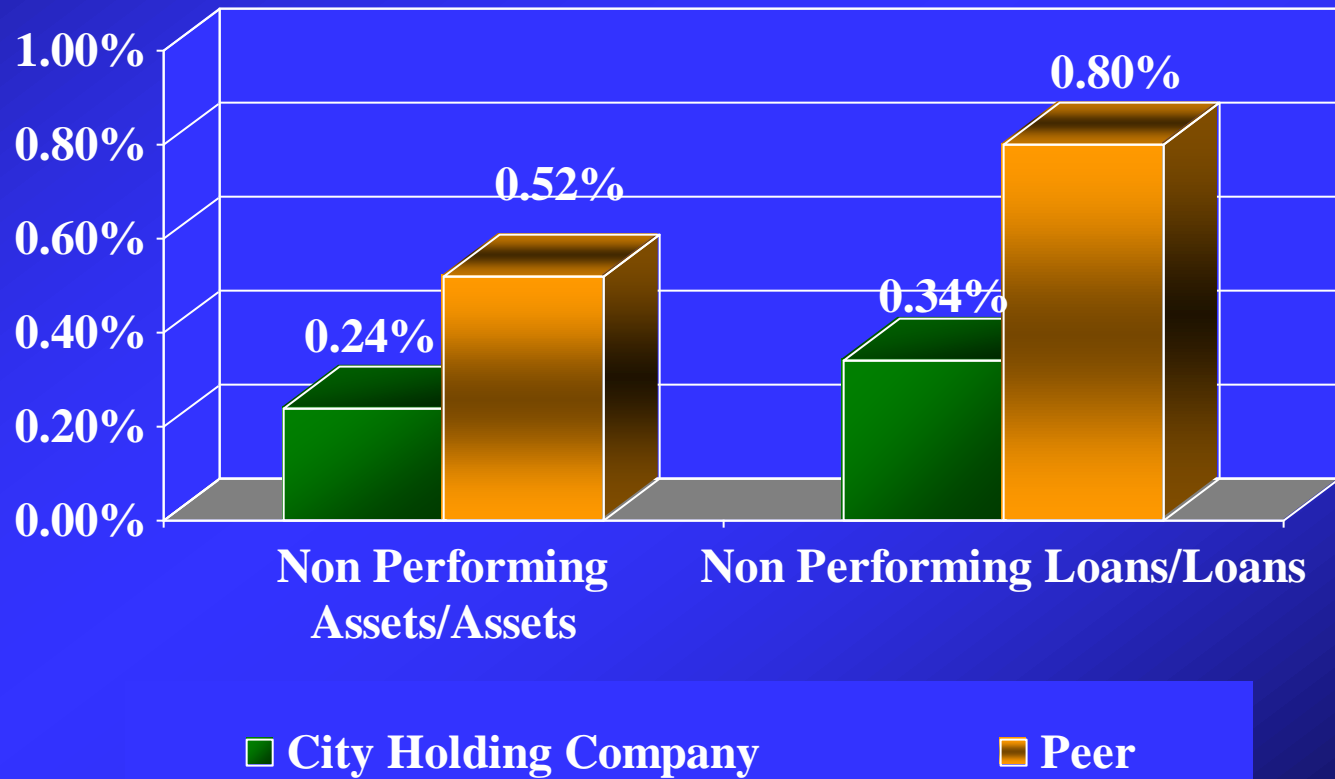


Strong Core Performance

While City Holding Company has benefited from low and negative provision expense and from a high accrual rate on its retained interests, in the absence of these factors CHCO would still demonstrate:

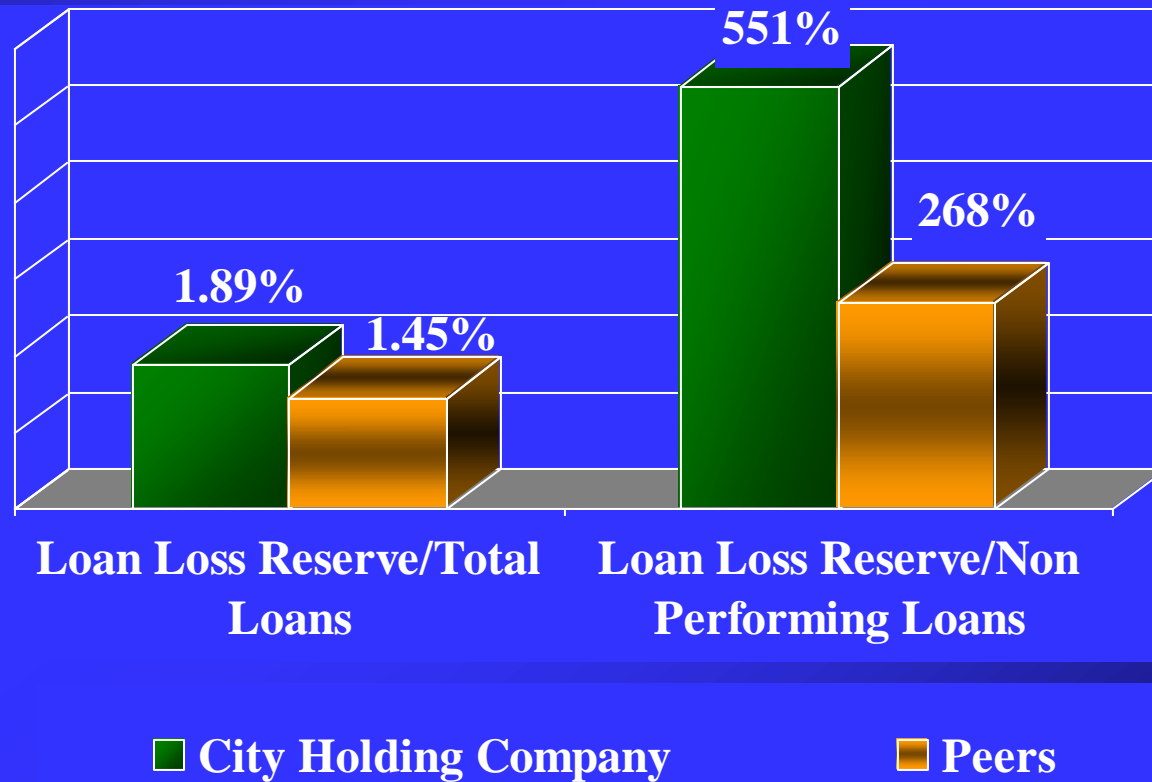
- ✚ high and growing profitability
- ✚ strong and stable net interest margins
- ✚ high operational efficiency
- ✚ strong and rapidly growing equity capital

Strong Loan Quality



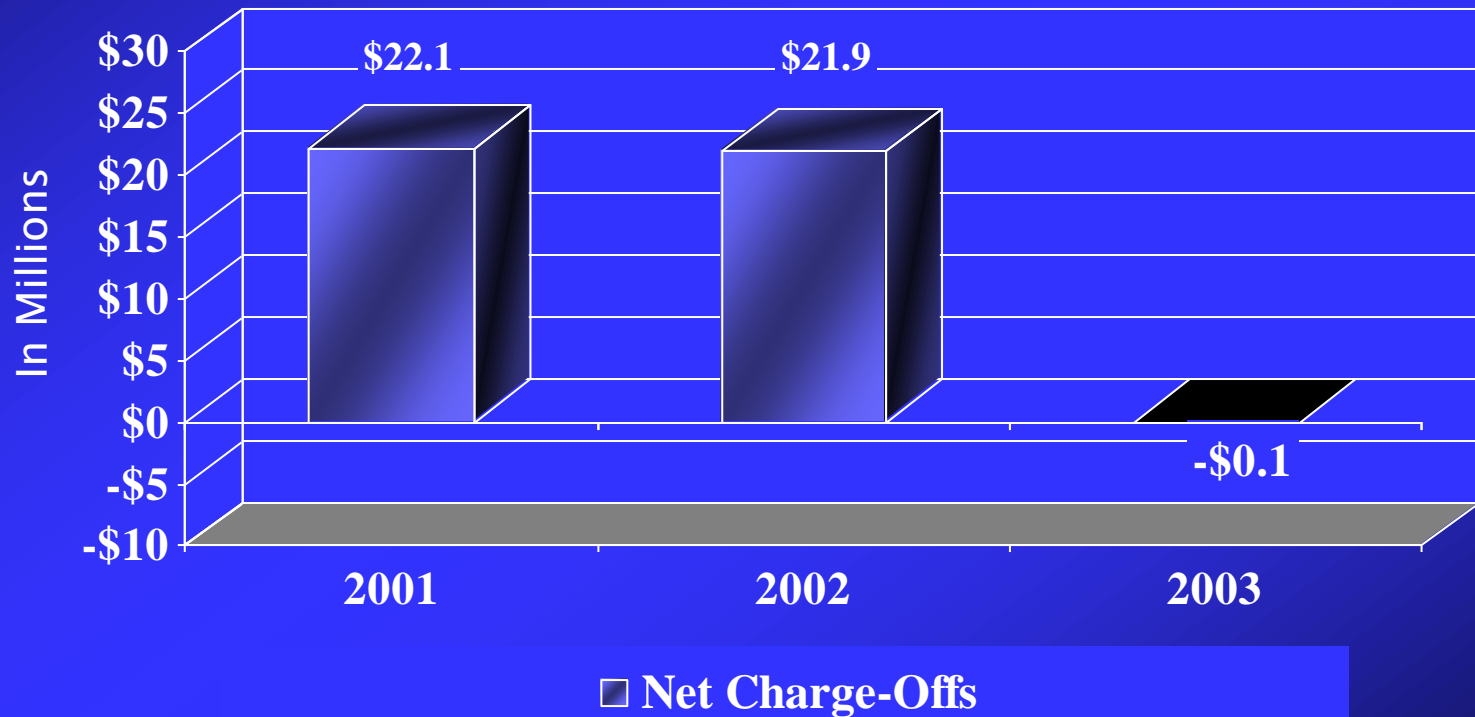
*\$1-3 billion peer group as compiled by the FFIEC in their Uniform Bank Performance Reports 3/31/03

Strong Loan Loss Reserve



*\$1-3 billion peer group as compiled by the FFIEC in their Uniform Bank Performance Reports 3/31/03

Net Charge-Offs/Opportunity?



■ The Company recorded a negative provision of \$5.2 million in Q2 and Q3 2003

Limited Interest Rate Risk

Immediate Basis Point Change in Interest Rates

+300 Bp
+100 Bp
- 50 Bp

Estimated Increase or Decrease in Net Income over 1 year

+13%
+ 6%
- 1%

As of 9/30/03

Why Should You Own Our Stock?

- Proven management team focused on delivering shareholder value
 - ◆ Performance-based incentive plans
 - ◆ Value-vested stock options
 - ◆ Improved City's shareholder value by 488% since January 2001

Why Should You Own Our Stock?

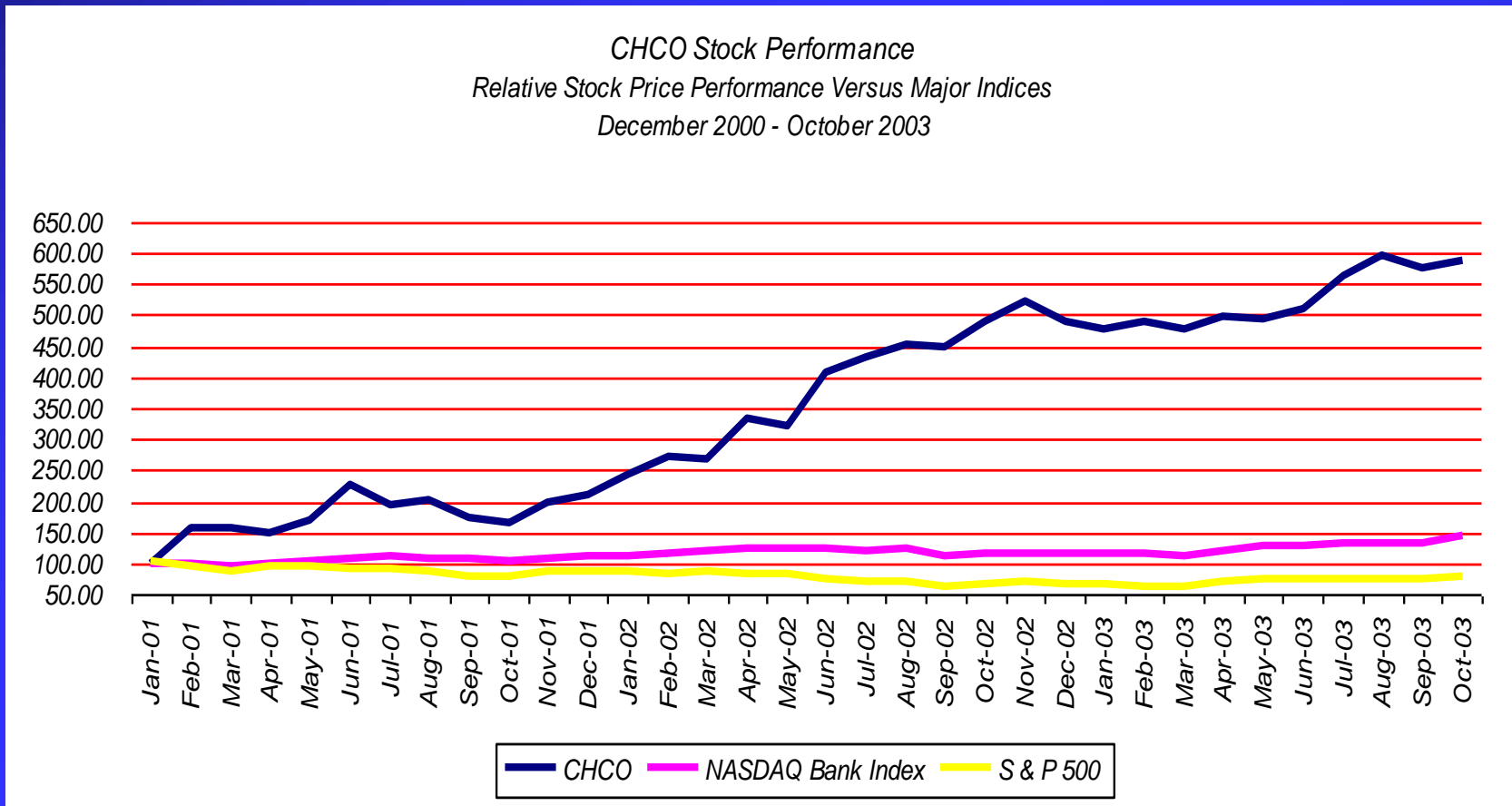
- Low Risk/High Returns
 - ◆ Fortress Balance Sheet
 - ◆ Pristine Loan Quality
 - ◆ High Liquidity
 - ◆ Strongly Capitalized
 - ◆ Retail Core Funded
 - ◆ Not reliant on Mortgage Banking Revenues

Why Should You Own Our Stock?

- Highly visible near-term opportunities
 - ◆ Lower interest expense from called \$57.5M Trust Preferred issue
 - ◆ Potential low or negative loan loss provision in future periods
 - ◆ Leverage strategy designed to enhance NII while preserving benefits from rising rates

CHCO Stock Performance

Relative Stock Price Performance Versus Major Indices: Since January 31, 2001



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Questions?