U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10 - Q

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

For the quarterly period ended September 30, 2002

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	55-0672148
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

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

(304) 538-7233
(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 |X| 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
1,753,160 shares outstanding as of November 8, 2002

Summit Financial Group, Inc. and Subsidiaries

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Summit Financial Group, Inc. and Subsidiaries

Consolidated Balance Sheets

	September 30, 2002 (unaudited)	December 31, 2001 (*)	September 30, 2001 (unaudited)
ASSETS			
Cash and due from banks	$ 11,967,810	$ 11,776,231	$ 8,384,827
Interest bearing deposits with other banks	2,315,399	2,261,826	116,122
Federal funds sold	1,384,928	1,848,129	8,382,000
Securities available for sale	218,490,418	206,967,097	184,946,145
Securities held to maturity	-	150,280	150,425
Loans, net	408,186,019	344,415,429	320,713,286
Premises and equipment, net	13,109,239	12,911,507	12,738,232
Accrued interest receivable	4,210,043	3,874,002	3,972,518
Intangible assets	3,238,917	3,352,281	3,422,828
Other assets	6,479,094	4,199,975	4,054,683
Total assets	$ 669,381,867	$ 591,756,757	$ 546,881,066
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits			
Non interest bearing	$ 52,108,168	$ 38,685,688	$ 32,685,444
Interest bearing	411,806,850	357,519,290	354,121,921
Total deposits	463,915,018	396,204,978	386,807,365
Short-term borrowings	12,165,301	24,032,790	12,988,575
Long-term borrowings	137,596,604	123,444,531	98,304,452
Other liabilities	4,326,049	3,787,111	4,031,276
Total liabilities	618,002,972	547,469,410	502,131,668
Commitments and Contingencies			
Shareholders' Equity			
Common stock, $2.50 par value; authorized 5,000,000 shares; issued 1,780,780	4,451,950	4,451,950	4,451,950
Capital surplus	8,256,901	8,256,901	8,256,901
Retained earnings	35,348,274	30,803,543	29,797,041
Less cost of shares acquired for the treasury 2002 - 27,070 shares and 2001 - 26,470 shares	(554,403)	(532,479)	(532,479)
Accumulated other comprehensive income	3,876,173	1,307,432	2,775,985
Total shareholders' equity	51,378,895	44,287,347	44,749,398
Total liabilities and shareholders' equity	$ 669,381,867	$ 591,756,757	$ 546,881,066

(*) - December 31, 2001 financial information has been extracted from audited consolidated financial statements

See Notes to Consolidated Financial Statements

Summit Financial Group, Inc. and Subsidiaries

Consolidated Statements of Income (unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001
Interest income				
Interest and fees on loans				
Taxable	$ 7,323,374	$ 6,589,313	$21,075,193	$18,858,904
Tax-exempt	89,622	48,826	258,699	131,167
Interest and dividends on securities				
Taxable	2,406,690	2,675,642	7,506,835	8,251,351
Tax-exempt	480,518	241,125	1,268,976	689,344
Interest on interest bearing deposits with other banks	23,097	3,548	69,607	12,623
Interest on Federal funds sold	22,156	77,415	43,832	199,296
Total interest income	10,345,457	9,635,869	30,223,142	28,142,685
Interest expense				
Interest on deposits	2,998,480	3,698,379	8,709,988	11,512,517
Interest on short-term borrowings	64,782	90,627	246,042	370,910
Interest on long-term borrowings	1,739,512	1,326,016	5,191,621	3,735,205
Total interest expense	4,802,774	5,115,022	14,147,651	15,618,632
Net interest income	5,542,683	4,520,847	16,075,491	12,524,053
Provision for loan losses	307,500	227,500	907,500	552,500
Net interest income after provision for loan losses	5,235,183	4,293,347	15,167,991	11,971,553
Other income				
Insurance commissions	61,771	26,322	136,921	67,632
Service fees	353,942	271,852	977,163	738,946
Securities gains (losses)	8,651	204,405	73,728	381,672
Other	176,826	57,545	350,642	134,337
Total other income	601,190	560,124	1,538,454	1,322,587
Other expense				
Salaries and employee benefits	1,700,763	1,441,475	5,056,470	4,133,228
Net occupancy expense	204,048	186,382	585,030	564,610
Equipment expense	313,969	298,125	949,084	866,092
Supplies	121,040	74,534	359,475	209,748
Amortization of intangibles	37,788	70,548	113,364	211,644
Other	737,099	671,148	2,316,466	2,042,531
Total other expense	3,114,707	2,742,212	9,379,889	8,027,853
Income before income taxes	2,721,666	2,111,259	7,326,556	5,266,287
Income tax expense	798,600	673,680	2,132,730	1,620,335
Net income	$ 1,923,066	$ 1,437,579	$ 5,193,826	$ 3,645,952
Basic earnings per common share	$ 1.10	$ 0.82	$ 2.96	$ 2.08
Diluted earnings per common share	$ 1.09	$ 0.82	$ 2.94	$ 2.08
Average common shares outstanding				
Basic	1,754,283	1,761,595	1,754,301	1,754,495
Diluted	1,768,110	1,761,595	1,767,729	1,754,495
Dividends per common share	$ -	$ -	$ 0.37	$ 0.35

Summit Financial Group, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity (unaudited)

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Compre-hensive Income	Total Share-holders' Equity
Balance, December 31, 2001	$ 4,451,950	$ 8,256,901	$ 30,803,543	$ (532,479)	$ 1,307,432	$ 44,287,347
Nine Months Ended September 30, 2002						
Comprehensive income:						
Net income	-	-	5,193,826	-	-	5,193,826
Other comprehensive income, net of deferred taxes of $1,574,390:						
Net unrealized gain on securities of $2,614,452, net of reclassification adjustment for gains included in net income of $45,711	-	-	-	-	2,568,741	2,568,741
Total comprehensive income	-	-	-	-	-	7,762,567
Cash dividends declared ($.37 per share)	-	-	(649,095)	-	-	(649,095)
Purchase of treasury shares	-	-	-	(21,924)	-	(21,924)
Balance, September 30, 2002	$ 4,451,950	$ 8,256,901	$ 35,348,274	$ (554,403)	$ 3,876,173	$ 51,378,895
Balance, December 31, 2000	$ 4,451,950	$ 8,256,901	$ 26,765,097	$ (517,725)	$ 816,978	$ 39,773,201
Nine Months Ended September 30, 2001						
Comprehensive income:						
Net income	-	-	3,645,952	-	-	3,645,952
Other comprehensive income, net of deferred taxes of $1,200,682:						
Net unrealized gain on securities of $2,340,679, net of reclassification adjustment for gains included in net income of $381,672	-	-	-	-	1,959,007	1,959,007
Total comprehensive income	-	-	-	-	-	5,604,959
Cash dividends declared ($.35 per share)	-	-	(614,008)	-	-	(614,008)
Purchase of treasury shares	-	-	-	(14,754)	-	(14,754)
Balance, September 30, 2001	$ 4,451,950	$ 8,256,901	$ 29,797,041	$ (532,479)	$ 2,775,985	$ 44,749,398

See Notes to Consolidated Financial Statements

Summit Financial Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (unaudited)

	Nine Months Ended	
	September 30, 2002	September 30, 2001
Cash Flows from Operating Activities		
Net income	$ 5,193,826	$ 3,645,952
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	763,796	682,527
Provision for loan losses	907,500	552,500
Deferred income tax (benefit) expense	(400,470)	(137,340)
Securities (gains) losses	(73,728)	(381,670)
(Gain) loss on disposal of bank premises, equipment and other assets	8,275	100,159
Amortization of securities premiums (accretion of discounts), net	216,818	(293,616)
Amortization of intangibles and purchase accounting adjustments, net	131,244	209,593
(Increase) decrease in accrued interest receivable	(336,041)	(211,817)
(Increase) decrease in other assets	(260,541)	(174,691)
Increase (decrease) in other liabilities	(294,561)	218,773
Net cash provided by operating activities	5,856,118	4,210,370
Cash Flows from Investing Activities		
Net (increase) decrease in interest bearing deposits with other banks	(53,573)	356,878
Proceeds from maturities and calls of securities available for sale	10,711,500	43,959,529
Proceeds from maturities and calls of securities held to maturity	150,000	250,000
Proceeds from sales of securities available for sale	18,983,528	24,150,733
Principal payments received on securities available for sale	30,597,959	19,168,665
Purchases of securities available for sale	(67,869,813)	(94,070,010)
Net (increase) decrease in Federal funds sold	463,201	(6,571,000)
Net loans made to customers	(64,742,923)	(49,800,232)
Purchases of premises and equipment	(991,996)	(1,298,894)
Proceeds from disposal of assets	68,900	88,278
Purchases of life insurance contracts	(2,250,000)	(74,200)
Net cash provided by (used in) investing activities	(74,933,217)	(63,840,253)
Cash Flows from Financing Activities		
Net increase (decrease) in demand deposit, NOW and savings accounts	38,193,878	18,440,513
Net increase (decrease) in time deposits	29,609,219	22,294,803
Net increase (decrease) in short-term borrowings	(11,867,488)	3,597,762
Proceeds from long-term borrowings	14,590,000	17,500,000
Repayment of long-term borrowings	(585,912)	(281,477)
Dividends paid	(649,095)	(614,008)
Purchase of treasury shares	(21,924)	(14,754)
Net cash provided by financing activities	69,268,678	60,922,839
Increase (decrease) in cash and due from banks	191,579	1,292,956
Cash and due from banks:		
Beginning	11,776,231	7,091,871
Ending	$ 11,967,810	$ 8,384,827

(Continued)

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows - continued (unaudited)

	Nine Months Ended	
	September 30, 2002	September 30, 2001
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	$ 14,186,188	$ 15,846,167
Income taxes	$ 2,317,000	$ 1,712,000
Supplemental Schedule of Noncash Investingand Financing Activities		
Other assets acquired in settlement of loans	$ 59,850	$ 126,098

See Notes to Consolidated Financial Statements

Note 1. Basis of Presentation

These consolidated financial statements of Summit Financial Group, Inc. and Subsidiaries ("Summit" or "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for annual year end financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal recurring nature.

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

The results of operations for the nine months ended September 30, 2002 are not necessarily indicative of the results to be expected for the full year. The consolidated financial statements and notes included herein should be read in conjunction with the Company's 2001 audited financial statements and Annual Report on Form 10-K. Certain accounts in the consolidated financial statements for December 31, 2001 and September 30, 2001, as previously presented, have been reclassified to conform to current year classifications.

Note 2. Accounting Change and New Accounting Pronouncement

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142"), which addresses the accounting and reporting for acquired goodwill and other intangible assets. Under the provisions of SFAS 142, goodwill and certain other intangible assets with indefinite useful lives are no longer amortized into net income over an estimated life, but rather are tested at least annually for impairment based on specific guidance provided in the new standard. However, SFAS 142 did not supercede Statement of Financial Accounting Standards No. 72, Accounting for Certain Acquisitions of Banking or Thrift Institutions ("SFAS 72"), and therefore, any goodwill accounted for in accordance with SFAS 72 will continue to be amortized until further guidance is issued from the FASB. SFAS 142 also requires that intangible assets determined to have definite useful lives be amortized over their estimated useful lives and also be subject to impairment testing.

The provisions of SFAS 142 were adopted by Summit as required effective January 1, 2002. During the second quarter of 2002, the Company performed the required transitional impairment test of goodwill as of January 1, 2002, and did not record an impairment loss as a result of this test. Due to no longer having to amortize goodwill against earnings, Summit's net income is expected to increase by approximately $131,000, or $0.07 per diluted share in 2002.

The following presents the Company's consolidated results of operations adjusted as though the adoption of SFAS 142 occurred as of January 1, 2001.

	Three Months Ended September 30, 2002	Three Months Ended September 30, 2001	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Reported net income	$ 1,923,066	$ 1,437,579	$ 5,193,826	$ 3,645,952
Add back: goodwill amortization, net of applicable tax effect	-	32,760	-	98,280
Adjusted net income	$ 1,923,066	$ 1,470,339	$ 5,193,826	$ 3,744,232
Basic earnings per share				
Reported net income	$ 1.10	$ 0.82	$ 2.96	$ 2.08
Add back: goodwill amortization, net of applicable tax effect	-	0.02	-	0.06
Adjusted net income	$ 1.10	$ 0.84	$ 2.96	$ 2.14
Diluted earnings per share				
Reported net income	$ 1.09	$ 0.82	$ 2.94	$ 2.08
Add back: goodwill amortization, net of applicable tax effect	-	0.02	-	0.06
Adjusted net income	$ 1.09	$ 0.84	$ 2.94	$ 2.14

The carrying amount of goodwill at September 30, 2002 and December 31, 2001 was $1,488,030. Accordingly, no changes in goodwill were recorded during the nine months ended September 30, 2002.

At September 30, 2002 and December 31, 2001, Summit had $1,750,887 and $1,864,251, respectively, in unamortized acquired intangible assets consisting entirely of goodwill recorded in accordance with SFAS 72. Amortization of $113,364 was recorded for the nine months ended September 30, 2002 relative to these intangible assets. Annual amortization is expected to be approximately $151,000 for each of the years ending 2002 through 2006.

In October 2002, the FASB issued Statement of Financial Accounting Standards No. 147, Acquisitions of Certain Financial Institutions ("SFAS 147"). SFAS 147 removes acquisitions of financial institutions from the scope of SFAS 72 and requires that these transactions be accounted for in accordance with FASB Statement No. 141, Business Combinations, and SFAS 142. In addition, SFAS 147 clarifies that the acquisition of a less-than-whole financial institution (e.g. a branch acquisition) that meets the definition of a business should be accounted for as a business combination, otherwise the transaction should be accounted for as an acquisition of net assets that does not result in the recognition of goodwill. SFAS 147 also amends FASB Statement No. 144, Accounting for Impairment or Disposal of Long-Lived Assets, to include in its scope long-term customer-relationship intangible assets of financial institutions such as depositor- and borrower- relationship intangible assets. SFAS 147 is effective on and after October 1, 2002. The Company does not expect the adoption of SFAS 147 will result in a material impact on its financial position or its results of operations.

Note 3. Earnings per Share

The computations of basic and diluted earnings per share follow:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Numerator:				
Net Income	$ 1,923,066	$ 1,437,579	$ 5,193,826	$ 3,645,952
Denominator:				
Denominator for basic earnings per share - weighted average common shares outstanding	1,754,283	1,761,595	1,754,301	1,754,495
Effect of dilutive securities:				
Stock options	13,827	-	13,428	-
Denominator for diluted earnings per share - weighted average common shares outstanding and assumed conversions	1,768,110	1,761,595	1,767,729	1,754,495
Basic earnings per share	$ 1.10	$ 0.82	$ 2.96	$ 2.08
Diluted earnings per share	$ 1.09	$ 0.82	$ 2.94	$ 2.08

Note 4. Securities

The amortized cost, unrealized gains, unrealized losses and estimated fair values of securities at September 30, 2002, December 31, 2001, and September 30, 2001 are summarized as follows:

	September 30, 2002			
	Amortized	Unrealized		Estimated
	Cost	Gains	Losses	Fair Value
Available for Sale				
Taxable:				
U. S. Government agencies and corporations	$ 36,728,531	$ 1,187,948	$ -	$ 37,916,479
Mortgage-backed securities	95,245,831	2,208,555	131,061	97,323,325
State and political subdivisions	5,448,472	185,333	-	5,633,805
Corporate debt securities	30,106,915	1,228,554	62,878	31,272,591
Federal Reserve Bank stock	397,000	-	-	397,000
Federal Home Loan Bank stock	7,368,800	-	-	7,368,800
Other equity securities	6,625	-	-	6,625
Total taxable	175,302,174	4,810,390	193,939	179,918,625
Tax-exempt:				
State and political subdivisions	31,977,763	1,515,256	4,678	33,488,341
Federal Reserve Bank stock	8,400	-	-	8,400
Other equity securities	5,066,498	152,325	143,771	5,075,052
Total tax-exempt	37,052,661	1,667,581	148,449	38,571,793
Total	$212,354,835	$ 6,477,971	$ 342,388	$218,490,418

	December 31, 2001			
	Amortized	Unrealized		Estimated
	Cost	Gains	Losses	Fair Value
Available for Sale				
Taxable:				
U. S. Government agencies and corporations	$ 36,987,640	$ 1,133,062	$ 37,477	$ 38,083,225
Mortgage-backed securities	103,002,225	999,540	801,923	103,199,842
State and political subdivisions	4,957,792	15,511	20,549	4,952,754
Corporate debt securities	21,690,167	1,028,726	31,948	22,686,945
Federal Reserve Bank stock	341,300	-	-	341,300
Federal Home Loan Bank stock	6,946,800	-	-	6,946,800
Other equity securities	306,625	-	53,280	253,345
Total taxable	174,232,549	3,176,839	945,177	176,464,211
Tax-exempt:				
State and political subdivisions	25,857,242	279,303	445,895	25,690,650
Federal Reserve Bank stock	4,100	-	-	4,100
Other equity securities	4,823,109	-	14,973	4,808,136
Total tax-exempt	30,684,451	279,303	460,868	30,502,886
Total	$204,917,000	$ 3,456,142	$ 1,406,045	$206,967,097

	December 31, 2001			
	Amortized	Unrealized		Estimated
Held to Maturity	Cost	Gains	Losses	Fair Value
Tax-exempt:				
State and political subdivisions	$ 150,280	$ 1,410	$ 157	$ 151,533

	September 30, 2001			
	Amortized	Unrealized		Estimated
	Cost	Gains	Losses	Fair Value
Available for Sale				
Taxable:				
U. S. Government agencies and corporations	$ 46,347,609	$ 1,575,298	$ 5,106	$ 47,917,801
Mortgage-backed securities	78,430,406	1,589,294	60,081	79,959,619
State and political subdivisions	5,329,922	22,807	1,375	5,351,354
Corporate debt securities	25,411,147	1,148,484	11,084	26,548,547
Federal Reserve Bank stock	341,300	-	-	341,300
Federal Home Loan Bank stock	5,377,900	-	-	5,377,900
Other equity securities	306,625	-	87,000	219,625
Total taxable	161,544,909	4,335,883	164,646	165,716,146
Tax-exempt:				
State and political subdivisions	14,094,706	421,195	292	14,515,609
Federal Reserve Bank stock	4,100	-	-	4,100
Other equity securities	4,825,068	-	114,778	4,710,290
Total tax-exempt	18,923,874	421,195	115,070	19,229,999
Total	$180,468,783	$ 4,757,078	$ 279,716	$184,946,145

	September 30, 2001			
	Amortized	Unrealized		Estimated
	Cost	Gains	Losses	Fair Value
Held to Maturity				
Tax-exempt:				
State and political subdivisions	$ 150,425	$ 2,350	$ 157	$ 152,618

The maturities, amortized cost and estimated fair values of securities at September 30, 2002, are summarized as follows:

	Available for Sale	
	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 70,432,785	$ 71,731,068
Due from one to five years	85,300,928	88,316,965
Due from five to ten years	15,703,193	16,490,657
Due after ten years	28,070,606	29,095,851
Equity securities	12,847,323	12,855,877
	$ 212,354,835	$ 218,490,418

Note 5. Loans

Loans are summarized as follows:

	September 30, 2002	December 31, 2001	September 30, 2001
Commerical	$ 32,308,945	$ 26,464,421	$ 26,480,269
Commercial real estate	165,271,845	121,576,437	106,837,585
Real estate - construction	3,885,468	2,393,754	2,700,827
Real estate - mortgage	160,619,722	149,050,426	141,958,535
Consumer	42,113,266	41,508,960	39,872,354
Other	8,715,381	7,263,448	6,415,024
Total loans	412,914,627	348,257,446	324,264,594
Less unearned income	809,726	731,769	697,094
Total loans net of unearned income	412,104,901	347,525,677	323,567,500
Less allowance for loan losses	3,918,882	3,110,248	2,854,214
Loans, net	$408,186,019	$344,415,429	$320,713,286

Note 6. Allowance for Loan Losses

An analysis of the allowance for loan losses for the nine month periods ended September 30, 2002 and 2001, and for the year ended December 31, 2001 is as follows:

	Nine Months Ended September 30,		Year Ended December 31,
	2002	2001	2001
Balance, beginning of period	$3,110,248	$2,570,776	$2,570,776
Losses:			
Commercial	35,109	38,624	38,624
Commercial - real estate	-	52,556	69,233
Real estate - mortgage	18,618	46,976	46,977
Consumer	88,982	151,438	190,804
Other	48,153	60,773	75,643
Total	190,862	350,367	421,281
Recoveries:			
Commercial	4,339	1,635	2,672
Commercial - real estate	-	-	7,500
Real estate - mortgage	15,289	728	728
Consumer	57,986	65,571	98,940
Other	14,382	13,371	20,913
Total	91,996	81,305	130,753
Net losses	98,866	269,062	290,528
Provision for loan losses	907,500	552,500	830,000
Balance, end of period	$3,918,882	$2,854,214	$3,110,248

Note 7. Deposits

The following is a summary of interest bearing deposits by type as of September 30, 2002 and 2001, and December 31, 2001:

	September 30, 2002	December 31, 2001	September 30, 2001
Interest bearing demand deposits	$103,773,031	$ 81,509,961	$ 80,787,458
Savings deposits	46,274,276	43,765,947	41,767,671
Certificates of deposit	237,939,820	211,116,608	210,666,505
Individual retirement accounts	23,819,723	21,126,774	20,900,287
Total	$411,806,850	$357,519,290	$354,121,921

The following is a summary of the maturity distribution of certificates of deposit and Individual Retirement Accounts in denominations of $100,000 or more as of September 30, 2002:

	Amount	Percent
Three months or less	$11,358,696	17.2%
Three through six months	10,606,981	16.1%
Six through twelve months	16,393,716	24.8%
Over twelve months	27,656,004	41.9%
Total	$66,015,397	100.0%

A summary of the scheduled maturities for all time deposits as of September 30, 2002 is as follows:

Three Month Period Ending December 31, 2002	$ 48,025,794
Year Ending December 31, 2003	108,490,609
Year Ending December 31, 2004	71,588,156
Year Ending December 31, 2005	18,212,937
Year Ending December 31, 2006	4,613,688
Thereafter	10,828,359
	$ 261,759,543

Note 8. Borrowed Funds

Short-term borrowings: A summary of short-term borrowings is presented below:

	Nine Months Ended September 30, 2002		
	Federal Funds Purchased and Other Short-term Advances	Repurchase Agreements	Federal Home Loan Bank Short-term Advances
Balance at September 30	$ 650,000	$ 8,515,301	$ 3,000,000
Average balance outstanding for the period	1,050,176	9,315,707	5,040,910
Maximum balance outstanding at any month end during period	2,370,000	10,778,052	9,344,800
Weighted average interest rate for the period	4.20%	1.72%	2.45%
Weighted average interest rate for balances outstanding at September 30	4.25%	1.86%	2.44%

	Year Ended December 31, 2001		
	Federal Funds Purchased and Other Short-term Advances	Repurchase Agreements	Federal Home Loan Bank Short-term Advances
Balance at December 31	$ 1,041,000	$ 8,213,590	$ 14,778,200
Average balance outstanding for the year	1,458,355	7,351,836	3,069,203
Maximum balance outstanding at any month end	4,298,000	9,080,068	14,778,200
Weighted average interest rate for the year	5.10%	3.30%	4.42%
Weighted average interest rate for balances outstanding at December 31	4.14%	1.83%	1.99%

	Nine Months Ended September 30, 2001		
	Federal Funds Purchased and Other Short-term Advances	Repurchase Agreements	Federal Home Loan Bank Short-term Advances
Balance at September 30	$ 1,000,000	$ 8,158,575	$ 3,830,000
Average balance outstanding for the year	1,252,655	7,000,111	3,017,362
Maximum balance outstanding at any month end	4,298,000	8,158,575	7,467,100
Weighted average interest rate for the year	6.09%	3.76%	5.13%
Weighted average interest rate for balances outstanding at September 30	5.50%	2.77%	3.55%

Long-term borrowings: The Company's long-term borrowings of $137,596,604, $123,444,531 and $98,304,452 at September 30, 2002, December 31, 2001 and September 30, 2001, respectively, consisted primarily of advances from the Federal Home Loan Bank ("FHLB").

These borrowings bear both fixed and variable rates and mature in varying amounts through the year 2016.

The average interest rate paid on long-term borrowings for the nine month period ended September 30, 2002 was 5.19% compared to 5.64% for the first nine months of 2001.

A summary of the maturities of all long-term borrowings for the next five years and thereafter is as follows:

Year Ending December 31,	Amount
2002	$ 975,525
2003	4,935,414
2004	18,901,198
2005	7,889,448
2006	7,704,212
Thereafter	97,190,807
	$ 137,596,604

Note 9. Subsequent Events

On October 15, 2002, at a special meeting of Summit's shareholders, an amendment to the Company's Articles of Incorporation was approved authorizing a class of 250,000 shares of $1.00 par value preferred stock. The amendment further authorizes the Company's Board of Directors to issue the preferred stock, and to fix the designation, preferences, rights, dividends, and all other attributes of such preferred stock without any further vote or action by the shareholders.

On October 25, 2002. Summit's Board of Directors declared a $0.38 per share dividend, payable on December 16, 2002 to shareholders of record as of December 2, 2002.

On October 29, 2002, $3.5 million of Company-obligated mandatorily redeemable capital securities ("Capital Securities") of a subsidiary trust holding solely junior subordinated debt securities of the Company ("Debentures") were issued by SFG Capital Trust I ("Trust"), a Delaware business trust, of which 100% of the common equity is owned by Summit. The Trust was formed for the purpose of issuing the Capital Securities and investing the proceeds from the sale of such Capital Securities in the Debentures. The Debentures are the sole asset of the Trust. Distributions on the Capital Securities issued by the Trust are payable quarterly at a rate per annum equal to the interest rate being earned on the Debentures held by the Trust and are recorded as interest expense by the Company. The Capital Securities are subject to mandatory redemption, in whole or in part, upon repayment of the Debentures. The Company has entered into an agreement which fully and unconditionally guarantees the Capital Securities subject to the terms of each of the guarantees. The Debentures held by the Trust bear interest at a variable interest rate equal to LIBOR plus 345 basis points, adjusted quarterly. The Debentures qualify as Tier 1 capital under Federal Reserve Board guidelines. The Debentures are first redeemable, in whole or in part, by the Company in 2007.

Note 10. Restrictions on Capital

Summit and its subsidiaries are subject to various regulatory capital requirements administered by the banking regulatory agencies. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, Summit and each of its subsidiaries must meet specific capital guidelines that involve quantitative measures of Summit's and its subsidiaries' assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Summit and each of its subsidiaries' capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require Summit and each of its subsidiaries to maintain minimum amounts and ratios of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of September 30, 2002, that Summit and each of its subsidiaries met all capital adequacy requirements to which they were subject.

The most recent notifications from the banking regulatory agencies categorized Summit and each of its subsidiaries as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, Summit and each of its subsidiaries must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table below.

Summit's and its subsidiaries', Summit Community Bank's ("Summit Community", the entity resulting from the merger of two former Summit bank subsidiaries, South Branch Valley National Bank and Potomac Valley Bank on January 18, 2002), Capital State Bank, Inc.'s ("Capital State") and Shenandoah Valley National Bank's ("Shenandoah") actual capital amounts and ratios are presented in the following table.

(Dollars in thousands)

	Actual		Minimum Required Regulatory Capital		To be Well Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of September 30, 2002						
Total Capital (to risk weighted assets)						
Summit	$ 48,165	10.6%	$ 36,226	8.0%	$ 45,283	10.0%
Summit Community*	25,933	11.1%	18,727	8.0%	23,409	10.0%
Capital State	10,757	10.3%	8,368	8.0%	10,459	10.0%
Shenandoah	12,262	10.7%	9,137	8.0%	11,421	10.0%
Tier I Capital (to risk weighted assets)						
Summit	44,221	9.8%	18,113	4.0%	27,170	6.0%
Summit Community*	23,680	10.1%	9,364	4.0%	14,045	6.0%
Capital State	9,887	9.5%	4,184	4.0%	6,276	6.0%
Shenandoah	11,441	10.0%	4,568	4.0%	6,853	6.0%
Tier I Capital (to average assets)						
Summit	44,221	6.9%	19,204	3.0%	32,007	5.0%
Summit Community*	23,680	7.1%	9,979	3.0%	16,632	5.0%
Capital State	9,887	6.7%	4,418	3.0%	7,363	5.0%
Shenandoah	11,441	7.3%	4,683	3.0%	7,804	5.0%
As of December 31, 2001						
Total Capital (to risk weighted assets)						
Summit	$ 42,695	11.3%	$ 30,173	8.0%	$ 37,716	10.0%
South Branch*	14,014	10.4%	10,811	8.0%	13,514	10.0%
Capital State	9,407	10.4%	7,208	8.0%	9,011	10.0%
Shenandoah	10,386	13.7%	6,065	8.0%	7,581	10.0%
Potomac*	9,273	12.1%	6,121	8.0%	7,651	10.0%
Tier I Capital (to risk weighted assets)						
Summit	39,585	10.5%	15,080	4.0%	22,620	6.0%
South Branch*	12,564	9.3%	5,404	4.0%	8,106	6.0%
Capital State	8,754	9.7%	3,602	4.0%	5,404	6.0%
Shenandoah	9,978	13.2%	3,033	4.0%	4,549	6.0%
Potomac*	8,674	11.3%	3,062	4.0%	4,593	6.0%
Tier I Capital (to average assets)						
Summit	39,585	7.1%	16,797	3.0%	27,995	5.0%
South Branch*	12,564	7.0%	5,369	3.0%	8,949	5.0%
Capital State	8,754	6.7%	3,902	3.0%	6,504	5.0%
Shenandoah	9,978	8.1%	3,709	3.0%	6,182	5.0%
Potomac*	8,674	7.0%	3,739	3.0%	6,231	5.0%

*South Branch and Potomac merged to form Summit Community Bank effective January 18, 2002.

Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

The following discussion and analysis focuses on significant changes in the financial condition and results of operations of Summit Financial Group, Inc. ("Company" or "Summit") and its wholly owned subsidiaries, Summit Community Bank ("Summit Community"), Capital State Bank, Inc. ("Capital State"), and Shenandoah Valley National Bank ("Shenandoah") for the periods indicated. This discussion and analysis should be read in conjunction with the Company's 2001 audited financial statements and Annual Report on Form 10-K.

The Private Securities Litigation Act of 1995 indicates that the disclosure of forward-looking information is desirable for investors and encourages such disclosure by providing a safe harbor for forward-looking statements by management. The following management's discussion and analysis of financial condition and results of operations contains certain forward-looking statements that involve risk and uncertainty. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors could cause Summit's actual results and experience to differ materially from the anticipated results or other expectations expressed in those forward-looking statements.

RESULTS OF OPERATIONS

Earnings Summary

Summit reported net income of $1,923,000, or $1.09 per diluted share for the third quarter of 2002, as compared to $1,438,000, or $.82 per diluted share for the third quarter of 2001. Net income for the nine months ended September 30, 2002 grew 42.5% to $5,194,000, or $2.94 per diluted share as compared to $3,646,000, or $2.08 per diluted share for the nine months ended September 30, 2001. Returns on average equity and assets for the first nine months of 2002 were 14.94% and 1.13%, respectively, compared with 11.65% and 0.95% for the same period of 2001. Improved financial performance for the first nine months of 2002 resulted primarily from growth in net interest income.

Net Interest Income

The Company's net interest income on a fully tax-equivalent basis totaled $16,831,000 for the nine month period ended September 30, 2002 compared to $12,905,000 for the same period of 2001, representing an increase of $3,926,000 or 30.42%. This increase resulted from growth in interest earning assets. Average interest earning assets grew 21.3% from $478,856,000 during the first nine months of 2001 to $581,042,000 for the first nine months of 2002.

Summit's net yield on interest earning assets increased to 3.9%, for the nine month period ended September 30, 2002 compared to 3.6% for the same period of 2001. Consistent with industry trends, the Company's net interest margin has been narrowing as competition from nontraditional financial service providers and shifting customer preferences have made it difficult to attract core deposits, the most significant and lowest cost funding source of commercial banks.

Growth in the Company's net interest income is expected to continue due to anticipated growth in volumes of interest earning assets, principally loans, over the near term. However, if market interest rates were to rise significantly over the next 12 months, the spread between interest earning assets and interest bearing liabilities could begin to narrow due to Summit's current liability sensitive position, thus negatively impacting net interest income. Management continually monitors the net interest margin through net interest income simulation to minimize the potential for any significant negative impact. See the "Market Risk Management" section for further discussion of the impact changes in market interest rates could have on Summit. Further analysis of the Company's yields on interest earning assets and interest bearing liabilities are presented in Tables I and II below.

Table I - Average Balance Sheet and Net Interest Income Analysis
(Dollars in thousands)

	For the Nine Months Ended September 30,					
	2002			2001		
	Average Balance	Earnings/ Expense	Yield/ Rate	Average Balance	Earnings/ Expense	Yield/ Rate
Interest earning assets						
Loans, net of unearned income						
Taxable	$ 366,361	$ 21,075	7.7%	$ 292,311	$ 18,859	8.6%
Tax-exempt (1)	6,166	392	8.5%	2,440	198	10.8%
Securities						
Taxable	168,983	7,507	5.9%	159,681	8,251	6.9%
Tax-exempt (1)	33,846	1,892	7.5%	17,559	1,004	7.6%
Federal funds sold and interest bearing deposits with other banks	5,686	113	2.6%	6,865	212	4.1%
Total interest earning assets	581,042	30,979	7.1%	478,856	28,524	7.9%
Noninterest earning assets						
Cash & due from banks	8,518			8,562		
Premises and equipment	13,090			12,442		
Other assets	15,836			14,066		
Allowance for loan losses	(3,520)			(2,714)		
Total assets	$ 614,966			$ 511,212		
Interest bearing liabilities						
Interest bearing demand deposits	$ 89,861	$ 1,007	1.5%	$ 71,912	$ 1,529	2.8%
Savings deposits	45,899	447	1.3%	39,411	736	2.5%
Time deposits	241,536	7,256	4.0%	221,315	9,248	5.6%
Short-term borrowings	15,428	246	2.1%	11,270	371	4.4%
Long-term borrowings	133,316	5,192	5.2%	88,322	3,735	5.6%
Total interest bearing liabilities	526,040	14,148	3.6%	432,230	15,619	4.8%
Noninterest bearing liabilities and shareholders' equity						
Demand deposits	38,193			33,040		
Other liabilities	4,373			4,197		
Shareholders' equity	46,360			41,745		
Total liabilities and shareholders' equity	$ 614,966			$ 511,212		
Net interest earnings		$ 16,831			$ 12,905	
Net yield on interest earning assets			3.9%			3.6%

(1) - Interest income on tax-exempt securities and loans has been adjusted assuming an effective tax rate of 34% for both periods presented. The tax equivalent adjustment resulted in an increase in interest income of $756,000 and $381,000 for the periods ended September 30, 2002 and 2001, respectively.

Table II - Changes in Interest Margin Attributable to Rate and Volume
(Dollars in thousands)

	For the Nine Months Ended September 30, 2002 versus September 30, 2001		
	Increase (Decrease) Due to Change in:		
	Volume	Rate	Net
Interest earned on:			
Loans			
Taxable	$ 4,414	$(2,198)	2,216
Tax-exempt	245	(51)	194
Securities			
Taxable	461	(1,205)	(744)
Tax-exempt	911	(23)	888
Federal funds sold and interest bearing deposits with other banks	(32)	(67)	(99)
Total interest earned on interest earning assets	5,999	(3,544)	2,455
Interest paid on:			
Interest bearing demand deposits	320	(842)	(522)
Savings deposits	106	(395)	(289)
Time deposits	787	(2,779)	(1,992)
Short-term borrowings	108	(233)	(125)
Long-term borrowings	1,773	(316)	1,457
Total interest paid on interest bearing liabilities	3,094	(4,565)	(1,471)
Net interest income	$ 2,905	$ 1,021	$ 3,926

Credit Experience

The provision for loan losses represents charges to earnings necessary to maintain an adequate allowance for potential future loan losses. Management's determination of the appropriate level of the allowance is based on an ongoing analysis of credit quality and loss potential in the loan portfolio, change in the composition and risk characteristics of the loan portfolio, and the anticipated influence of national and local economic conditions. The adequacy of the allowance for loan losses is reviewed quarterly and adjustments are made as considered necessary.

The Company recorded a $908,000 provision for loan losses for the first nine months of 2002, compared to $553,000 for the same period in 2001, an increase of $355,000 or 64.2%. This increase represents continued growth of the loan portfolio. Net loan charge offs for the first nine months of 2002 were $99,000, as compared to $269,000 over the same period of 2001. At September 30, 2002, the allowance for loan losses totaled $3,919,000 or 0.95% of loans, net of unearned income, compared to $3,110,000 or 0.89% of loans, net of unearned income at December 31, 2001.

Summit's asset quality remains sound. As illustrated in Table III below, the Company's non-performing assets and loans past due 90 days or more and still accruing interest have decreased during the past 12 months, remaining at a historically moderate level.

Table III - Summary of Past Due Loans and Non-Performing Assets
(Dollars in thousands)

	September 30, 2002	September 30, 2001	December 31, 2001
Accruing loans past due 90 days or more	$ 241	$ 104	$ 328
Nonperforming assets:			
Nonaccrual loans	734	933	788
Foreclosed properties	81	81	81
Repossessed assets	4	14	-
Total	$1,060	$1,132	$1,197
Percentage of total loans	0.3%	0.3%	0.3%

Noninterest Expense

Total noninterest expense increased approximately $1,352,000, or 16.8% to $9,380,000 during the first nine months of 2002 as compared to the same period in 2001. Substantially all of this increase resulted primarily from an increase in salaries and employee benefits expense as a result of the company awarding general merit raises and the addition of new staff positions required as a result of Summit's growth.

FINANCIAL CONDITION

Total assets of the Company were $669,382,000 at September 30, 2002, compared to $591,757,000 at December 31, 2001, representing a 13.1% increase. Table IV below serves to illustrate significant changes in the Company's financial position between December 31, 2001 and September 30, 2002.

Table IV - Summary of Significant Changes in Financial Position
(Dollars in thousands)

	Balance December 31, 2001	Increase (Decrease) Amount	Increase (Decrease) Percentage	Balance September 30, 2002
Assets				
Federal funds sold	$ 1,848	$ (463)	-25.1%	$ 1,385
Securities available for sale	206,967	11,523	5.6%	218,490
Loans, net of unearned income	344,415	63,771	18.5%	408,186
Liabilities				
Interest bearing deposits	$357,519	$ 54,288	15.2%	$411,807
Short-term borrowings	24,033	(11,868)	-49.4%	12,165
Long-term borrowings	123,445	14,152	11.5%	137,597

Loan growth during the first nine months of 2002, occurring principally in the commercial real estate and real estate - mortgage portfolios, was funded primarily by long-term borrowings from the FHLB.

Short-term borrowings decreased during the first nine months of 2002 as the Company borrowed long-term with the FHLB and paid down the short-term borrowings.

Refer to Notes 4, 5, 6, 7 and 8 of the notes to the accompanying consolidated financial statements for additional information with regard to changes in the composition of the Summit's securities, loans, deposits and borrowing activity between September 30, 2002 and December 31, 2001.

LIQUIDITY

Liquidity reflects the Company's ability to ensure the availability of adequate funds to meet loan commitments and deposit withdrawals, as well as provide for other transactional requirements. Liquidity is provided primarily by funds invested in cash and due from banks, Federal funds sold, non-pledged securities, and available lines of credit with the FHLB, the total of which approximated $122 million or 18% of total assets at September 30, 2002 versus $126 million, or 21% of total assets at December 31, 2001.

The Company's liquidity position is monitored continuously to ensure that day-to-day as well as anticipated funding needs are met. Management is not aware of any trends, commitments, events or uncertainties that have resulted in or are reasonably likely to result in a material change to the Summit's liquidity.

CAPITAL RESOURCES

Maintenance of a strong capital position is a continuing goal of Company management. Through management of its capital resources, the Company seeks to provide an attractive financial return to its shareholders while retaining sufficient capital to support future growth. Shareholders' equity at September 30, 2002 totaled $51,379,000 compared to $44,287,000 at December 31, 2001, representing an increase of 16.0% which resulted primarily from net retained earnings of the Company during the first nine months of 2002 and the appreciation in fair value of the Company's available for sale securities portfolio.

Refer to Note 10 of the notes to the accompanying consolidated financial statements for information regarding regulatory restrictions on the Company's and its subsidiaries' capital.

MARKET RISK MANAGEMENT

Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to changes in interest rates, exchange rates and equity prices. Interest rate risk is Summit's primary market risk and results from timing differences in the repricing of assets, liabilities and off-balance sheet instruments, changes in relationships between rate indices and the potential exercise of imbedded options. The principal objective of asset/liability management is to minimize interest rate risk and the Company's actions in this regard are taken under the guidance of its Asset/Liability Management Committee ("ALCO"), which is comprised of members of senior management and members of the Board of Directors. The ALCO actively formulates the economic assumptions that the Company uses in its financial planning and budgeting process and establishes policies which control and monitor the Company's sources, uses and prices of funds.

Some amount of interest rate risk is inherent and appropriate to the banking business. Summit's net income is affected by changes in the absolute level of interest rates. The Company's interest rate risk position is liability sensitive; that is, liabilities are likely to reprice faster than assets, resulting in a decrease in net income in a rising rate environment. Conversely, net income should increase in a falling interest rate environment. Net income is also subject to changes in the shape of the yield curve. In general, a flattening yield curve would result in a decline in Company earnings due to the compression of earning asset yields and funding rates, while a steepening would result in increased earnings as margins widen.

Several techniques are available to monitor and control the level of interest rate risk. Summit primarily uses earnings simulations modeling to monitor interest rate risk. The earnings simulation model forecasts the effects on net interest income under a variety of interest rate scenarios that incorporate changes in the absolute level of interest rates and changes in the shape of the yield curve. Assumptions used to project yields and rates for new loans and deposits are derived from historical analysis. Securities portfolio maturities and prepayments are reinvested in like instruments. Mortgage loan prepayment assumptions are developed from industry estimates of prepayment speeds. Noncontractual deposit repricings are modeled on historical patterns.

As of September 30, 2002, Summit's earnings simulation model projects net interest income would decrease by approximately 0.9% if rates rise evenly by 200 basis points over the next 12 month period, as compared to a projected stable rate net interest income. Further, the model projects that if rates fall evenly by 200 basis points over the next year, Company net interest income would decrease by approximately 0.5%, as compared to a projected stable rate net interest income. These projected changes are well within Summit's ALCO policy limit of +/- 10%.

CONTROLS AND PROCEDURES

Summit management, including the Chief Executive Officer and Chief Financial Officer, have conducted within 90 days of the filing of this Form 10-Q an evaluation of the effectiveness of disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective in ensuring that all material information required to be filed in this quarterly report has been made known to them in a timely fashion. There have been no significant changes in internal controls, or in factors that could significantly affect internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation.

Part II. Other Information

Item 1. Legal Proceedings

Summit is involved in various pending legal actions, all of which are regarded by management as litigation arising in the ordinary course of business and are not expected to have a materially adverse effect on the business or financial condition of the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUMMIT FINANCIAL GROUP, INC.
(registrant)

By: /s/ H. Charles Maddy, III

H. Charles Maddy, III,
President and Chief Executive Officer

By: /s/ Robert S. Tissue

Robert S. Tissue,
Sr. Vice President and Chief Financial Officer

Date: November 13, 2002

CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION

I, H. Charles Maddy, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Summit Financial Group, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ H. Charles Maddy, III

H. Charles Maddy, III
President and Chief Executive Officer

CERTIFICATION

I, Robert S. Tissue, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Summit Financial Group, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ Robert S. Tissue

Robert S. Tissue
Sr. Vice President and Chief Financial Officer

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Summit Financial Group, Inc. ("Summit") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, H. Charles Maddy, III, President and Chief Executive Officer of Summit, certify pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Summit.

/s/ H. Charles Maddy, III

H. Charles Maddy, III,
President and Chief Executive Officer

Date: November 13, 2002

The foregoing certification is being furnished solely pursuant to 18 U.S.C. ss. 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Summit Financial Group, Inc. ("Summit") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert S. Tissue, Senior Vice President and Chief Financial Officer of Summit, certify pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Summit.

/s/ Robert S. Tissue

Robert S. Tissue,
Sr. Vice President and Chief Financial Officer

Date: November 13, 2002

The foregoing certification is being furnished solely pursuant to 18 U.S.C. ss. 1350 and is not being filed as part of the Report or as a separate disclosure document.