

SUMMIT BANCSHARES INC /TX/

Form 8-K

October 05, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: October 5, 2006

**SUMMIT BANCSHARES, INC.**

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(Exact name of registrant as specified in its charter)

Texas

0-11986

75-1694807

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(State of Incorporation)

(Commission File Number)

(I.R.S. Employer ID No.)

3880 Hulen Street, Fort Worth, Texas 76107

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(Address of principal executive offices)

(817) 336-6817

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(Registrant's telephone number, including area code)

N/A

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 2.02. Results of Operations and Financial Condition.**

On January 23, 2006, the Company issued a press release publicly announcing that a classified borrower with outstanding loan balances of approximately \$9 million notified the Company that it was experiencing further financial distress. Effective February 9, 2006, the Company placed all loans to this borrower on non-accrual. In the first and second quarters of 2006, provisions for loan losses of \$2.0 million and \$1.1 million, respectively, were recorded for, among other things, anticipated losses on this credit. In the second quarter, net loan charge-offs of \$4.2 million were recorded primarily related to this credit.

On October 3, 2006, a loan charge-off recovery of \$3.0 million was recorded resulting from a cash payment of \$4.5 million on the credit. This payment satisfies the full obligation of the borrower with the exception of an \$183,000 secured note. We anticipate that the recovery will result in a reduction in the provision for loan losses for the year of 2006 that is to be recorded in the fourth quarter.

**SIGNATURE**

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 BANCSHARES, INC.**

DATE: October 5, 2006

By: /s/ Bob G. Scott

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Bob G. Scott, Chief Operating Officer