

FIRST NATIONAL BANKSHARES CORPORATION

2005 Annual Report

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Letter to Shareholders

Once in a great while, a company has the privilege of honoring an individual who has dedicated a large portion of his or her life to their employer. These individuals are usually the most respected and admired people in an organization because of their commitment, integrity and example to others. This year, First National Bankshares Corporation (“First National” or the “Company”) would like to honor Walter Bennett (Ben) Fuller. Ben has been affiliated with First National as an employee or director for almost forty years. He has served in numerous capacities, most recently as Vice-Chairman of First National. In April 2006, Ben will officially retire from First National and become a Director Emeritus. All of the directors, officers and employees of the Company would like to extend our sincere gratitude and best wishes to Ben, a special friend to so many people, and especially to First National.

2005 Highlights and Accomplishments

2005 was a year of notable accomplishment. For the first time in history, the Company earned in excess of \$2,000,000, ending the year with net income of \$2,044,000. This represents a 28% increase over \$1,601,000 reported for 2004. A key component to 2005’s success was the relative improvement in net interest income. In 2005, net interest income increased \$956,000 or 14% over 2004 and was due to a greater asset volume and asset repricing opportunities afforded by the upward trend in interest rates during the year.

Diluted earnings per common share totaled \$2.34 for the year, an increase of \$0.55 per share, or 31% over the \$1.79 reported for 2004. Return on shareholders’ equity in 2005 equated to 17% compared to 14% in 2004, further solidifying our commitment to effective and efficient employment of capital. The earnings per share and return on equity levels are the highest in the Company’s history.

Cash dividends declared in 2005 totaled \$0.66 per share, a 10% increase over the \$0.60 per share declared in 2004. As a percentage of net income, the dividend declarations equated to 28% and 33% for 2005 and 2004, respectively. Because of the improved earnings, the Company was able to provide a greater cash return in the form of higher dividends. The book value of your investment increased from \$13.24 in 2004 to \$14.70 in 2005, an increase of 11%. In the future, a strong capital base will be imperative to support asset growth, to fund future expansion opportunities and to ensure that the Company is able to withstand competitive pressures, economic fluctuations and risks inherent in the industry.

Asset growth has been a strategic focus of the Company over the past five years as evidenced by the addition of two full-service branches (Covington and Hot Springs, Virginia) and another addition expected in June 2006 as discussed in more detail below. As a result, total assets of the Company have nearly doubled during this time span with asset growth totaling \$104,350,000, which equates to an average annual growth rate of nearly 19%. In 2005, the Company built on its market share growth as assets increased \$15,626,000 or 8%. Loan demand remained strong in 2005 as gross loans grew \$8,498,000 or 6%. Funding for the loan demand came predominantly from deposits, which increased \$16,255,000 or 10% in 2005.

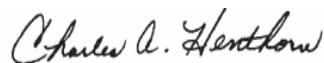
In December 2005, the Office of the Comptroller of the Currency approved our application for a new full-service location in White Sulphur Springs, West Virginia. The new facility is scheduled to open in June 2006 and we are excited about the potential in that market. The new location will reflect our commitment to operating in the smaller, rural markets in West Virginia and Virginia and to continue providing personal service with decisions made locally.

Over the past couple of years, the Company has worked diligently to improve and refine its sales culture. One outcome of this process has been the implementation of various incentive programs throughout the organization, including tellers and customer service personnel, loan officers, collections and operations departments, and management. The success of these programs is proven by the asset and net income growth achieved in recent years as discussed above. We recognize that our most valuable asset is our employee base. Your Company is fortunate to have a dedicated, experienced and talented staff committed to enhancing shareholder value and providing our customers with quality products and services.

As reflected above, the Company continues to enhance the value of your investment while maintaining sound capital levels, good asset quality and ensuring that the proper technology, systems and controls are in place to mitigate our sensitivity to the risks within the industry.

We will continue to focus on return on equity and earnings per share as the drivers of our decision making process while maintaining a personal touch with our customers. We will also continue to invest in the training and education of our employees and to invest heavily in the technology that will allow us to compete within the markets in which we operate. And as always, we thank you for your continued support.

Sincerely,



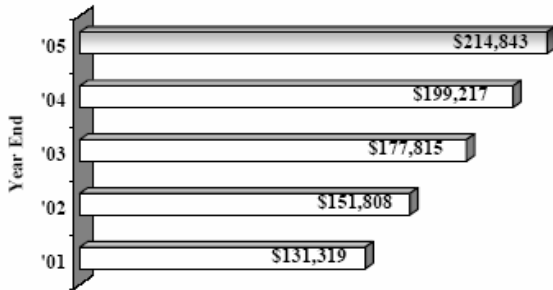
Charles A. Henthorn
President and CEO
First National Bank
First National Bankshares Corporation



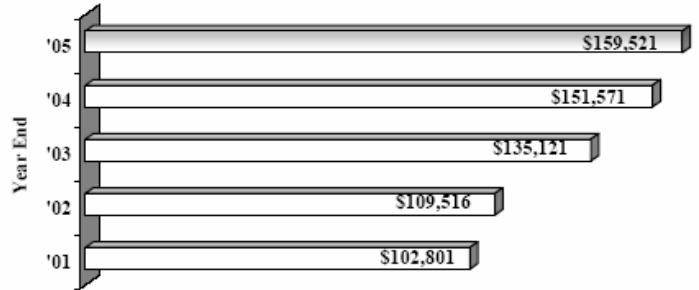
Ronald B. Snyder
Chairman of the Board
First National Bank
First National Bankshares Corporation

FINANCIAL HIGHLIGHTS

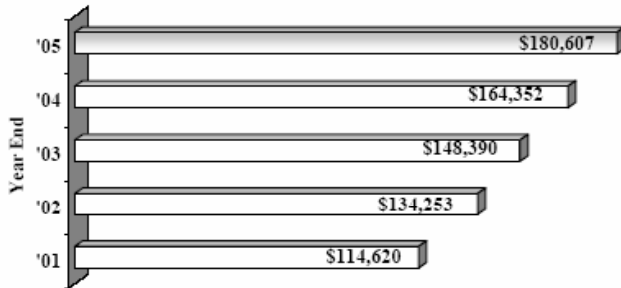
Total Assets
(in thousands)



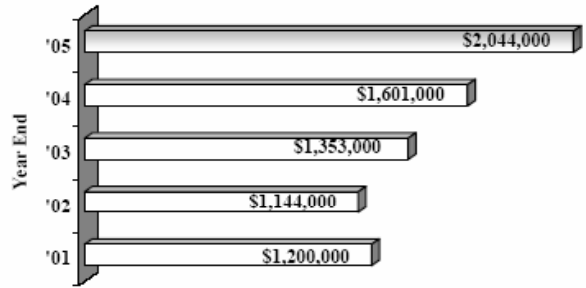
Net Loans
(in thousands)



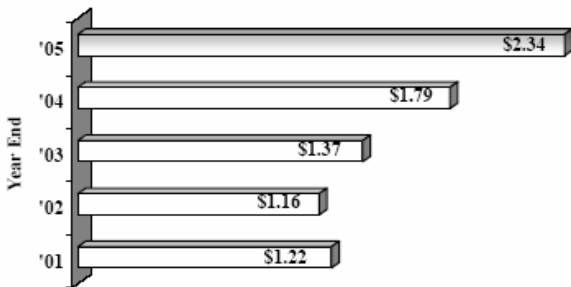
Total Deposits
(in thousands)



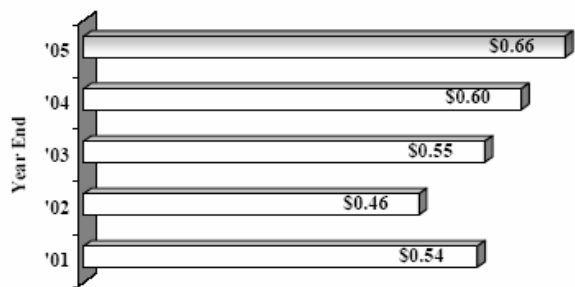
Net Income



Earnings Per Share
(in dollars)



Dividends Per Share
(in dollars)



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**FIRST NATIONAL BANKSHARES CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS
December 31, 2005 and 2004**

	2005	2004
ASSETS		
Cash and due from banks	\$ 2,390,981	\$ 3,583,990
Federal funds sold	9,209,000	2,590,000
Interest-bearing deposits with other banks	162,504	62,309
Securities available for sale, at fair value	32,887,552	30,527,837
Securities held to maturity (estimated fair value of \$5,347,459 and \$5,903,778)	5,359,142	5,837,390
Loans, net of allowance for loan losses of \$1,940,229 and \$1,426,551	159,521,157	151,570,696
Premises and equipment, net	2,922,192	2,573,096
Accrued interest receivable	1,120,599	1,023,543
Other real estate owned and repossessed assets	-	399,366
Other assets	1,270,121	1,048,719
Total assets	\$ 214,843,248	\$ 199,216,946
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing	\$ 21,681,458	\$ 19,247,550
Interest-bearing	158,925,165	145,104,617
Total deposits	180,606,623	164,352,167
Short-term borrowings	6,424,189	9,307,662
Other liabilities	1,056,892	1,258,309
Long-term borrowings	7,727,111	6,644,212
Trust preferred capital notes	6,186,000	6,186,000
Total liabilities	202,000,815	187,748,350
Shareholders' equity		
Common stock, \$1.00 par value, authorized 10,000,000 shares, issued 896,897 and 888,747, respectively	896,897	888,747
Capital surplus	424,052	266,350
Retained earnings	12,359,454	10,892,487
Accumulated other comprehensive loss	(328,726)	(95,338)
Common stock in treasury, at cost 23,413 and 22,288 shares, respectively	(509,244)	(483,650)
Total shareholders' equity	12,842,433	11,468,596
Total liabilities and shareholders' equity	\$ 214,843,248	\$ 199,216,946

See Notes to Consolidated Financial Statements

**FIRST NATIONAL BANKSHARES CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2005, 2004 and 2003**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Interest and dividend income			
Interest and fees on loans	\$ 10,788,364	\$ 8,829,139	\$ 7,723,564
Interest and dividends on securities:			
Taxable	1,160,744	624,103	715,011
Tax-exempt	272,049	295,497	250,248
Interest on federal funds sold and interest-bearing deposits	108,237	32,342	25,445
Total interest and dividend income	<u>12,329,394</u>	<u>9,781,081</u>	<u>8,714,268</u>
Interest expense			
Deposits	3,359,232	2,244,850	2,183,157
Short-term borrowings	325,440	107,420	38,318
Long-term borrowings and subordinated debentures	676,701	417,182	94,069
Total interest expense	<u>4,361,373</u>	<u>2,769,452</u>	<u>2,315,544</u>
Net interest income	<u>7,968,021</u>	<u>7,011,629</u>	<u>6,398,724</u>
Provision for loan losses	<u>515,000</u>	<u>530,000</u>	<u>460,000</u>
Net interest income after provision for loan losses	<u>7,453,021</u>	<u>6,481,629</u>	<u>5,938,724</u>
Noninterest income			
Service fees	660,128	640,515	470,128
Securities (losses) gains, net	(73,513)	(23,947)	10,000
Referral fees - secondary market loans	287,384	285,810	347,037
Other income	280,616	229,485	233,696
Total noninterest income	<u>1,154,615</u>	<u>1,131,863</u>	<u>1,060,861</u>
Noninterest expense			
Salaries and employee benefits	2,707,426	2,591,533	2,490,015
Net occupancy expense	365,922	350,339	338,023
Equipment rental, depreciation and maintenance	443,661	431,371	398,198
Data processing	514,096	475,692	451,914
Advertising	139,613	145,071	181,046
Professional and legal	155,784	122,867	185,312
Directors' fees and shareholder expenses	143,716	162,329	120,876
Postage and courier	139,938	124,897	144,121
Stationary and supplies	111,182	144,535	137,307
Loss on foreclosed real estate	46,053	10,000	-
Other operating expenses	669,692	682,618	532,184
Total noninterest expense	<u>5,437,083</u>	<u>5,241,252</u>	<u>4,978,996</u>
Income before income taxes	<u>3,170,553</u>	<u>2,372,240</u>	<u>2,020,589</u>
Income tax expense	1,126,894	770,888	667,250
Net income	<u>\$ 2,043,659</u>	<u>\$ 1,601,352</u>	<u>\$ 1,353,339</u>
Net income per common share:			
Basic earnings per common share	<u>\$ 2.34</u>	<u>\$ 1.80</u>	<u>\$ 1.38</u>
Diluted earnings per common share	<u>\$ 2.34</u>	<u>\$ 1.79</u>	<u>\$ 1.37</u>
Cash dividends declared per common share	<u>\$ 0.66</u>	<u>\$ 0.60</u>	<u>\$ 0.55</u>

See Notes to Consolidated Financial Statements

**FIRST NATIONAL BANKSHARES CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2005, 2004 and 2003**

	Common Stock	Capital Surplus	Retained Earnings	Accum- ulated Other Compre- hensive Income (Loss)	Treasury Stock	Total Share- holders' Equity
Balance, December 31, 2002	\$ 983,780	\$ 1,208,406	\$ 10,331,292	\$ 56,021	\$ -	\$ 12,579,499
Comprehensive income:						
Net income			1,353,339			1,353,339
Other comprehensive loss, net of deferred income tax:						
Unrealized losses on securities net of reclassification adjustment				(84,778)		(84,778)
Total comprehensive income						1,268,561
Cash dividends declared on common stock			(541,437)			(541,437)
Issued 1,275 shares of common stock pursuant to stock option plan	1,275	18,250				19,525
Balance, December 31, 2003	985,055	1,226,656	11,143,194	(28,757)	-	13,326,148
Comprehensive income:						
Net income			1,601,352			1,601,352
Other comprehensive loss, net of deferred income tax:						
Unrealized losses on securities net of reclassification adjustment				(66,581)		(66,581)
Total comprehensive income						1,534,771
Cash dividends declared on common stock			(524,615)			(524,615)
Common stock purchased and retired pursuant to merger transaction	(114,378)	(1,226,656)	(1,327,444)			(2,668,478)
Purchase of treasury stock (22,288 shares)					(483,650)	(483,650)
Issued 18,070 shares of common stock pursuant to stock option plan	18,070	266,350				284,420
Balance, December 31, 2004	888,747	266,350	10,892,487	(95,338)	(483,650)	11,468,596
Comprehensive income:						
Net income			2,043,659			2,043,659
Other comprehensive loss, net of deferred income tax:						
Unrealized losses on securities net of reclassification adjustment				(233,388)		(233,388)
Total comprehensive income						1,810,271
Cash dividends declared on common stock			(576,692)			(576,692)
Purchase of treasury stock (1,125 shares)					(25,594)	(25,594)
Issued 7,500 shares of common stock pursuant to stock option plan	8,150	157,702				165,852
Balance, December 31, 2005	<u>\$ 896,897</u>	<u>\$ 424,052</u>	<u>\$ 12,359,454</u>	<u>\$ (328,726)</u>	<u>\$ (509,244)</u>	<u>\$ 12,842,433</u>

See Notes to Consolidated Financial Statements

**FIRST NATIONAL BANKSHARES CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2005, 2004 and 2003**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 2,043,659	\$ 1,601,352	\$ 1,353,339
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	356,196	347,273	319,768
Loss on disposal of premises and equipment	37,819	-	1,431
(Gain) loss on sale of foreclosed assets	(10,479)	(1,235)	(12,610)
Valuation allowance recorded on foreclosed assets	46,053	10,000	-
Provision for loan losses	515,000	530,000	460,000
Deferred income tax benefit	(177,501)	(76,115)	(75,715)
Amortization of security premiums and discounts, net	104,183	101,964	149,814
Securities losses (gains), net	73,513	23,947	(10,000)
Increase in accrued interest receivable	(97,056)	(296,261)	(7,636)
Decrease (increase) in other assets	110,646	(192,664)	(60,272)
(Decrease) increase in other liabilities	(254,880)	(2,801,111)	2,976,990
Net cash provided by (used in) operating activities	<u>2,747,153</u>	<u>(752,850)</u>	<u>5,095,109</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities and calls of securities held to maturity	469,000	2,233,000	3,534,016
Proceeds from sales, maturities, and prepayments of securities available for sale	41,934,035	19,065,784	20,138,500
Purchases of securities held to maturity	-	(1,079,213)	(993,016)
Purchases of securities available for sale	(44,851,179)	(22,193,967)	(24,909,336)
Net increase in loans	(8,465,461)	(17,442,536)	(26,076,457)
Purchases of premises and equipment	(743,265)	(320,908)	(186,839)
Proceeds from sale of premises and equipment	1,200	-	-
Proceeds from sales of foreclosed assets	363,792	62,628	45,972
Net cash used in investing activities	<u>(11,291,878)</u>	<u>(19,675,212)</u>	<u>(28,447,160)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in demand deposits, NOW and savings accounts	7,395,040	9,690,583	19,713,677
Net increase (decrease) in time deposits	8,859,416	6,271,756	(5,577,248)
Proceeds from issuance of common stock pursuant to stock option plan	165,852	284,420	19,525
Net (decrease) increase in short-term borrowings	(2,883,473)	2,677,874	4,094,427
Principal payments on long-term borrowings	(1,834,101)	(217,461)	(115,327)
Proceeds from long-term borrowings	2,917,000	1,470,000	4,157,000
Proceeds from trust preferred capital notes	-	6,186,000	-
Purchase of treasury shares	(25,594)	(483,650)	-
Purchase and retirement of common shares pursuant to merger transaction	-	(2,668,478)	-
Dividends paid	(523,229)	(542,404)	(531,408)
Net cash provided by financing activities	<u>14,070,911</u>	<u>22,668,640</u>	<u>21,760,646</u>

(Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued
For the Years Ended December 31, 2005, 2004 and 2003

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net increase (decrease) in cash and cash equivalents	\$ 5,526,186	\$ 2,240,578	\$ (1,591,405)
Cash and cash equivalents:			
Beginning	<u>6,236,299</u>	<u>3,995,721</u>	<u>5,587,126</u>
Ending	<u>\$ 11,762,485</u>	<u>\$ 6,236,299</u>	<u>\$ 3,995,721</u>
Supplemental Disclosures of Cash Flow Information			
Cash payments for:			
Interest	<u>\$ 4,312,628</u>	<u>\$ 2,702,789</u>	<u>\$ 2,342,608</u>
Income taxes	<u>\$ 1,381,800</u>	<u>\$ 741,298</u>	<u>\$ 880,534</u>
Supplemental Schedule of Noncash Investing and Financing Activities			
Other real estate and assets acquired in settlement of loans	<u>\$ -</u>	<u>\$ 462,952</u>	<u>\$ 11,169</u>
Dividends declared and unpaid	<u>\$ 183,432</u>	<u>\$ 129,969</u>	<u>\$ 147,758</u>
Unrealized (loss) on securities available for sale	<u>\$ (388,981)</u>	<u>\$ (110,968)</u>	<u>\$ (138,980)</u>

See Notes to Consolidated Financial Statements

**FIRST NATIONAL BANKSHARES CORPORATION
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Nature of business: First National Bankshares Corporation (the “Company”) is a bank holding company, which provides financial products and services through its wholly owned subsidiaries, First National Bank (the “Bank”), FNB Capital Trust One (the “Trust”) and FNB Insurance, LLC. First National Bank is a commercial bank with operations in Greenbrier and Kanawha Counties of West Virginia and Alleghany and Bath Counties in Virginia. The Bank provides retail and commercial loans and deposit and trust services primarily to customers in Greenbrier, Kanawha, Alleghany, Bath and surrounding counties. FNB Insurance, LLC was organized on September 27, 2000, for the purpose of investing in an insurance agency operating in the State of West Virginia selling various lines of insurance products. The insurance agency dissolved in 2003; therefore, no business activity was conducted by FNB Insurance, LLC in 2005 and 2004.

The Company’s only defined business segment is community banking. As a community bank, the Company offers its customers a full range of products through traditional branches, ATMs, and personal computers.

Principles of consolidation: The accounting and reporting policies of the Company and its subsidiaries conform to accounting principles generally accepted in the United States and to general practices within their respective industries. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, First National Bank and FNB Insurance, LLC. FASB Interpretation No. 46R requires that the Company no longer eliminate through consolidation the equity investment in the Trust, which approximated \$186,000 at December 31, 2005 and 2004. As such, the subordinated debt of the trust preferred entity is reflected as a liability of the Company. All significant intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Presentation of cash flows: For purposes of reporting cash flows, cash and cash equivalents include cash on hand, balances due from banks (including cash items in process of clearing), Federal funds sold and interest-bearing deposits with other banks. Cash flows from demand deposits, NOW and savings accounts are reported net since their original maturities are less than three months. Cash flows from loans and certificates of deposit are reported net.

Securities: Debt and equity securities are classified as “held to maturity,” “available for sale” or “trading” according to management’s intent. The appropriate classification is determined at the time of purchase of each security and reevaluated at each reporting date.

Securities held to maturity - Debt securities which the Company has the positive intent and ability to hold to maturity are reported at cost and adjusted for amortization of premiums and accretion of discounts.

Securities available for sale - Securities not classified as “held to maturity” or as “trading” are classified as “available for sale.” Securities classified as “available for sale” are those securities the Company intends to hold for an indefinite period of time but not necessarily to maturity. “Available for sale” securities are reported at estimated fair value net of unrealized gains or losses, which are adjusted for applicable income taxes and reported as a separate component of shareholders' equity.

Trading securities - Securities purchased with the intention of recognizing short-term profits are placed in a trading account and carried at market value. Realized and unrealized gains and losses are included in income. There are no securities classified as “trading” in the accompanying consolidated financial statements.

Realized gains and losses on sales of securities are recognized on their trade date and are determined using the specific identification method. Amortization of premiums and accretion of discounts are computed using the interest method. Declines in fair value of held to maturity and available for sale securities below their amortized cost that are deemed to be other-than-temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Loans and allowance for loan losses: Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Interest is accrued daily on the outstanding balances.

The allowance for loan losses is maintained at a level considered adequate to absorb probable losses inherent in the loan portfolio. Provisions charged to operating expense and recoveries of previously charged-off loans increase the allowance while loan charge-offs reduce the allowance. The Bank performs continuous credit reviews of the loan portfolio and considers current economic conditions, historical loan loss experience, review of specific problem loans and other factors in determining the adequacy of the allowance for loan losses. Loans are charged against the allowance for loan losses when management believes collectibility is unlikely.

The allowance consists of specific, general and unallocated components. The specific component relates to loans that are classified as either “doubtful”, “substandard” or “special mention”. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management’s estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in conditions.

A loan is impaired when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due in accordance with the contractual terms of the specific loan agreement. Impaired loans, other than certain large groups of smaller-balance homogeneous loans that are collectively evaluated for impairment, are reported at the present value of expected future cash flows discounted using the loan’s original effective interest rate or, alternatively, at the loan’s observable market price, or at the fair value of the loan’s collateral if the loan is collateral- dependent. The method selected to measure impairment is made on a loan-by-loan basis, unless foreclosure is deemed to be probable, in which case the fair value of the collateral method is used.

Generally, after management’s evaluation, loans are placed on nonaccrual status when principal or interest is greater than 90 days past due based upon the loan’s contractual terms. Interest is accrued daily on impaired loans unless the loan is placed on nonaccrual status. Impaired loans are placed on nonaccrual status when the payments of principal and interest are in default for a period of 90 days, unless the loan is both well-secured and in the process of collection. When a loan is placed on nonaccrual status, interest accrued and not collected in the current year is reversed and interest accrued and not collected from the prior year is charged to the allowance for loan losses. Interest on nonaccrual loans is recognized primarily using the cost-recovery method, whereby no income will be recognized until the entire principal balance is collected.

Loan fees and costs: Loan origination and commitment fees and direct loan origination costs are deferred and amortized as an adjustment of the loan yield over the life of the related loan.

Referral fees – secondary market loans: In exchange for a referral fee, the Bank originates fixed rate loans on behalf of various third-party mortgage brokers. The Bank’s involvement in the loan originations is generally limited to marketing the product, pricing the fixed rate loan, assisting with the loan underwriting process and assisting with the loan closing procedure. The mortgage brokers retain the underwriting decision and credit risk. The amount of the referral fee earned by the Bank is generally dependent upon the interest rate charged on the loan and the loan amount. The Bank recognizes the fee income at the loan closing date.

Bank premises and equipment: Bank premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed primarily by the straight-line method for bank premises and equipment over the estimated useful lives of the assets. Repairs and maintenance expenditures are charged to operating expenses as incurred. Major improvements and additions to premises and equipment are capitalized.

Other real estate: Other real estate consists of real estate held for resale that was acquired through foreclosure on loans secured by such real estate. At the time of acquisition, these properties are recorded at estimated fair value less selling

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

expenses with any write-down being charged to the allowance for loan losses. After foreclosure, management periodically performs valuations and the real estate is carried at the lower of carrying amount or fair value less cost to sell. Expenses incurred in connection with operating these properties are insignificant and are charged to operating expenses. Gains and losses on the sale of these properties are credited or charged to operating income in the year of the transactions.

Income taxes: Deferred income taxes (included in other assets) are provided for temporary differences between the tax basis of an asset or liability and its reported amount in the financial statements at the statutory tax rate. The components of other comprehensive income included in the Consolidated Statements of Shareholders' Equity have been computed based upon effective tax rates of 40%.

Earnings per share: Basic earnings per common share are computed based upon the weighted average shares outstanding. Diluted per share amounts assume the conversion, exercise or issuance of all stock options. The computation of basic and diluted earnings per share amounts at December 31, 2005, 2004 and 2003 is based upon the following outstanding shares:

	2005	2004	2003
Weighted average shares outstanding			
for basic earnings per share calculation	872,549	888,533	984,205
Effect of dilutive securities - stock options	308	3,880	4,249
Weighted average shares outstanding			
for fully diluted earnings per share calculation	872,857	892,413	988,454

Stock options: The Company has an incentive stock option plan covering certain key employees. Grants under the plan are accounted for under the intrinsic value method. Accordingly, no compensation cost has been recognized for grants under the plan. Had compensation for the plan been determined based on the fair value method, reported net income and earnings per share would not have been materially different on a pro forma basis.

Comprehensive income: Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income. The components of other comprehensive income (loss) and related tax effects are as follows:

	Years Ended December 31,		
	2005	2004	2003
Unrealized holding (losses) on available for sale securities	\$ (462,494)	\$ (134,915)	\$ (128,980)
Reclassification adjustment for losses (gains) realized in income	73,513	23,947	(10,000)
Net unrealized (losses)	(388,981)	(110,968)	(138,980)
Tax effect	155,593	44,387	54,202
Net of tax amount	\$ (233,388)	\$ (66,581)	\$ (84,778)

The components of accumulated other comprehensive loss, included in shareholders' equity are as follows:

	December 31,	
	2005	2004
Net unrealized loss on available for sale securities	\$ (547,877)	\$ (158,896)
Tax effect	219,151	63,558
Accumulated other comprehensive loss	\$ (328,726)	\$ (95,338)

401(k) plan: The Bank sponsors a 401(k) plan, which covers substantially all employees. Bank contributions to the plan are charged to expense.

Postretirement benefit plans: The Bank provides certain health care and life insurance benefits for all retired employees that meet certain eligibility requirements. The plans are contributory with retiree contributions and are unfunded. The Bank's share of the estimated costs that will be paid after retirement is being accrued by charges to expense over the employees' active service periods to the dates they are fully eligible for benefits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Reclassifications: Certain amounts in the 2004 and 2003 consolidated financial statements have been reclassified to conform to current year classifications.

Emerging accounting standards: In November 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position 115-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" (FSP 115-1). The FSP addresses the determination as to when an investment is considered impaired, whether that impairment is other than temporary, and the measurement of an impairment loss. FSP 115-1 also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The guidance in this FSP amends SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," and APB Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock". The FSP applies to investments in debt and equity securities and cost-method investments. The application guidance within the FSP includes items to consider in determining whether an investment is impaired, evaluating if an impairment is other than temporary and recognizing impairment losses equal to the difference between the investment's cost and its fair value when an impairment is determined. FSP 115-1 is required for all reporting periods beginning after December 15, 2005. Earlier application is permitted. The Company does not anticipate the amendment will have a material effect on its financial statements.

In May 2005, the Financial Accounting Standards Board (FASB) issued Statement No. 154, "Accounting Changes and Error Corrections - A Replacement of APB Opinion No. 20 and FASB Statement No. 3" (SFAS No. 154). The new standard changes the requirements for the accounting for and reporting of a change in accounting principle. Among other changes, SFAS No. 154 requires that a voluntary change in accounting principle be applied retrospectively with all prior period financial statements presented on the new accounting principle, unless it is impracticable to do so. SFAS No. 154 also provides that (1) a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." The new standard is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not anticipate this revision will have a material effect on its financial statements.

In December 2004, FASB issued Statement No. 123 (Revised 2004), "Share-Based Payment" (SFAS No. 123R), which requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. SFAS No. 123R replaces SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." Share-based compensation arrangements include share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. SFAS No. 123R requires all share-based payments to employees to be valued using a fair value method on the date of grant and expensed based on that fair value over the applicable vesting period. SFAS No. 123R also amends SFAS No. 95 "Statement of Cash Flows" requiring the benefits of tax deductions in excess of recognized compensation cost be reported as financing instead of operating cash flows. The Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 107 (SAB No. 107), which expresses the SEC's views regarding the interaction between SFAS No. 123R and certain SEC rules and regulations. Additionally, SAB No. 107 provides guidance related to share-based payment transactions for public companies. The Company will be required to apply SFAS No. 123R as of the annual reporting period that begins after September 15, 2005. The Company does not anticipate this revision will have a material effect on its financial statements.

In December 2003, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer" (SOP 03-3). SOP 03-3 addresses accounting for differences between contractual cash flows and cash flows expected to be collected from an investor's initial investment in loans or debt securities (loans) acquired in a transfer if those differences are attributable, at least in part, to credit quality. It includes loans purchased by the Corporation or acquired in business combinations. SOP 03-3 does not apply to loans originated by the Corporation. The Corporation adopted the provisions of SOP 03-3 effective January 1, 2005. The initial implementation had no material effect on the Company's financial statements.

Note 2. Securities

The amortized cost, unrealized gains and losses, and estimated fair values of securities at December 31, 2005 and 2004, are summarized as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2005			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Available for sale				
Debt Securities:				
U.S. Government agencies	\$ 24,885,861	\$ 263	\$ 364,751	\$ 24,521,373
State and political subdivisions	5,411,183	15,259	143,173	5,283,269
Mortgage-backed	2,249,628	-	55,475	2,194,153
Equity Securities:				
Restricted				
Federal Home Loan Bank stock	669,400	-	-	669,400
Federal Reserve Bank stock	58,900	-	-	58,900
Other equities	160,457	-	-	160,457
Total securities available for sale	\$ 33,435,429	\$ 15,522	\$ 563,399	\$ 32,887,552

	December 31, 2005			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Held to maturity				
Debt Securities:				
State and political subdivisions	\$ 4,280,142	\$ 25,105	\$ 36,788	\$ 4,268,459
Other:				
Certificates of deposit with other banks	1,079,000	-	-	1,079,000
Total securities held to maturity	\$ 5,359,142	\$ 25,105	\$ 36,788	\$ 5,347,459

	December 31, 2004			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Available for sale				
Debt Securities:				
U.S. Government agencies	\$ 19,991,749	\$ 18,882	\$ 164,713	\$ 19,845,918
State and political subdivisions	7,882,390	86,928	95,295	7,874,023
Mortgage-backed	1,861,018	1,956	6,654	1,856,320
Equity Securities:				
Restricted				
Federal Home Loan Bank stock	807,600	-	-	807,600
Federal Reserve Bank stock	58,900	-	-	58,900
Other equities	85,076	-	-	85,076
Total securities available for sale	\$ 30,686,733	\$ 107,766	\$ 266,662	\$ 30,527,837

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2004			
	Amortized	Unrealized	Unrealized	Estimated
	Cost	Gains	Losses	Fair Value
Held to maturity				
Debt Securities:				
State and political subdivisions	\$ 4,364,390	\$ 69,928	\$ 3,540	\$ 4,430,778
Other:				
Certificates of deposit with other banks	1,473,000	-	-	1,473,000
Total securities held to maturity	\$ 5,837,390	\$ 69,928	\$ 3,540	\$ 5,903,778

Federal Reserve Bank stock and Federal Home Loan Bank stock are equity securities, which are included in securities available for sale in the accompanying consolidated financial statements. Such securities are carried at cost, since they may only be sold back to the respective issuer or another member at par value.

The following tables present the age of gross unrealized losses and fair value by investment category at December 31, 2005 and 2004.

	December 31, 2005			
	Less Than 12 Months		12 Months or More	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt Securities:				
U.S. Government agencies	\$ 12,358,163	\$ 93,552	\$ 11,163,260	\$ 271,199
State and political subdivisions	4,763,494	105,701	2,403,792	74,260
Mortgage-backed securities	1,532,702	34,257	661,451	21,218
	\$ 18,654,359	\$ 233,510	\$ 14,228,503	\$ 366,677

	December 31, 2004			
	Less Than 12 Months		12 Months or More	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt Securities:				
U.S. Government agencies	\$ 16,344,668	\$ 164,713	\$ -	\$ -
State and political subdivisions	3,613,624	39,002	2,318,527	59,833
Mortgage-backed securities	926,309	6,654	-	-
	\$ 20,884,601	\$ 210,369	\$ 2,318,527	\$ 59,833

The Company has 55 securities that are in an unrealized loss position at December 31, 2005. Management does not believe any individual unrealized loss as of December 31, 2005 represents an other-than-temporary impairment. The unrealized losses are primarily attributable to changes in interest rates. Individually, the losses for the U.S. Government agencies and mortgage-backed securities were 3.7% or less of their respective amortized cost basis. For the state and political subdivision bonds, the losses were 4.2% or less of their respective amortized basis with the exception of three local bond issues wherein the cumulative unrealized losses totaled \$52,877 or 6.4% of their cumulative amortized basis at December 31, 2005. Generally, it is the Company's intent to hold the securities contained in the previous table for a time necessary to recover the amortized cost unless prudent business decisions warrant otherwise.

For the years ended December 31, 2005, 2004, and 2003, proceeds from the sales, calls and maturities of securities available for sale amounted to \$41,934,035, \$19,065,784 and \$20,138,500, respectively. Gross realized gains amounted to \$40,240, \$44,355 and \$10,000, respectively, while gross realized losses amounted to \$113,753, \$68,302 and \$0,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

respectively. The income tax benefit (provision) applicable to these realized gains and losses amounted to \$29,405, \$9,579 and (\$3,900), respectively.

The maturities, amortized cost and estimated fair values of debt securities at December 31, 2005, are summarized as follows:

	<u>Held to Maturity</u>		<u>Available for Sale</u>	
	<u>Amortized Cost</u>	<u>Estimated Fair Value</u>	<u>Amortized Cost</u>	<u>Estimated Fair Value</u>
Due within 1 year	\$ 2,136,181	\$ 2,133,206	\$ 6,031,252	\$ 6,003,950
Due after 1 but within 5 years	1,872,045	1,847,657	20,250,043	19,862,974
Due after 5 but within 10 years	694,983	702,302	2,332,500	2,319,785
Due after 10 years	655,933	664,294	1,683,249	1,617,933
	<u>5,359,142</u>	<u>5,347,459</u>	<u>30,297,044</u>	<u>29,804,642</u>
Mortgage-backed securities	-	-	2,249,628	2,194,153
Equity securities	-	-	888,757	888,757
	<u>\$ 5,359,142</u>	<u>\$ 5,347,459</u>	<u>\$ 33,435,429</u>	<u>\$ 32,887,552</u>

At December 31, 2005 and 2004, securities with amortized costs of \$23,387,966 and \$16,288,180, respectively, with estimated fair values of \$23,015,306 and \$16,133,995, respectively, were pledged to secure public deposits, repurchase agreements and for other purposes required or permitted by law.

Note 3. Loans

Loans are summarized as follows:

	<u>2005</u>	<u>2004</u>
Mortgage loans on real estate:		
Residential 1-4 family	\$ 46,755,917	\$ 47,261,377
Commercial/non-residential	45,059,916	39,488,768
Construction and development	16,463,767	7,452,780
Equity lines of credit	6,593,673	6,179,943
Farmland	1,486,192	1,656,349
Rental and multifamily	1,102,750	1,195,378
Second mortgages	1,315,855	619,798
Total mortgage loans on real estate	<u>118,778,070</u>	<u>103,854,393</u>
Commercial and agricultural	26,014,162	31,894,291
Consumer installment loans	15,520,437	16,011,461
Other	1,371,820	1,426,668
Total loans	<u>161,684,489</u>	<u>153,186,813</u>
Net deferred loan origination fees	(223,103)	(189,566)
Total loans net of deferred loan origination fees	<u>161,461,386</u>	<u>152,997,247</u>
Less allowance for loan losses	(1,940,229)	(1,426,551)
Loans, net	<u>\$ 159,521,157</u>	<u>\$ 151,570,696</u>

Concentrations of credit risk: The Bank grants commercial, residential and consumer loans to customers primarily located in Greenbrier and Kanawha Counties of West Virginia and Alleghany and Bath Counties in Virginia.

Loans to related parties: The Bank has had, and may be expected to have in the future, banking transactions in the ordinary course of business with directors, principal officers, their immediate families and affiliated companies in which they are principal stockholders (commonly referred to as related parties). In the opinion of management, all such loans were made on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others. The following table presents the activity with respect to related party loans:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2005	2004
Balance, beginning	\$ 4,910,950	\$ 4,287,634
Additions	18,177,384	2,905,351
Amounts collected	(8,940,351)	(2,282,035)
Balance, ending	\$ 14,147,983	\$ 4,910,950

Included in the "Additions" figure in the above table are the opening balances of any newly identified or appointed related parties during the year.

Note 4. Allowance for Loan Losses

An analysis of the allowance for loan losses for the years ended December 31, 2005, 2004 and 2003 is as follows:

	2005	2004	2003
Balance, beginning of year	\$ 1,426,551	\$ 1,252,771	\$ 1,035,857
Charge-offs	(34,685)	(405,136)	(272,010)
Recoveries	33,363	48,916	28,924
Provision for loan losses	515,000	530,000	460,000
Balance, end of year	\$ 1,940,229	\$ 1,426,551	\$ 1,252,771

The following is a summary of information pertaining to impaired and non-accrual loans:

	December 31,	
	2005	2004
Impaired loans without a valuation allowance	\$ 89,494	\$ 309,371
Impaired loans with a valuation allowance	1,585,473	479,677
Total impaired loans	\$ 1,674,967	\$ 789,048
Valuation allowance related to impaired loans	\$ 514,360	\$ 70,716
Total non-accrual loans	\$ 1,674,967	\$ 337,944
Total loans past-due ninety days or more and still accruing	\$ -	\$ -

	Years Ended December 31,		
	2005	2004	2003
Average investment in impaired loans	\$ 943,240	\$ 950,511	\$ 729,202
Interest income recognized on impaired loans	\$ 23,129	\$ 52,057	\$ 46,653

The above interest income recognition totals do not materially differ from a cash basis recognition. For purposes of evaluating impairment, the Company considers groups of smaller-balance homogeneous loans to include: mortgage loans secured by residential property, other than those which significantly exceed the Bank's typical residential mortgage loan amount (currently those in excess of \$100,000); small-balance commercial loans (currently those less than \$50,000); and installment loans to individuals, exclusive of those loans in excess of \$50,000.

Note 5. Other Real Estate Owned and Repossessed Assets

The carrying amount of assets held as a result of foreclosures and repossessions totaled \$0 and \$399,366 at December 31, 2005 and 2004, respectively. Included in the Company's results of operations were net gains recognized from the sale of such assets of \$10,479, \$1,235, and \$12,610 in 2005, 2004 and 2003, respectively. Additionally, valuation allowances of \$46,053 and \$10,000 were charged to earnings in 2005 and 2004, respectively. No such allowances were charged to earnings in 2003.

Note 6. Bank Premises and Equipment

The major categories of bank premises and equipment and accumulated depreciation at December 31 are summarized as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2005	2004
Land	\$ 763,748	\$ 513,073
Building and improvements	2,555,073	2,519,085
Furniture and equipment	2,724,580	2,574,434
	6,043,401	5,606,592
Less accumulated depreciation	3,121,209	3,033,496
Bank premises and equipment, net	\$ 2,922,192	\$ 2,573,096

Depreciation expense for the years ended December 31, 2005, 2004 and 2003, totaled \$355,150, \$345,352 and \$317,847, respectively.

Note 7. Deposits

The following is a summary of interest-bearing deposits by type as of December 31:

	2005	2004
Interest-bearing demand deposits	\$ 25,059,130	\$ 22,100,135
Savings deposits	92,069,431	90,067,294
Certificates of deposit	41,796,604	32,937,188
Total	\$ 158,925,165	\$ 145,104,617

Time certificates of deposit in denominations of \$100,000 or more totaled \$17,488,481 and \$11,700,394 at December 31, 2005 and 2004, respectively.

A summary of the maturities of certificates of deposit as of December 31, 2005, follows:

Year	Amount
2006	\$ 19,174,581
2007	13,604,788
2008	4,604,841
2009	1,467,199
2010	2,945,195
	\$ 41,796,604

The Bank has, and expects to have in the future, banking transactions in the ordinary course of business with directors, significant stockholders, principal officers, their immediate families, and affiliated companies in which they are principal stockholders (commonly referred to as related parties). In management's opinion, these deposits and transactions were on the same terms as those for comparable deposits and transactions with nonrelated parties. Aggregate deposit and related balances (principally repurchase agreements) with related parties for the years ended December 31, 2005 and 2004, were \$16,520,972 and \$5,382,576, respectively.

At December 31, 2005 and 2004, overdraft demand deposits reclassified to loans totaled \$40,006 and \$19,280, respectively.

Note 8. Other Borrowings

Short-term borrowings: During 2005 and 2004, the Company's short-term borrowings consisted of securities sold under agreements to repurchase (repurchase agreements), Federal funds purchased from other financial institutions and short-term advances from the Federal Home Loan Bank.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2005		
	Repurchase Agreements	Federal Funds Purchased	Short-term Advances- FHLB
Outstanding at year end	\$ 6,424,189	\$ -	\$ -
Weighted average interest rate at December 31	3.0%	-	-
Maximum amount outstanding at any month end	\$ 23,111,893	\$ 2,964,000	\$ 2,542,200
Average daily amount outstanding	\$ 11,475,146	\$ 619,225	\$ 1,339,473
Weighted average interest rate	2.2%	3.6%	3.0%

	2004		
	Repurchase Agreements	Federal Funds Purchased	Short-term Advances- FHLB
Outstanding at year end	\$ 5,807,662	\$ -	\$ 3,500,000
Weighted average interest rate at December 31	0.8%	-	1.4%
Maximum amount outstanding at any month end	\$ 6,142,423	\$ 1,982,000	\$ 5,607,500
Average daily amount outstanding	\$ 3,218,665	\$ 259,267	\$ 5,695,341
Weighted average interest rate	0.4%	1.6%	1.5%

Interest paid on these borrowings is based upon either fixed or variable rates as determined upon origination. For the Company's repurchase agreements, minimum deposit balance requirements are established on a case-by-case basis. The securities and letter of credit underlying these agreements are under the Bank's control and secure the total outstanding daily balances.

Long-term borrowings: The Company's long-term borrowings of \$7,727,111 and \$6,644,212 at December 31, 2005 and 2004, respectively, consist of advances from the Federal Home Loan Bank ("FHLB"). These borrowings bear fixed rates and are secured by Federal Home Loan Bank stock, qualifying first mortgage loans, certain nonmortgage loans and all investments not otherwise pledged. The average interest rate on the borrowings at December 31, 2005 and 2004 was 4.0% and 3.3%, respectively. 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
2006	\$ 1,904,802
2007	421,219
2008	417,034
2009	404,200
2010	421,558
Thereafter	4,158,298
	<u>\$ 7,727,111</u>

Note 9. Income Taxes

The components of applicable income tax expense for the years ended December 31 are as follows:

	2005	2004	2003
Current			
Federal	\$ 1,088,097	\$ 671,756	\$ 621,775
State	216,298	175,247	121,190
Total current expense	<u>1,304,395</u>	<u>847,003</u>	<u>742,965</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2005	2004	2003
Deferred			
Federal	\$ (151,278)	\$ (55,252)	\$ (66,008)
State	(26,223)	(20,863)	(9,707)
Total deferred benefit	(177,501)	(76,115)	(75,715)
Total income tax expense	\$ 1,126,894	\$ 770,888	\$ 667,250

A reconciliation between the amounts of reported income tax expense and the amount computed by multiplying the statutory income tax rates by book pretax income for the years ended December 31 is as follows:

	2005		2004		2003	
	Amount	Percent	Amount	Percent	Amount	Percent
Computed tax at applicable statutory rate	\$ 1,077,988	34.0	\$ 806,562	34.0	\$ 687,000	34.0
Increase (decrease) in taxes from:						
Tax-exempt interest	(95,435)	(3.0)	(104,699)	(4.4)	(96,945)	(4.8)
State income taxes, net of federal income tax benefit	125,450	3.9	101,893	4.3	73,579	3.6
Other, net	18,891	0.6	(32,868)	(1.4)	3,616	0.2
Applicable income taxes	\$ 1,126,894	35.5	\$ 770,888	32.5	\$ 667,250	33.0

The tax effects of the temporary differences that give rise to the Company's deferred tax assets and liabilities as of December 31 are as follows:

	2005	2004
Deferred tax assets		
Allowance for loan losses	\$ 667,249	\$ 462,223
Employee benefits	183,253	203,201
Valuation allowance on foreclosed assets	-	4,004
Net unrealized loss on securities	219,151	63,559
	1,069,653	732,987
Deferred tax liabilities		
Depreciation	112,401	103,189
Accretion on securities	7,484	2,604
Net deferred loan origination fees	61,213	71,644
Basis differences - other assets	827	917
	181,925	178,354
Net deferred tax assets	\$ 887,728	\$ 554,633

The realization of the Company's deferred tax assets is dependent upon the Company's ability to generate taxable income in future periods and the reversal of deferred tax liabilities during the same period. The Company has evaluated the available evidence supporting the realization of its deferred tax assets and determined it is more likely than not that the assets will be realized and thus no valuation allowance was required at December 31, 2005.

Note 10. Employee Benefits

401(k) plan: The Bank sponsors a 401(k) defined contribution plan covering substantially all employees. Participants are eligible to contribute up to 15% of their annual compensation to the plan. The Bank matches up to 5% of each participant's annual compensation. In addition, the Bank is also eligible to make discretionary contributions to the plan. Contributions to the plan for the years ended December 31, 2005, 2004 and 2003, totaled \$69,687, \$76,448 and \$65,588, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Postretirement benefit plans: The Bank sponsors a postretirement medical plan and a postretirement life insurance plan for all retired employees that meet certain eligibility requirements. Participation in the plans is limited to all employees hired prior to January 1, 1999. Both plans are contributory with retiree contributions that are adjustable based on various factors, some of which are discretionary. The plans are unfunded. Details regarding the retiree medical plan and the retiree life insurance plan (in the aggregate) as of the December 31 measurement date are as follows:

	December 31,	
	2005	2004
Accumulated postretirement benefit obligation	\$ (394,984)	\$ (545,069)
Fair value of plan assets	-	-
Funded status	(394,984)	(545,069)
Unrecognized net actuarial (gain) loss	(68,554)	80,092
Accrued postretirement benefit cost	\$ (463,538)	\$ (464,977)
Net periodic postretirement benefit cost	\$ 36,633	\$ 35,917
Employer contributions	\$ 38,072	\$ 36,011
Benefits paid	\$ 38,072	\$ 36,011

	2005	2004
Actuarial assumptions:		
Discount rate (both plans)	5.75%	6.00%
Annual increase in per capita health care costs of covered benefits	10%, 9%, 8%, 7%, for the first four years, respectively; 6% for the succeeding two years and then 5% thereafter	7% for first 3 years; 6% for the next 3 years; 5.5% for the next 3 years, and 5% thereafter

The Company expects to contribute \$23,672 to the plan in 2006. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year(s) Ending	
December 31,	Amount
2006	\$ 23,672
2007	24,993
2008	20,944
2009	29,369
2010	28,871
2011 - 2015	142,112

Note 11. Stock Option Plan

Information regarding the Company's stock option plan is presented below. The significant provisions of the plan include authorization of the stock option committee to grant up to 98,125 shares of common stock between April 25, 1996 and April 25, 2006 (the shareholders approved an amendment to the plan in April 2002 allocating an additional 50,000 shares to the plan). Each option fully vests after six months from the grant date and must be exercised within five years.

A summary of the status of the plan at December 31, 2005, 2004 and 2003, and changes during the years then ended, along with the assumptions used in calculating the estimated fair value of the options, are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2005		2004		2003	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Fixed Options						
Outstanding at beginning of year	7,500	\$ 16.51	25,570	\$ 15.97	26,845	\$ 15.93
Exercised	(7,500)	16.51	(18,070)	15.74	(1,275)	15.31
Outstanding at end of year	<u>-</u>	-	<u>7,500</u>	16.51	<u>25,570</u>	15.97
Exercisable at end of year	<u>-</u>	-	<u>7,500</u>	16.51	<u>25,570</u>	15.97

No options were granted during the years ended December 31, 2005, 2004 and 2003. At December 31, 2005, no options were outstanding under the stock option plan.

Note 12. Lease Obligation

The Bank leases office space in Charleston, West Virginia under an operating lease with an initial term of ten years expiring on May 1, 2006. The lease provides for two successive options for five-year renewals. In addition, adjustments may be charged or credited to the minimum lease payments for changes in the Company's portion of the common area maintenance. Total minimum lease payments of \$101,970 were charged to expense for each of the years ended December 31, 2005, 2004 and 2003. As more fully discussed in Note 20, the Bank closed its branch operations in Charleston effective March 31, 2005. As such, the Bank will not renew the lease upon termination.

The Bank leases the Hot Springs, Virginia branch office space under an operating lease with an initial term of ten years expiring on November 1, 2014 and provides for two successive options for five-year renewals. The minimum monthly lease payments are fixed at approximately \$1,458 or \$17,500 annually through 2007; beginning in 2008 and occurring annually thereafter for the remainder of the lease term, the minimum monthly payment will increase at a rate equal to the consumer price index. In addition, adjustments may be charged or credited to the minimum lease payments for changes in the Company's portion of the common area maintenance. Total minimum lease payments of \$17,500 and \$2,916 were charged to expense for the years ended December 31, 2005 and 2004, respectively.

The total future minimum lease payments under both lease agreements are as follows:

Year Ending	Amount
December 31,	
2006	\$ 51,490
2007	17,500
2008	17,500
2009	17,500
2010	17,500
Thereafter	67,083
	<u>\$ 188,573</u>

Note 13. Commitments and Contingencies

Reserve requirements: The Bank is required to maintain average balances with the Federal Reserve Bank. At December 31, 2005 and 2004, these reserve balances amounted to approximately \$863,000 and \$797,000, respectively.

Financial instruments with off-balance sheet risk: The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The contract amounts of those instruments reflect the extent of involvement the Bank has in particular classes of financial instruments. At December 31, 2005 and 2004, the Bank's financial instruments with off-balance sheet risk are as follows:

Financial instruments whose contract amounts represent credit risk	Contract Amount	
	2005	2004
Unfunded commitments under lines of credit	\$ 26,905,000	\$ 21,197,000
Financial standby letters of credit	\$ 1,310,000	\$ 1,103,000
Commitments to extend credit	\$ 1,250,000	\$ 308,400

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Bank management evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the bank upon extension of credit, is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, equipment or real estate.

Litigation: The Company is involved in various legal actions arising in the ordinary course of business. In the opinion of management, based upon the advice of counsel, the outcome of these matters will not have a significant adverse effect on the consolidated financial position of the Company.

Employment agreement: The Company signed an employment agreement with its current Chief Executive Officer (former Chief Operating Officer) on August 28, 2003. The contract, which expires on December 31, 2007, includes automatic one-year extensions until the Executive's 65th birthday. After the initial contract term, either party may terminate the contract by giving written notice to the other party prior to the automatic extension date. Included in the contract is a termination clause whereby the Executive is entitled to a lump-sum payment of twice his average annual salary during the three calendar years preceding his termination upon the occurrence of specific events. The maximum contingent liability under the agreement approximates \$294,000 at December 31, 2005.

Note 14. Regulatory Restrictions on Capital and Dividends

The primary source of funds for the dividends paid by the Company is dividends received from its subsidiary bank. Dividends paid by the Bank are subject to restrictions by banking regulations. The most restrictive provision requires approval by the regulatory agency if dividends declared in any year exceed the year's net income, as defined, plus the net retained profits of the two preceding years. During 2006, the net retained profit available for distribution to the Company as dividends without regulatory approval approximates \$3,418,000 plus net retained profits, as defined, for the interim periods through the date of declaration.

The Company (on a consolidated basis) and the Bank are subject to various regulatory capital requirements administered by the Federal banking agencies. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) 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 December 31, 2005, that both the Company and the Bank meet all capital adequacy requirements to which it is subject.

The most recent notification from the Office of the Comptroller of the Currency categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Company and the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

in the table below. There are no conditions or events since that notification that management believes have changed the Bank's classification.

The following table sets forth the Company's and the Bank's actual capital amounts (in thousands) and ratios as of December 31, 2005 and 2004:

	<u>Actual</u>		<u>Minimum For Capital Adequacy Purposes</u>		<u>Minimum To be Well Capitalized Under Prompt Corrective Action Provisions</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
As of December 31, 2005						
Total Capital to Risk Weighted Assets:						
Consolidated	\$ 21,111	13.51%	\$ 12,502	8.00%	\$ N/A	N/A
First National Bank	20,570	13.18%	12,485	8.00%	15,606	10.00%
Tier I Capital to Risk Weighted Assets:						
Consolidated	17,561	11.24%	6,251	4.00%	N/A	N/A
First National Bank	18,630	11.94%	6,243	4.00%	9,364	6.00%
Tier I Capital to Average Assets:						
Consolidated	17,561	8.41%	6,262	3.00%	N/A	N/A
First National Bank	18,630	8.95%	6,247	3.00%	10,412	5.00%
As of December 31, 2004:						
Total Capital to Risk Weighted Assets:						
Consolidated	\$ 18,991	13.15%	\$ 11,550	8.00%	\$ N/A	N/A
First National Bank	18,095	12.59%	11,502	8.00%	14,378	10.00%
Tier I Capital to Risk Weighted Assets:						
Consolidated	15,419	10.68%	5,775	4.00%	N/A	N/A
First National Bank	16,668	11.59%	5,751	4.00%	8,627	6.00%
Tier I Capital to Average Assets:						
Consolidated	15,419	7.77%	5,953	3.00%	N/A	N/A
First National Bank	16,668	8.43%	5,930	3.00%	9,884	5.00%

Note 15. Fair Value of Financial Instruments

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. SFAS 107 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

The following summarizes the methods and significant assumptions used by the Company in estimating its fair value disclosures for financial instruments.

Cash and due from banks, interest-bearing deposits with other banks and Federal funds sold: The carrying values of these amounts approximate their estimated fair value.

Securities: Estimated fair values of securities are based on quoted market prices, where available. If quoted market prices are not available, estimated fair values are based on quoted market prices of comparable securities. The carrying value of restricted securities approximate fair value based upon the redemption provisions of the applicable entities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Loans: The estimated fair values for loans are computed based on scheduled future cash flows of principal and interest, discounted at interest rates currently offered for loans with similar terms to borrowers of similar credit quality.

Accrued interest receivable: The carrying values of accrued interest receivable approximate their estimated fair value.

Deposits: The estimated fair values of demand deposits (i.e., noninterest-bearing checking, NOW, money market and savings accounts) and other variable rate deposits approximate their carrying values. Fair values of fixed maturity deposits are estimated using a discounted cash flow methodology at rates currently offered for deposits with similar remaining maturities. Any intangible value of long-term relationships with depositors is not considered in estimating the fair values disclosed.

Short-term borrowings: The carrying values of short-term borrowings approximate their estimated fair values.

Long-term borrowings and trust preferred capital notes: The estimated fair values for long-term borrowings and trust preferred capital notes are computed based on scheduled future cash flows of principal and interest, discounted at interest rates currently offered for borrowings with similar terms.

Accrued interest payable: The carrying values of accrued interest payable approximate their estimated fair value.

Off-balance sheet instruments: The fair values of commitments to extend credit are estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present credit standing of the counterparties. The amounts of fees currently charged on commitments are deemed insignificant and, therefore, the estimated fair values and carrying values are not shown below.

The carrying values and estimated fair values of the Company's financial instruments are summarized below:

	December 31, 2005		December 31, 2004	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:				
Cash and due from banks	\$ 2,390,981	\$ 2,390,981	\$ 3,583,990	\$ 3,583,990
Interest-bearing deposits with other banks	162,504	162,504	62,309	62,309
Federal funds sold	9,209,000	9,209,000	2,590,000	2,590,000
Securities available for sale	32,887,552	32,887,552	30,527,837	30,527,837
Securities held to maturity	5,359,142	5,347,459	5,837,390	5,903,778
Loans	159,521,157	158,801,940	151,570,696	151,156,404
Accrued interest receivable	1,120,599	1,120,599	1,023,543	1,023,543
Financial liabilities:				
Deposits	\$ 180,606,623	\$ 180,418,504	\$ 164,352,167	\$ 164,249,253
Short-term borrowings	6,424,189	6,424,189	9,307,662	9,314,749
Accrued interest payable	170,289	170,289	121,544	121,544
Long-term borrowings	7,727,111	7,668,394	6,644,212	6,591,389
Trust preferred capital notes	6,186,000	6,247,706	6,186,000	6,194,767

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Condensed Financial Statements of Parent Company

BALANCE SHEETS – PARENT COMPANY

	December 31,	
	2005	2004
ASSETS		
Cash	\$ 30,422	\$ 83,838
Securities available for sale	149,680	74,300
Securities held to maturity	360,790	418,164
Investment in bank subsidiary	18,301,505	16,572,785
Investment in insurance subsidiary	(505)	(505)
Loans	111,437	136,692
Dividends receivable - bank subsidiary	183,432	129,969
Other assets	590,116	497,610
Total assets	\$ 19,726,877	\$ 17,912,853

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Dividends payable to shareholders	\$ 183,432	\$ 129,969
Due to bank subsidiary	416,507	5,285
Other liabilities	98,505	123,003
Subordinated debentures	6,186,000	6,186,000
Total liabilities	6,884,444	6,444,257

Shareholders' equity

Common stock	896,897	888,747
Capital surplus	424,052	266,350
Retained earnings	12,359,454	10,892,487
Accumulated other comprehensive loss	(328,726)	(95,338)
Common stock in treasury, at cost	(509,244)	(483,650)
Total shareholders' equity	12,842,433	11,468,596
Total liabilities and shareholders' equity	\$ 19,726,877	\$ 17,912,853

STATEMENTS OF INCOME – PARENT COMPANY
For the Years Ended December 31, 2005, 2004 and 2003

	2005	2004	2003
Interest and fees on loans	\$ 6,766	\$ 7,326	\$ 11,259
Interest on securities:			
Taxable	13,118	9,148	2,913
Tax-exempt	17,252	18,378	20,793
Income - dividends from bank subsidiary	576,692	524,615	541,435
Interest expense on subordinated debt – trust preferred note	(393,647)	(238,424)	-
Expenses - operating	(450,953)	(421,696)	(389,954)
Income (loss) before income taxes and undistributed income	(230,772)	(100,653)	186,446
Applicable income tax benefit	312,323	245,930	143,101
Income before undistributed income of subsidiaries	81,551	145,277	329,547

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

STATEMENTS OF INCOME – PARENT COMPANY (Continued)
For the Years Ended December 31, 2005, 2004 and 2003

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Equity in undistributed income of subsidiaries	1,962,108	1,456,075	1,023,792
Net income	<u>\$ 2,043,659</u>	<u>\$ 1,601,352</u>	<u>\$ 1,353,339</u>

STATEMENTS OF CASH FLOWS – PARENT COMPANY
For the Years Ended December 31, 2005, 2004 and 2003

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net income	\$ 2,043,659	\$ 1,601,352	\$ 1,353,339
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization of securities premiums	2,374	2,279	2,263
Equity in undistributed net income of subsidiaries	(1,962,108)	(1,456,075)	(1,023,792)
(Increase) in receivables and other assets	(145,969)	(236,097)	(117,108)
Increase (decrease) in payables and other liabilities	386,724	9,681	(87,470)
Net cash provided by (used in) operating activities	<u>324,680</u>	<u>(78,860)</u>	<u>127,232</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital contribution in subsidiary bank	-	(2,750,000)	-
Proceeds from maturities and calls of securities held to maturity	55,000	110,000	460,000
Purchases of securities available for sale	(75,380)	-	(74,300)
Purchases of securities held to maturity	-	-	(200,000)
Net decrease in loans	25,255	24,172	201,588
Net cash provided by (used in) investing activities	<u>4,875</u>	<u>(2,615,828)</u>	<u>387,288</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of common stock pursuant to stock option plan	165,852	284,420	19,525
Proceeds from issuance of subordinated debt - trust preferred note	-	6,186,000	-
Payments to acquire treasury stock	(25,594)	(483,650)	-
Payments to acquire and retire common stock pursuant to merger transaction	-	(2,668,478)	-
Dividends paid to shareholders	(523,229)	(542,404)	(531,408)
Net cash (used in) provided by financing activities	<u>(382,971)</u>	<u>2,775,888</u>	<u>(511,883)</u>

Net (decrease) increase in cash and cash equivalents	(53,416)	81,200	2,637
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Cash and cash equivalents:

Beginning	<u>83,838</u>	<u>2,638</u>	<u>1</u>
Ending	<u>\$ 30,422</u>	<u>\$ 83,838</u>	<u>\$ 2,638</u>

Note 17. Repurchase and Retirement of Common Shares Pursuant to Merger Transaction

On February 13, 2004, the shareholders of the Company approved a freeze-out merger where in effect the Company repurchased and retired small shareholder positions defined in the merger agreement as shareholders owning 1,499 or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

fewer shares at \$21.70 per share. The purpose of the transaction was to reduce the number of shareholders to fewer than 300 in order to invoke a private company status, thereby suspending the Company's reporting obligation to the Securities and Exchange Commission. The transaction was completed by the end of the first quarter 2004. In total, the Company repurchased and retired 114,378 common shares in exchange for cash consideration totaling \$2,482,003. Additionally, expenses directly related to the merger (principally legal and professional) totaled \$186,475 and were charged to the Company's capital as non-period costs. As more fully described in Note 18, the merger transaction was financed by the issuance of trust-preferred securities.

Note 18. Trust Preferred Capital Notes

On February 26, 2004, the Company sponsored a statutory business trust, FNB Capital Trust One, of which 100% of the common equity is owned by the Company. The trust was formed for the purpose of issuing corporation obligated mandatorily redeemable securities (the "capital securities") to third party investors and investing the proceeds from the sale of such capital securities in the Company's junior subordinated debentures (the "debentures"). The debentures held by the trust are the sole asset of the trust. Distributions on the capital securities issued by the trust are payable quarterly at a variable interest rate equal to 3 month LIBOR plus 295 basis points, which is equal to the interest rate being earned by the trust 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 agreements which, taken collectively, fully and unconditionally guarantee the capital securities subject to the terms of the guarantee.

The debentures held by FNB Capital Trust One qualify as Tier I capital under Federal Reserve Board guidelines and are first redeemable, in whole or in part, by the Company on February 26, 2009. Pursuant to accounting principals generally accepted in the United States, FNB Capital Trust One will not be consolidated with the Company and the Company's financial statements will reflect a liability on its consolidated balance sheet for the junior subordinated debt securities owed to FNB Capital Trust One, which was \$6,186,000 at December 31, 2005 and 2004. Total interest expense paid to FNB Capital Trust One was \$393,647 and \$238,424 for the years ended December 31, 2005 and 2004, respectively, which includes the amortization of the debt's \$60,000 origination fee. The weighted average interest on the obligation was 6.4% and 4.6% for the years ended December 31, 2005 and 2004, respectively.

Note 19. Severance Agreement

Effective January 31, 2005, the Company and its former Chief Executive Officer entered into a settlement and severance agreement whereby the Executive resigned from the Company and its Board of Directors. Among the material provisions of the agreement was a two-year covenant not to compete clause detailing certain restrictions and covenants on the Executive's ability to freely engage in the business of banking (directly or indirectly) in markets in which the Company has a full service office. In consideration of this provision and the voiding of any future obligation to the Executive pursuant to an employment agreement signed on April 18, 2001, the Company agreed to pay the Executive a severance payment of \$240,000.

Note 20. Branch Activities

Effective March 31, 2005, the Bank closed its branch operations in Kanawha County, West Virginia. All customer accounts that were previously serviced by this location were transferred to its main office in Ronceverte, West Virginia. At the time of closure, certain premises and equipment totaling \$18,381 were deemed impaired and therefore charged to earnings. Severance payments, including related benefits and payroll taxes, to two employees totaling approximately \$15,000 were also incurred by the Bank as a result of the closure.

On December 21, 2005 the Company received approval from the Comptroller of the Currency to open a full-service branch bank in White Sulphur Springs, West Virginia. The total cost of the facility is estimated at \$1,500,000, which includes the cost of the land and site preparation, construction of the building and the cost of furniture, fixtures and equipment. The facility is expected to open on or about June 1, 2006. As of December 31, 2005, total capital outlays for the facility were \$250,675, which consists of the land purchase.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
First National Bankshares Corporation
Ronceverte, West Virginia

We have audited the accompanying consolidated balance sheets of First National Bankshares Corporation and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of First National Bankshares Corporation and subsidiaries for the year ended December 31, 2003 were audited by other auditors whose report, dated February 26, 2004, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2005 and 2004 consolidated financial statements referred to above present fairly, in all material respects, the financial position of First National Bankshares Corporation and subsidiaries as of December 31, 2005 and 2004, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
February 8, 2006

Directors**Officers****Employees**

Michael G. Campbell

Matthew L. Burns
Chief Financial Officer

Catherine A. Arthur
Sharon A. Baker

D. Allen Carson

Douglas D. Fisk
Director of Lending

Dianne M. Beale
Shana E. Bennett
T. Nikki Bennett

Richard E. Ford, Sr.

Mary L. Fisk
Director of Operations

Amanda A. Boggs
Deborah L. Boone
Pamela G. Bowen
Cheryl M. Bowman

W. Bennett Fuller

Catherine G. Gilbert
Director of Credit Administration

Penny Brewster
Selina Cahill

G. Thomas Garten

Charles A. Henthorn
President & CEO

Kathy Childs
Sally Cornwell
Dawn C. Downer

William D. Goodwin

James L. King
Director of WV Operations

Naomi Duncan
Brenda D. Gabbert
Deborah A. Harvey

James C. Justice

Kathy L. King
Director of Audit & Compliance

Earl E. Harvey
Connie S. Hedrick
Lana L. Hickman

Charles A. Henthorn

Benny A. Williams
Director of VA Operations

Crisey L. Holliday
Denise Honaker
Lori Honaker

Lucie T. Refsland

William D. Hoover, Jr.
Tammy Huddleston
Donna Kirby

William R. Satterfield

T. Lynn McCarty
Deborah O. McClung

Ronald B. Snyder

Sonya McDaniel
Terri McDowell
Ginger D. Morgan

Kevin A. Workman

Donna L. Norman
Carman F. Phillips
Susan Phillips

Catherine A. Pittsenbarger
Nina F. Price
Vickie C. Quick

LaDonna Reynolds
Bridgette Rinehart
Bonnie J. Robertson

Angela Sheets
Angela Shinault
Anne Stanley

Cherie D. Vallandingham
Karen Willis
Amy Wykle

Paula Wykle
Samantha Wylie

