

OLD POINT FINANCIAL CORP

FORM 10-K (Annual Report)

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Address	1 WEST MELLEN ST HAMPTON, Virginia 23663
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Industry	Regional Banks
Sector	Financial
Fiscal Year	12/31

U. S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2002

☐ Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934 (no fee required)
For the transition period from to

Commission File No. 0-12896

OLD POINT FINANCIAL CORPORATION

(Name of issuer in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

54-1265373
(I.R.S. Employer
Identification No.)

1 West Mellen Street, Hampton, VA 23663
(Address of principal executive offices) (Zip Code)

(757) 722-7451
(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act:

None

Securities registered pursuant to Section 12(g) of the Exchange Act:

Common Stock (\$5.00 par value)

(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

As of March 14, 2003 the aggregate market value of the 2,909,371 shares of common stock of Old Point Financial Corporation held by nonaffiliates was approximately \$98 million based upon the closing price of the stock as of March 14, 2003. Number of shares outstanding on March 14, 2003 was 3,944,070.

DOCUMENTS INCORPORATED BY REFERENCE

NONE

OLD POINT FINANCIAL CORPORATION

Form 10-K

INDEX

PART I.....	1
Item 1. Description of Business.....	1
General.....	1
Statistical Information.....	2
Item 2. Description of Property.....	13
Item 3. Legal Proceedings.....	13
Item 4. Submission of Matters to a Vote of Security Holders.....	13
PART II.....	13
Item 5. Market for Common Equity And Related Stockholder Matters..	13
Item 6. Selected Financial Data.....	13
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	15
Item 8. Financial Statements and Supplementary Data.....	18
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.....	37
PART III.....	38
Item 10. Directors and Executive Officers of the Registrant.....	38
Item 11. Executive Compensation.....	41
Item 12. Security Ownership of Certain Beneficial Owners and Management.....	44
Item 13. Certain Relationships and Related Transactions.....	44
Item 14. Controls and Procedures.....	44
PART IV.....	45
Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8.....	46

PART I

Item 1. Description of Business

General

Old Point Financial Corporation (the "Company") was incorporated under the laws of Virginia on February 16, 1984, for the purpose of acquiring all the outstanding common stock of The Old Point National Bank of Phoebus (the "Bank"), in connection with the reorganization of the Bank into a one bank holding company structure. At the annual meeting of the stockholders on March 27, 1984, the proposed reorganization was approved by the requisite stockholder vote. At the effective date of the reorganization on October 1, 1984, the Bank merged into a newly formed national bank as a wholly owned subsidiary of the Company, with each outstanding share of common stock of the Bank being converted into five shares of common stock of the Company.

The Company completed a spin-off of its trust department as of April 1, 1999. The newly formed organization is chartered as Old Point Trust and Financial Services, N.A. ("Trust"). Trust is a wholly owned subsidiary of the Company. The Company does not engage in any activities other than acting as a holding company for the common stock of the Bank and Trust. The principal business of the Company is conducted through its subsidiaries which continue to conduct business in substantially the same manner and from the same offices.

The Bank is a national banking association founded in 1922. The Bank has fifteen offices in the cities of Hampton, Newport News, Norfolk and Chesapeake, as well as James City and York County, Virginia, and provides a full range of banking and related financial services, including checking, savings, certificates of deposit, and other depository services, commercial, industrial, residential real estate and consumer loan services, safekeeping services.

As of December 31, 2002, the Company had assets of \$576.6 million, loans of \$378.0 million, deposits of \$454.1 million, and stockholders' equity of \$58.1 million. At year end, the Company and its subsidiaries had a total of 252 employees, 26 of whom were part-time.

The Company's trade area is Hampton Roads, which includes Williamsburg, Poquoson, Newport News, Hampton, Chesapeake, Norfolk, Virginia Beach, Portsmouth and Suffolk. The area also includes the Isle of Wight, James City, Gloucester and Mathews counties. According to the 2000 Hampton Roads Statistical Digest, there are more than 1.6 million people in the area with 30% of all jobs linked to the military. The service industry, which employed approximately 194,000 in 1999, is the biggest provider of jobs in Hampton Roads.

The banking industry is highly competitive in the Hampton Roads area. There are approximately twenty commercial and savings banks conducting business in the area. Six of these are major statewide banking organizations.

The Bank encounters competition for deposits and loans from banks, saving and loan associations, and credit unions in the area in which it operates. In addition, the Bank must compete for deposits in some instances with nationally marketed money market funds, brokerage firms and on-line or internet banks.

The Company and its subsidiaries are subject to regulation and examination by the Federal Reserve Board ("the Board"), the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation ("the FDIC").

As a bank holding company within the meaning of the Bank Holding

Company Act of 1956, the Company is subject to the ongoing regulation, supervision, and examination by the Federal Reserve Board (the "Board"). The Company is required to file with the Board periodic and annual reports and other information concerning its own business operations and those of its subsidiaries. In addition, prior Board approval must be obtained before the Company can acquire (i) ownership or control of any voting shares of another bank if, after such acquisition, it would control more than 5% of such shares, or (ii) all or substantially all of the assets of another bank or merge or consolidate with another bank holding company. A bank holding company is prohibited under the Bank Holding Company Act, with limited exceptions, from engaging in activities other than those of banking or of managing or controlling banks or furnishing services to its subsidiaries.

Statistical Information

The following statistical information is furnished pursuant to the requirements of Guide 3 (Statistical Disclosure by Bank Holding Companies) promulgated under the Securities Act of 1933.

I. Distribution of Assets, Liabilities and Shareholders' Equity; Interest Rates and Interest Differential

The following table presents the distribution of assets, liabilities, and shareholders' equity by major categories with related average yields/rates. In these balance sheets, nonaccrual loans are included in the daily average loans outstanding. The following table sets forth a summary of changes in interest earned and paid attributable to changes in volume and changes in yields/rates.

TABLE I
AVERAGE BALANCE SHEETS, NET INTEREST INCOME* AND RATES*

For the years ended December 31,	2002			2001			2000		
Dollars in thousands	Average Balance	Interest Income/Expense	Average Rates Earned/Paid	Average Balance	Interest Income/Expense	Average Rates Earned/Paid	Average Balance	Interest Income/Expense	Average Rates Earned/Paid
ASSETS									
Loans	\$362,228	\$ 27,320	7.54%	\$332,097	\$ 27,765	8.36%	\$303,826	\$ 26,625	8.76%
Investment securities:									
Taxable	84,867	4,279	5.04%	76,670	4,389	5.72%	71,148	4,383	6.16%
Tax-exempt	49,097	3,540	7.21%	52,031	3,773	7.25%	54,726	4,090	7.47%
Total investment securities	133,964	7,819	5.84%	128,701	8,162	6.34%	125,874	8,473	6.73%
Federal funds sold	16,120	250	1.55%	14,467	563	3.89%	3,099	211	6.81%
Total earning assets	512,312	35,389	6.91%	475,265	36,490	7.68%	432,799	35,309	8.16%
Reserve for loan losses	<4,304)			(3,646)			(3,394)		
	508,008			471,619			429,405		
Cash and due from banks	11,478			9,862			9,424		
Bank premises and equipment	14,718			15,715			15,015		
Other assets	8,980			4,838			5,759		
Total assets	\$543,184			\$502,034			\$459,603		
	=====			=====			=====		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Time and savings deposits:									
Interest-bearing transaction accounts	\$ 7,922	\$ 46	0.58%	\$ 6,559	\$ 88	1.34%	\$ 4,617	\$ 109	2.36%
Money market deposit accounts	110,767	1,242	1.12%	100,577	2,159	2.15%	93,458	3,013	3.22%
Savings accounts	31,940	302	0.95%	28,864	536	1.86%	28,264	774	2.74%
Certificates of deposit, \$100,000 or more	56,048	1,991	3.55%	49,072	2,672	5.45%	35,241	2,051	5.82%
Other certificates of deposit	142,591	6,306	4.42%	142,987	8,202	5.74%	136,792	7,863	5.75%
Total time and savings deposits	349,268	9,887	2.83%	328,059	13,657	4.16%	298,372	13,810	4.63%
Federal funds purchased, securities sold under agreement to repurchase & FHLB advances	52,274	2,038	3.90%	51,253	2,425	4.73%	48,922	2,769	5.66%
Other short term borrowings	2,172	31	1.43%	2,158	73	3.38%	1,982	127	6.41%
Total interest bearing liabilities	403,714	11,956	2.96%	381,470	16,155	4.23%	349,276	16,706	4.78%
Demand deposits	82,028			68,516			65,169		
Other liabilities	2,363			2,327			1,900		
Total liabilities	488,105			452,313			416,345		
Stockholders' equity	55,079			49,721			43,258		
Total Liabilities and Stockholders Equity	\$543,184			\$502,034			\$459,603		
	=====			=====			=====		
Net interest income/yield		\$ 23,433	4.57%		\$ 20,335	4.28%		\$ 18,603	4.30%
		=====			=====			=====	
Total deposits	\$431,296			\$396,575			\$363,541		
	=====			=====			=====		

*Computed on a fully taxable equivalent basis using a 34% rate

The following table sets forth a summary of changes in interest earned and paid attributable to changes in volume and changes in yields/rates.

TABLE II
ANALYSIS OF CHANGE IN NET INTEREST INCOME *

Dollars in Thousands	Year 2002 over 2001 Due to change in:			Year 2001 over 2000 Due to change in:			Year 2000 over 1999 Due to change in:		
	Average Volume	Average Rate	Net Increase (Decrease)	Average Volume	Average Rate	Net Increase (Decrease)	Average Volume	Average Rate	Net Increase (Decrease)
INCOME FROM EARNING ASSETS									
Loans	\$ 2,519	\$(2,964)	\$ (445)	\$ 2,477	\$(1,337)	\$ 1,140	\$ 3,740	\$ 1,091	\$ 4,831
Investment Securities:									
Taxable	469	(579)	(110)	340	(334)	6	(533)	69	(464)
Tax-exempt	(213)	(20)	(233)	(201)	(116)	(317)	(88)	88	-
Total investment securities	256	(599)	(343)	139	(450)	(311)	(621)	157	(464)
Federal funds sold	64	(377)	(313)	774	(422)	352	(55)	47	(8)
	2,840	(3,941)	(1,101)	3,389	(2,208)	1,181	3,065	1,294	4,359
INTEREST EXPENSE									
Interest bearing transaction accounts	18	(60)	(42)	46	(67)	(21)	15	-	15
Money market deposit accounts	219	(1,136)	(917)	230	(1,084)	(854)	(44)	120	76
Savings accounts	57	(291)	(234)	16	(254)	(238)	9	-	9
Certificate of deposits, \$100,000 or more	380	(1,061)	(681)	805	(184)	621	228	115	343
Other certificates of deposit	(23)	(1,873)	(1,896)	356	(17)	339	219	599	818
Total time and savings deposits	651	(4,421)	(3,770)	1,453	(1,606)	(153)	428	833	1,261
Federal funds purchased, securities sold under agreement to repurchase and FHLB advances	48	(435)	(387)	132	(476)	(344)	987	549	1,536
Other short-term borrowings	-	(42)	(42)	11	(65)	(54)	14	30	44
Total expense for interest bearing liabilities	700	(4,899)	(4,199)	1,596	(2,147)	(551)	1,429	1,412	2,841
Change in Net Interest Income	\$ 2,140	\$ 958	\$ 3,098	\$ 1,793	\$ (61)	\$ 1,732	\$ 1,636	\$ (118)	\$ 1,518

* Computed on a fully taxable equivalent basis using a 34% rate.

Interest Sensitivity

The following table reflects the earlier of the maturity or repricing data for various assets and liabilities as of December 31, 2001

TABLE III
INTEREST SENSITIVITY ANALYSIS

As of December 31, 2002 Dollars in thousands	Within 3 Months	4-12 Months	1-5 Years	Over 5 Years	Total
Uses of funds					
Federal funds sold.....	\$ 8,710	\$ -	\$ -	\$ -	\$ 8,710
Taxable investments.....	18,049	11,218	74,601	1,223	105,091
Tax-exempt investments.....	201	208	14,257	36,247	50,913
Total investments.....	26,960	11,426	88,858	37,470	164,714
Loans:					
Commercial.....	22,554	1,783	22,427	1,041	47,805
Tax-exempt.....	280	-	-	2,686	2,966
Consumer	5,638	2,914	66,371	13,121	88,044
Real estate.....	53,075	17,562	114,735	49,396	234,768
Other.....	951	39	3,067	321	4,378
Total loans.....	82,498	22,298	206,600	66,565	377,961
Total earning assets.....	\$ 109,458	\$ 33,724	\$ 295,458	\$104,035	\$ 542,675
Sources of funds					
Interest checking deposits.....	11,119	-	-	-	11,119
Money market deposit accounts.....	113,506	-	-	-	113,506
Regular savings accounts.....	34,452	-	-	-	34,452
Certificates of deposit					
\$100,000 or more.....	12,527	21,127	19,791	-	53,445
Other time deposits.....	19,882	58,047	72,959	21	150,909
Federal funds purchased, securities sold under agreements to repurchase & FHLB advances.....	21,283	-	5,000	30,000	56,283
Other borrowed money.....	6,000	-	-	-	6,000
Total interest bearing liabilities.....	\$ 218,769	\$ 79,174	\$ 97,750	\$ 30,021	\$ 425,714
Rate sensitivity GAP.....	\$(109,311)	\$ (45,450)	\$ 197,708	\$ 74,014	\$ 116,961
Cumulative GAP.....	\$(109,311)	\$(154,761)	\$ 42,947	\$116,961	

The Company was liability sensitive as of December 31, 2002. There were \$109 million more in liabilities than assets subject to repricing within three months. This generally indicates that net interest income should improve if interest rates fall since liabilities will reprice faster than assets.

It should be noted, however, that savings deposits; which consist of interest bearing transactions accounts, money market accounts, and savings accounts; are less interest sensitive than other market driven deposits. In a rising rate environment these deposit rates have historically lagged behind the changes in earning asset rates, thus mitigating somewhat the impact from the liability sensitivity position.

II. Investment Portfolio

Note 2 of the Notes to Financial Statements found in Item 8. Financial

Statements and Supplementary Data of this Report on Form 10K presents the book and market value of investment securities on the dates indicated.

The following table shows, by type and maturity, the book value and weighted average yields of investment securities at December 31, 2002.

Dollars in Thousands	U.S. Govt/Agency		State/Municipal		Total	
	Book Value	Weighted Average Yield	Book Value	Weighted Average Yield	Book Value	Weighted Average Yield
December 31, 2002						
Maturities:						
Within 1 year	\$26,172	4.93%	\$ 405	6.85%	\$ 26,577	4.96%
After 1 year, but within 5 years	73,815	4.02%	13,435	6.99%	87,250	4.47%
After 5 years, but within 10 years	-	0.00%	26,328	6.74%	26,328	6.74%
After 10 years	-	0.00%	9,116	6.48%	9,116	6.48%
TOTAL	\$99,986	4.25%	\$49,285	6.76%	\$149,271	5.08%
December 31, 2001	\$80,013	5.49%	\$52,041	6.81%	\$132,054	6.01%
December 31, 2000	\$63,238	6.03%	\$54,435	6.83%	\$117,673	6.40%

Yields are calculated on a fully tax equivalent basis using a 34% rate.

At December 31, 2002, the book value of other marketable equity securities with no stated maturity totaled \$3.1 million with an weighted average yield of 3.66%. These securities consisted of Federal Home Loan Bank stock of \$1.8 million yielding 5.17%, Federal Reserve stock of \$169 thousand yielding 6.00%, money market fund of \$1.0 million yielding 1.26% and other securities of \$150 thousand. The book value of other marketable securities with no stated maturity totaled \$3.2 million, yielding 4.66%; and \$5.7 million, yielding 6.37%; at December 31, 2001, and 2000 respectively.

III. Loan Portfolio

The following table shows a breakdown of total loans by type at December 31 for years 1998 through 2002:

As of December 31, Dollars in thousands	2002	2001	2000	1999	1998
Commercial and other	\$ 52,183	\$ 51,608	\$ 62,181	\$ 62,257	\$ 53,793
Real Estate Construction	29,822	27,056	15,219	11,461	5,418
Real Estate Mortgage	204,946	177,237	155,367	140,004	116,635
Tax Exempt	2,966	2,957	3,314	2,747	1,401
Installment Loans to Individuals	88,044	87,625	83,829	65,178	58,618
Total	\$377,961	\$346,483	\$319,910	\$281,647	\$235,865
	=====	=====	=====	=====	=====

Based on Standard Industry Code, there are no categories of loans which exceed 10% of total loans other than the categories disclosed in the preceding table.

The maturity distribution and rate sensitivity of certain categories of the Bank's loan portfolio at December 31, 2002 is presented below:

TABLE VI
MATURITY SCHEDULE OF SELECTED LOANS

December 31, 2002 Dollars in thousands	One year or less	One through five years	Over five years	Total
Commercial and other	\$ 25,327	\$ 25,494	\$ 1,362	\$52,183
Real estate construction	24,674	5,148	-	29,822
Total	\$ 50,001	\$ 30,642	\$ 1,362	\$82,006
Loans maturing after one year with:				
Fixed interest rate		\$ 30,642	\$ 1,362	\$32,004
Variable interest rate		\$ -	\$ -	\$ -

The following table presents information concerning the aggregate amount of nonaccrual, past due and restructured loans as of December 31 for the years 1998 through 2002.

As of December 31, Dollars in thousands	TABLE VII NONACCRUAL, PAST DUE AND RESTRUCTURED LOANS				
	2002	2001	2000	1999	1998
Nonaccrual loans	\$ 314	\$ 351	\$ 37	\$ 514	\$ 253
Accruing loans past due 90 days or more	608	450	470	1,351	641
Restructured loans	none	none	none	none	none
Interest income which would have been recorded under original loan terms	49	41	25	49	52
Interest income recorded during the period	16	83	9	68	123

Loans are placed in nonaccrual status if principal or interest has been in default for a period of 90 days or more unless the obligation is both well secured and in the process of collection. A debt is "well secured" if it is secured (i) by collateral in the form of liens on or pledges of real or personal property, including securities, that have a realizable value sufficient to discharge the debt in full or (ii) by the guaranty of a financially responsible party. A debt is "in the process of collection" if collection of the debt is proceeding in due course either through legal action, including judgment enforcement procedures, or, in appropriate circumstances, through collection efforts not involving legal action which are reasonably expected to result in repayment of the debt or in its restoration to a current status.

Potential problem loans consist of loans that, because of potential credit problems of the borrowers, have caused management to have serious doubts as to the ability of such borrowers to comply with the loan repayment terms. At December 31, 2002 such problem loans, not included in Table VII, amounted to approximately \$3.3 million. There was one relationship in excess of \$500 thousand.

IV. Summary of Loan Loss Experience

The determination of the balance of the Allowance for Loan Losses is based upon a review and analysis of the loan portfolio and reflects an amount which, in management's judgment, is adequate to provide for possible future losses. Management's review includes monthly analysis of past due and nonaccrual loans and detailed periodic loan by loan analyses.

The principal factors considered by management in determining the adequacy of the allowance are the growth and composition of the loan portfolio, historical loss experience, the level of nonperforming loans, economic conditions, the value and adequacy of collateral, and the current level of the allowance.

The following table shows an analysis of the Allowance for Loan Losses for the years 1998 through 2002.

TABLE VIII
ANALYSIS OF THE ALLOWANCE FOR LOAN LOSSES

For the year ended December 31, Dollars in thousands	2002	2001	2000	1999	1998
Balance at beginning of period	\$ 3,894	\$ 3,649	\$ 3,111	\$ 2,855	\$ 2,671
Charge Offs:					
Commercial, financial and agricultural	545	680	266	138	296
Real estate construction	8	-	-	-	-
Real estate mortgage	98	19	-	74	87
Consumer loans	761	724	486	581	564
Other loans	-	36	-	-	-
Total charge offs	1,412	1,459	752	793	947
Recoveries:					
Commercial, financial and agricultural	90	222	418	104	139
Real estate construction	-	-	-	-	-
Real estate mortgage	5	21	3	1	25
Consumer loans	288	256	244	294	317
Other loans	-	5	-	-	-
Total recoveries	383	504	665	399	481
Net charge offs	1,029	955	87	394	466
Additions charged to operations	1,700	1,200	625	650	650
Balance at end of period	\$ 4,565	\$ 3,894	\$ 3,649	\$ 3,111	\$ 2,855
Selected loan loss statistics					
Loans (net of unearned income):					
End of period	\$ 377,961	\$ 346,483	\$ 319,910	\$ 281,647	\$ 235,865
Daily average	\$ 362,228	\$ 332,097	\$ 303,826	\$ 259,320	\$ 226,908
Net charge offs to average total loans	0.28%	0.29%	0.03%	0.15%	0.21%
Provision for loan losses to average total loans	0.47%	0.36%	0.21%	0.25%	0.29%
Provision for loan losses to net charge offs	165.21%	125.65%	718.39%	164.97%	139.48%
Allowance for loan losses to period end loans	1.21%	1.12%	1.14%	1.10%	1.21%
Earnings to loan loss coverage*	10.70	9.05	80.06	16.97	14.64

* Income before taxes plus provision for loan losses, divided by net charge-offs.

The following table shows the amount of the Allowance for Loan Losses allocated to each category at December 31 for the years 1998 through 2002.

TABLE IX
ALLOCATION OF THE ALLOWANCE FOR LOAN LOSSES

As of December 31,	2002		2001		2000		1999		1998	
	Percent of loans in Each Category to		Percent of loans in Each Category to		Percent of loans in Each Category to		Percent of loans in Each Category to		Percent of loans in Each Category to	
	Amount	Total Loans	Amount	Total Loans	Amount	Total Loans	Amount	Total Loans	Amount	Total Loans
Commercial and other	\$ 781	14.59%	\$ 667	15.75%	\$ 742	20.47%	\$ 828	23.08%	\$ 656	27.92%
Real Estate Construction	149	7.89%	119	7.81%	49	4.76%	40	4.07%	17	2.30%
Real Estate Mortgage	1,362	54.22%	791	51.15%	212	48.57%	195	49.71%	203	44.64%
Consumer	1,135	23.29%	921	25.29%	519	26.20%	414	23.14%	370	25.14%
Unallocated	1,138	-	1,396	-	2,127	-	1,634	-	1,609	-
Total	\$4,565	100.00%	\$3,849	100.00%	\$3,649	100.00%	\$3,111	100.00%	\$2,855	100.00%

V. Deposits

The following table shows the average balances and average rates paid on deposits for the years ended December 31, 2002, 2001 and 2000.

TABLE X
DEPOSITS

For the year ended December 31,	2002		2001		2000	
Dollars in thousands	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
Interest bearing transaction accounts	\$ 7,922	0.58%	\$ 6,559	1.34%	\$ 4,617	2.36%
Money market deposit accounts	110,767	1.12%	100,577	2.15%	93,458	3.22%
Savings accounts	31,940	0.95%	28,864	1.86%	28,264	2.74%
Certificate of deposit, \$100,000 or more	56,048	3.55%	49,072	5.45%	35,241	5.82%
Other certificate of deposit	142,591	4.42%	142,987	5.74%	136,792	5.75%
Total interest bearing deposits	349,268	2.83%	328,059	4.16%	298,372	4.63%
Non-interest bearing demand deposits	82,028		68,516		65,169	
Total deposits	\$431,296		\$396,575		\$363,541	
	=====		=====		=====	

The following table shows certificates of deposit in amounts of \$100,000 or more as of December 31, 2002, 2001, and 2000 by time remaining until maturity.

TABLE XI
CERTIFICATE OF DEPOSIT \$100,000 & MORE

Dollars in thousands Maturing in	2002	2001	2000

3 months or less	\$ 12,527	\$ 8,445	\$ 7,634
3 through 6 months	10,080	13,397	5,443
6 through 12 months	11,047	11,427	14,635
over 12 months	19,791	12,535	12,665
	-----	-----	-----
	\$ 53,445	\$ 45,804	\$ 40,377

VI. Return on Equity and Assets

The return on average shareholders' equity and assets, the dividend pay out ratio, and the average equity to average assets ratio for the past three years are presented below.

	2002	2001	2000
	-----	-----	-----
Return on average assets	1.30%	1.14%	1.12%
Return on average equity	12.80%	11.48%	11.87%
Dividend payout ratio	25.19%	28.17%	29.23%
Average equity to average assets	10.14%	9.90%	9.41%

VII. Short Term Borrowings

The Bank periodically borrowed funds through federal funds from its correspondent banks, through the use of a demand note to the United States Treasury (Treasury Tax and Loan Deposits), and through securities sold under agreements to repurchase. The borrowings matured daily and were based on daily cash flow requirements. The borrowed amounts (in thousands) and their corresponding rates during 2002, 2001, and 2000 are presented in the following table.

TABLE XII
SHORT TERM BORROWINGS

Dollars in thousands	2002		2001		2000	
	Balance	Rate	Balance	Rate	Balance	Rate
Balance at December 31,						
Federal funds purchased	\$ -	0.00%	\$ -	0.00%	-	0.00%
Securities sold under agreement to repurchase	21,283	1.13%	28,321	1.67%	27,038	5.20%
U. S. treasury demand notes and other borrowed money	6,000	1.00%	369	1.50%	2,089	6.25%
Total	\$ 27,283		\$ 28,690		\$ 29,127	
Average daily balance outstanding:						
Federal funds purchased	\$ 1	2.16%	\$ 1	2.49%	\$ 1,495	6.46%
Securities sold under agreement to repurchase	25,475	1.50%	26,252	3.38%	24,511	5.10%
U. S. treasury demand notes and other borrowed money	2,172	1.43%	2,158	3.38%	1,982	6.41%
Total	\$ 27,648	4.65%	\$ 28,411	4.65%	\$ 27,988	4.55%
The maximum amount outstanding at any month end:						
Federal funds purchased	\$ -		\$ -		\$ 10,000	
Securities sold under agreement to repurchase	\$ 26,098		\$ 28,546		\$ 28,530	
U. S. treasury demand notes and other borrowed money	\$ 6,000		\$ 6,165		\$ 6,397	

Item 2. Description of Property

The Bank owns the Main Office, five office buildings, and nine branches. All of the above properties are owned directly and free of any encumbrances. The land at the Fort Monroe branch is leased by the Bank under an agreement expiring in October 2011. The remaining four branches are leased from unrelated parties under leases with renewal options which expire anywhere from 10-15 years.

For more information concerning the commitments under current leasing agreements, see Note 10. Lease Commitments of the Notes to Financial Statements found in Item 8. Financial Statements and Supplementary Data of this Report on Form 10K. Additional information on Other Real Estate Owned can be found in Note 6. Other Real Estate Owned of the Notes to Financial Statements found in Item 8. Financial Statements and Supplementary Data of this Report on Form 10K.

Item 3. Legal Proceedings

The Company is not a party to any material pending legal proceedings before any court, administrative agency, or other tribunal.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the quarter ended December 31, 2002.

Part II**Item 5. Market for Common Equity And Related Stockholder Matters**

Beginning in 2000 the common stock of Old Point Financial Corporation was quoted on the Nasdaq SmallCap under the symbol "OPOF". The approximate number of shareholders of record as of December 31, 2002 was 1,354. The range of high and low prices and dividends per share of the Company's common stock for each quarter during 2002 and 2001 is presented in Part I. Item 7. of this Annual Report on Form 10-K. Additional information related to stockholder matters can be found in Note 15. Regulatory Matters of the Notes to Financial Statements found in Item 8. Financial Statements and Supplementary Data of this Report on Form 10K.

Item 6. Selected Financial Data

The following table summarizes the Company's performance for the past five years.

TABLE XIII
SELECTED FINANCIAL HIGHLIGHTS

Years Ended December 31,	2002	2001	2000	1999	1998
(Dollars in Thousands except per share data)					
RESULTS OF OPERATIONS					
Interest income.....	\$ 34,112	\$ 35,108	\$ 33,644	\$ 29,483	\$ 27,805
Interest expense.....	11,956	16,156	16,707	13,862	12,700
Net interest income.....	22,156	18,952	16,937	15,621	15,105
Provision for loan loss.....	1,700	1,200	625	650	650
Net interest income after provision for loan loss...	20,456	17,752	16,312	14,971	14,455
Gains (losses) on sales of investment securities.....	14	(1)	44	(54)	-
Noninterest income.....	7,128	6,543	5,641	5,440	4,911
Noninterest expenses.....	18,291	16,850	15,657	14,320	13,193
Income before taxes.....	9,307	7,444	6,340	6,037	6,173
Income taxes	2,256	1,734	1,207	1,215	1,537
Net income.....	\$ 7,051	\$ 5,710	\$ 5,133	\$ 4,822	\$ 4,636
FINANCIAL CONDITION					
Total assets.....	\$ 576,623	\$ 518,759	\$ 477,096	\$ 436,294	\$ 404,118
Total deposits.....	454,052	412,303	374,779	360,918	343,413
Total loans.....	377,961	346,483	319,910	281,647	235,865
Stockholders' equity.....	58,116	50,912	46,497	40,814	40,013
Average assets.....	543,184	502,035	459,603	423,681	380,756
Average equity.....	55,079	49,721	43,258	40,840	38,526
PERTINENT RATIOS					
Return on average assets.....	1.30%	1.14%	1.12%	1.14%	1.22%
Return on average equity.....	12.80%	11.48%	11.87%	11.81%	12.03%
Dividends paid as a percent of net income.....	25.19%	28.17%	29.23%	28.89%	26.62%
Average equity as a percent of average assets.....	10.14%	9.90%	9.41%	9.64%	10.12%
PER SHARE DATA					
Basic EPS.....	\$ 1.80	\$ 1.47	\$ 1.32	\$ 1.25	\$ 1.20
Cash dividends declared.....	0.453	0.413	0.387	0.360	0.320
Book value.....	14.76	13.06	11.97	10.53	10.36
GROWTH RATES					
Year end assets.....	11.15%	8.73%	9.35%	7.96%	15.90%
Year end deposits.....	10.13%	10.01%	3.84%	5.10%	19.61%
Year end loans.....	9.09%	8.31%	13.59%	19.41%	6.37%
Year end equity.....	14.15%	9.50%	13.92%	2.00%	10.13%
Average assets.....	8.20%	9.23%	8.48%	11.27%	14.63%
Average equity.....	10.78%	14.94%	5.92%	6.01%	11.94%
Net income.....	23.49%	11.24%	6.45%	4.01%	13.35%
Cash dividends declared.....	9.69%	6.72%	7.50%	12.50%	17.22%
Book value.....	13.07%	9.11%	13.60%	1.69%	9.74%

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is intended to assist readers in understanding and evaluating the consolidated results of operations and financial condition of the Company. This discussion should be read in conjunction with the financial statements and other financial information contained elsewhere in this report. The analysis attempts to identify trends and material changes which occurred during the period presented.

EARNINGS SUMMARY

Net income was \$7.05 million, or \$1.80 per share in 2002 compared to \$5.71 million, or \$1.47 per share in 2001 and \$5.13 million, or \$1.32 per share in 2000. Return on average assets was 1.30% in 2002, 1.14% in 2001 and 1.12% in 2000. Return on average equity was 12.80% in 2002, 11.48% in 2001 and 11.87% in 2000. For the past five years return on average assets has averaged 1.18% and return on average equity has averaged 12.00%. Selected Financial Highlights summarizes the Company's performance for the past five years.

NET INTEREST INCOME

The principal source of earnings for the Company is net interest income. Net interest income is the difference between interest and fees generated by earning assets and interest expense paid to fund them. Net interest income, on a tax equivalent basis, was \$23.43 million in 2002, up \$3.09 million, or 15% from \$20.34 million in 2001 which was up \$1.74 million, or 9% from \$18.60 million in 2000. Net interest income is affected by variations in interest rates and the volume and mix of earning assets and interest-bearing liabilities. The net interest yield increased to 4.57% in 2002 from 4.28% in 2001, which was down from 4.30% in 2000.

Tax equivalent interest income decreased \$1.10 million, or 3%, in 2002. Average earning assets grew \$37.05 million, or 8%. Total average loans increased \$30.13 million, or 9%, while average investment securities increased \$5.26 million, or 4%. The yield on earning assets decreased in 2002 by seventy-seven basis points primarily due to declining interest rates.

Interest expense decreased \$4.20 million or 26%, in 2002 while interest bearing liabilities increased 6% in 2002. The cost of funding liabilities decreased one hundred twenty-seven basis points. The market experienced one rate reduction by the Federal Reserve in 2002. The asset pricing did not experience as large of a reduction in rates as did the liability pricing.

PROVISION/ALLOWANCE FOR LOAN LOSSES

Provision for loan losses is a charge against earnings necessary to maintain the allowance for loan losses at a level consistent with management's evaluation of the loan portfolio. The provision increased to \$1.70 million in 2002 and was \$1.20 million in 2001 and \$625 thousand in 2000. The increase was due to an increase in the net charge offs from 2002 as detailed in the next paragraph.

Loans charged off during 2002 totaled \$1.41 million compared to \$1.46 million in 2001 and \$752 thousand in 2000. Recoveries amounted to \$383 thousand in 2002, \$504 thousand in 2001 and \$665 thousand in 2000.

PROVISION/ALLOWANCE FOR LOAN LOSSES (cont)

The Company's net loans charged off to year-end loans were 0.27% in 2002, 0.28% in 2001, and 0.03% in 2000. The allowance for loan losses, as a percentage of year-end loans, was 1.21% in 2002, 1.12% in 2001, and 1.14% in 2000.

As of December 31, 2002, nonperforming assets were \$1.14 million, down from \$1.35 million at year-end 2001. Nonperforming assets consist of loans in nonaccrual status and other real estate. The 2002 total consisted of other real estate of \$830 thousand and \$314 thousand in nonaccrual loans. The other real estate consists of \$165 thousand in commercial property originally acquired as a potential branch site and now held for sale and \$665 thousand in foreclosed properties. Nonaccrual loans consisted of \$53 thousand in real estate loans and \$261 thousand in commercial loans. Loans still accruing interest but past due 90 days or more increased to \$608 thousand as of December 31, 2002 compared to \$450 thousand as of December 31, 2001.

The allowance for loan losses is analyzed for adequacy on a quarterly basis to determine the required amount of provision for loan losses. A loan-by-loan review is conducted on all significant classified commercial and mortgage loans. Inherent losses on these individual loans are determined and an allocation of the allowance is provided. Smaller nonclassified commercial and mortgage loans and all consumer loans are grouped by homogeneous pools with an allocation assigned to each pool based on an analysis of historical loss and delinquency experience, trends, economic conditions, underwriting standards, and other factors.

OTHER INCOME

Other income increased \$600 thousand, or 9% in 2002 from 2001 compared to an increase of \$857 thousand, or 15% in 2001 from 2000. The growth in other income is attributed to higher mortgage brokerage income and Bank Owned Life Insurance income. In 2002 there was an increase in mortgage brokerage income of \$158 thousand over 2001 due to increases in the volume of mortgages originated and sold. In 2002, the Company purchased Bank Owned Life Insurance (BOLI) on certain officers and generated \$332 thousand in revenue.

OTHER EXPENSES

Other expenses increased \$1.44 million or 9% in 2002 over 2001 after increasing 8% in 2001 from 2000. Salary expense increased by 10% as a result of normal yearly salary increases and the addition of several new management positions within the Company. Other operating expenses increased \$390 thousand or 10%. Foreclosed property expense increased \$93 thousand over 2001. Repossessed asset expense increased \$99 thousand over 2001. Data processing expenses increased \$59 thousand over 2001 due to continued technological advances.

ASSETS

At December 31, 2002, the Company had total assets of \$576.6 million, up 11% from \$518.8 million at December 31, 2001. Average assets in 2002 were \$543.2 million compared to \$502.0 million in 2001. The growth in assets in 2002 was due to the increase in investments, which were up 15% and federal funds sold, which were up 74% in 2002.

LOANS

Total loans as of December 31, 2002 were \$378.0 million, up 9% from \$346.5 million at December 31, 2001. The Company realized significant growth in the real estate category of loans. Footnote 3 of the financial statements details the loan volume by category for the past two years.

INVESTMENT SECURITIES

At December 31, 2002 total investment securities were \$156.0 million, up 15% from \$136.0 million on December 31, 2001. The goal of the Company is to provide maximum return on the investment portfolio within the framework of its asset/liability objectives. These objectives include managing interest sensitivity, liquidity and pledging requirements.

DEPOSITS

At December 31, 2002, total deposits amounted to \$454.1 million, up 10% from \$412.3 million on December 31, 2001. Non-interest bearing deposits increased \$10.6 million, or 13%, at year-end 2002 over 2001. Savings deposits increased \$18.2 million, or 13%, in 2002 over 2001. Certificates of Deposit increased \$12.9 million or 7% in 2002 over 2001.

STOCKHOLDERS' EQUITY

Total stockholders' equity as of December 31, 2002 was \$58.1 million, up 14% from \$50.9 million on December 31, 2001. The Company is required to maintain minimum amounts of capital under banking regulations. Under the regulations, Total Capital is composed of core capital (Tier

1) and supplemental capital (Tier 2). Tier 1 capital consists of common stockholders' equity less goodwill. Tier 2 capital consists of certain qualifying debt and a qualifying portion of the allowance for loan losses. The following is a summary of the Company's capital ratios for 2002, 2001 and 2000.

	2002 Regulatory Requirements	2002	2001	2000
Tier 1	4.00%	13.91%	13.97%	13.77%
Total Capital	8.00%	15.12%	15.05%	14.85%
Tier 1 Leverage	3.00%	9.79%	9.77%	9.71%

Year-end book value was \$14.76 in 2002 and \$13.06 in 2001. Cash dividends were \$1.8 million, or \$.453 per share in 2002 and \$1.6 million, or \$.413 per share in 2001. The common stock of the Company has not been extensively traded. The table below shows the high and low closing prices for each quarter of 2002 and 2001. The stock is quoted on the Nasdaq Small Cap under the symbol "OPOF" and the prices below are based on trade information. There were 1354

stockholders of the Company as of December 31, 2002. This stockholder count does not include stockholders who hold their stock in a nominee registration. The following is a summary of the dividends paid and market price on Old Point Financial Corporation common stock for 2002 and 2001.

	2002			2001		
	Dividend	Market High	Value Low	Dividend	Market High	Value Low
1st Quarter	\$ 0.106	\$19.88	\$18.07	\$ 0.10	\$15.04	\$11.333
2nd Quarter	\$ 0.107	\$22.73	\$20.00	\$ 0.10	\$15.066	\$13.333
3rd Quarter	\$ 0.12	\$22.87	\$20.80	\$ 0.106	\$17.333	\$14.566
4th Quarter	\$ 0.12	\$24.54	\$21.37	\$ 0.107	\$19.333	\$16.166

LIQUIDITY

Liquidity is the ability of the Company to meet present and future obligations through the acquisition of additional liabilities or sale of existing assets. Management considers the liquidity of the Company to be adequate. Sufficient assets are maintained on a short-term basis to meet the liquidity demands anticipated by Management. In addition, secondary sources are available through the use of borrowed funds if the need should arise.

EFFECTS OF INFLATION

Management believes that the key to achieving satisfactory performance in an inflationary environment is its ability to maintain or improve its net interest margin and to generate additional fee income. The Company's policy of investing in and funding with interest-sensitive assets and liabilities is intended to reduce the risks inherent in a volatile inflationary economy.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements and related footnotes of the company are presented below followed by the financial statements of the parent.

The following are the summarized financial statements of the Company.

Independent Auditors Report
To the Board of Directors
Old Point Financial Corporation
Hampton, Virginia

We have audited the accompanying consolidated balance sheets of Old Point Financial Corporation and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of income, cash flows and changes in stockholder's equity for each of the years in the three-year period ended December 31, 2002. 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.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of Old Point Financial Corporation and subsidiaries as of December 31, 2002 and 2001, and the consolidated results of their operations and cash flows for each of the years in the three-year period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Eggleston Smith P.C.

February 13, 2003
Newport News

CONSOLIDATED BALANCE SHEETS

December 31,	2002	2001
	(Dollars in Thousands)	
ASSETS		
Cash and due from banks.....	\$ 14,437	\$ 14,786
Investments:		
Securities available-for-sale, at market.....	128,488	97,918
Securities to be held-to-maturity		
(Market value \$28,731 in 2002 and \$39,622 in 2001).....	27,516	38,083
Federal funds sold.....	8,710	5,018
Loans, total.....	377,961	346,483
Less - allowance for loan losses.....	4,565	3,894
	-----	-----
Net loans.....	373,396	342,589
Premises and equipment.....	13,280	14,420
Other real estate owned.....	830	1,003
Other assets.....	9,966	4,942
	-----	-----
Total assets.....	\$ 576,623	\$ 518,759
	=====	=====
LIABILITIES		
Non interest-bearing deposits.....	\$ 90,621	\$ 79,978
Savings deposits.....	159,077	140,848
Certificates of Deposit.....	204,354	191,477
	-----	-----
Total deposits.....	454,052	412,303
Federal funds purchased and securities sold under		
repurchase agreements.....	21,283	28,321
Federal Home Loan Bank advances.....	35,000	25,000
Interest bearing demand notes issued to the United		
States Treasury and other liabilities for borrowed money	6,000	369
Other liabilities.....	2,172	1,854
	-----	-----
Total Liabilities.....	518,507	467,847
STOCKHOLDERS' EQUITY		
Common stock, \$5 par value, 10,000,000 shares authorized		
Issued 3,936,720 in 2002 and 2,599,577 in 2001.....	19,684	12,998
Capital surplus.....	11,165	10,455
Retained earnings.....	25,598	27,341
Accumulated other comprehensive income (loss).....	1,669	118
	-----	-----
Total stockholders' equity.....	58,116	50,912
	-----	-----
Total liabilities and stockholders' equity.....	\$ 576,623	\$ 518,759
	=====	=====

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31,	2002	2001	2000
Dollars in Thousands except per share amounts)			
INTEREST INCOME			
Interest and fees on loans.....	\$27,247	\$27,666	\$26,351
Interest on investment securities			
Taxable.....	4,278	4,389	4,383
Exempt from income tax.....	2,337	2,490	2,699
	6,615	6,879	7,082
Interest on trading account securities.....	-	-	-
Interest on federal funds sold.....	250	563	211
	-----	-----	-----
Total interest income.....	34,112	35,108	33,644
INTEREST EXPENSE			
Interest on savings deposits.....	1,590	2,783	3,897
Interest on Certificates of Deposit.....	8,297	10,874	9,914
Interest on federal funds purchased and securities			
sold under repurchase agreements.....	382	887	1,344
Interest on Federal Home Loan Bank advances.....	1,656	1,539	1,425
Interest on demand notes issued to the United			
States Treasury and other liabilities for borrowed money...	31	73	127
	-----	-----	-----
Total interest expense.....	11,956	16,156	16,707
	-----	-----	-----
Net interest income.....	22,156	18,952	16,937
Provision for loan losses.....	1,700	1,200	625
	-----	-----	-----
Net interest income after provision for loan losses.....	20,456	17,752	16,312
OTHER INCOME			
Income from fiduciary activities.....	2,223	2,738	2,460
Service charges on deposit accounts.....	2,880	2,640	2,255
Other service charges, commissions and fees.....	1,083	746	726
Security gains (losses), net.....	14	(1)	44
Income from trading account.....	-	-	-
Other operating income.....	942	419	200
	-----	-----	-----
Total other income.....	7,142	6,542	5,685
OTHER EXPENSE			
Salaries and employee benefits.....	11,077	10,115	9,336
Occupancy expense.....	1,157	1,102	1,054
Equipment expense.....	1,654	1,620	1,492
Other operating expense.....	4,403	4,013	3,775
	-----	-----	-----
Total other expenses.....	18,291	16,850	15,657
	-----	-----	-----
Income before income taxes.....	9,307	7,444	6,340
Income taxes.....	2,256	1,734	1,207
	-----	-----	-----
Net income.....	\$ 7,051	\$ 5,710	\$ 5,133
	=====	=====	=====
Basic Earnings per Share			
Average shares outstanding (in thousands).....	3,914	3,891	3,881
Net income per share of common stock.....	\$ 1.80	\$ 1.47	\$ 1.32
Diluted Earnings per Share			
Average shares outstanding (in thousands).....	3,994	3,918	3,882
Net income per share of common stock.....	\$ 1.77	\$ 1.46	\$ 1.32

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows

Years Ended December 31,	2002	2001	2000
Dollars in Thousands			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income.....	\$ 7,051	\$ 5,710	\$ 5,133
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization.....	1,361	1,431	1,311
Provision for loan losses.....	1,700	1,200	625
(Gains) losses on sale of investment securities, net.....	(14)	1	(44)
Net amortization and accretion of securities.....	75	45	65
Net (increase) decrease in trading account.....	-	-	-
Loss on disposal of equipment.....	94	4	41
(Gains) loss on sale of other real estate owned.....	-	(17)	(396)
(Increase) decrease in other assets (net of tax effect of FASB 115 adjustment).....	(6,011)	42	(785)
Increase (decrease) in other liabilities.....	(48)	(193)	289
Net cash provided by operating activities.....	4,208	8,223	6,239
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investment securities	(78,093)	(50,955)	(3,041)
Proceeds from maturities and calls of securities	59,582	32,099	2,295
Proceeds from sales of available - for - sale securities ..	1,350	6,923	7,285
Proceeds from sales of held - to - maturity securities.....	-	-	-
Loans made to customers.....	(159,417)	(124,190)	(109,388)
Principal payments received on loans.....	126,910	96,661	71,038
Purchases of premises and equipment.....	(833)	(795)	(2,087)
Proceeds from sales of premises and equipment.....	517	-	-
Additions to other real estate owned.....	(1,661)	(713)	-
Proceeds from sales of other real estate owned.....	1,835	477	-
(Increase) decrease in federal funds sold.....	3,691	379	(5,156)
Net cash provided by (used in) investing activities.....	(53,501)	(40,114)	(39,054)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in non-interest bearing deposits.....	10,643	14,922	2,050
Increase (decrease) in savings deposits.....	18,229	13,188	(1,103)
Proceeds from the sale of Certificates of Deposit.....	116,702	67,117	72,263
Payments for maturing Certificates of Deposit.....	(103,825)	(57,703)	(59,347)
Increase (decrease) in federal funds purchased and repurchase agreements.....	(7,038)	1,283	4,197
Increase (decrease) in Federal Home Loan Bank advances.....	10,000	-	18,000
Increase (decrease) in interest bearing demand notes and other borrowed money.....	5,631	(1,720)	(1,229)
Proceeds from issuance of common stock.....	378	154	129
Dividends paid.....	(1,776)	(1,608)	(1,501)
Net cash provided by financing activities.....	48,944	35,633	33,459
Net increase (decrease) in cash and due from banks.....	(349)	3,742	644
Cash and due from banks at beginning of period.....	14,786	11,044	10,400
Cash and due from banks at end of period.....	\$ 14,437	\$ 14,786	\$ 11,044
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash payments for:			
Interest.....	\$ 12,251	\$ 16,406	\$ 16,382
Income taxes.....	2,256	1,775	1,475
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING TRANSACTIONS			
Unrealized gain (loss) on investment securities, net of tax.....	\$ 1,917	\$ 513	\$ 1,922
Additional minimum liability related to pension.....	\$ (366)	\$ (354)	\$ -
Transfer of property from Premises & Equipment to Other Real Estate Owned.....	\$ 515	\$ -	\$ -

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock (Par Value)	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
(Dollars in Thousands)					
YEAR ENDED DECEMBER 31, 2000					
Balance, beginning of year.....	\$ 12,916	\$ 10,186	\$19,675	\$ (1,963)	\$ 40,814
Comprehensive income					
Net income.....	-	-	5,133	-	5,133
(Decrease) increase in unrealized gain on investment securities.....	-	-	-	1,922	1,922
Total comprehensive income.....	-	-	5,133	1,922	7,055
Sale of stock.....	37	102	(10)	-	129
Cash dividends paid.....	-	-	(1,501)	-	(1,501)
Balance, end of year.....	\$ 12,953	\$ 10,288	\$23,297	\$ (41)	\$ 46,497
=====					
YEAR ENDED DECEMBER 31, 2001					
Balance, beginning of year.....	\$ 12,953	\$ 10,288	\$23,297	\$ (41)	\$ 46,497
Comprehensive income					
Net income.....	-	-	5,710	-	5,710
(Decrease) increase in unrealized gain on investment securities.....	-	-	-	513	513
Minimum pension liability adjustment	-	-	-	(354)	(354)
Total comprehensive income.....	-	-	5,710	159	5,869
Sale of stock.....	45	167	(58)	-	154
Cash dividends paid.....	-	-	(1,608)	-	(1,608)
Balance, end of year.....	\$ 12,998	\$ 10,455	\$27,341	\$ 118	\$ 50,912
=====					
YEAR ENDED DECEMBER 31, 2002					
Balance, beginning of year.....	\$ 12,998	\$ 10,455	\$27,341	\$ 118	\$ 50,912
Comprehensive income					
Net income.....	-	-	7,051	-	7,051
(Decrease) increase in unrealized gain on investment securities.....	-	-	-	1,917	1,917
Minimum pension liability adjustment	-	-	-	(366)	(366)
Total comprehensive income.....	-	-	7,051	1,551	8,602
Sale of stock.....	140	710	(472)	-	378
Stock dividend.....	6,546	-	(6,546)	-	-
Cash dividends paid.....	-	-	(1,776)	-	(1,776)
Balance, end of year.....	\$ 19,684	\$ 11,165	\$25,598	\$ 1,669	\$ 58,116
=====					

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1.SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Old Point Financial Corporation and its subsidiaries conform to generally accepted accounting principles and to general practice within the banking industry. The following is a summary of significant accounting and reporting policies:

PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements include the accounts of Old Point Financial Corporation ("the Company") and its subsidiaries The Old Point National Bank of Phoebus ("the Bank") and Old Point Trust & Financial Services N.A. ("Trust"). All significant intercompany balances and transactions have been eliminated in consolidation.

NATURE OF BUSINESS:

Old Point Financial Corporation is a two-bank holding company that conducts substantially all of its operations through its subsidiaries, The Old Point National Bank of Phoebus and Old Point Trust and Financial Services, N.A. The Bank services individual and commercial customers, the majority of which are in Hampton Roads. The Bank has fifteen branch offices. The Bank offers a full range of deposit and loan products to its retail and commercial customers. Substantially all of the Bank's deposits are interest bearing. The majority of the Bank's loan portfolio is secured by real estate. Trust offers a full range of services for individuals and businesses. Products and services include retirement planning, estate planning, financial planning, trust accounts, tax services, and investment management services.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The amounts recorded in the financial statements may be affected by those estimates and assumptions. Actual results may vary from those estimates.

The Company uses estimates primarily in developing its allowance for loan losses, in computing deferred tax assets, in determining the estimated useful lives of premises and equipment, and in the valuation of other real estate owned.

INVESTMENT SECURITIES:

Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115), addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. Those investments are to be classified in three categories and accounted for as follows:

Held-to-maturity - Debt securities for which the Corporation has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity.

Trading - Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading account securities and recorded at their fair values. Unrealized gains and losses on trading account securities are included immediately in income.

Available-for-sale - Debt and equity securities not classified as either held-to-maturity securities or trading account securities are classified as available-for-sale securities and recorded at fair value, with unrealized gains and losses reported as a component of comprehensive income. Gains and losses on the sale of available-for-sale

securities are determined using the specific identification method. Premiums and discounts are recognized in interest income using the interest method over the period to maturity.

INTEREST ON LOANS:

Interest is accrued daily on the outstanding loan balances. Accrual of interest is discontinued on a loan when management believes, after considering collection efforts and other factors, that the borrower's financial condition is such that collection of interest is doubtful.

LOAN ORIGINATION FEES AND COSTS:

Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment of the yield on the related loan.

ALLOWANCE FOR LOAN LOSSES:

The allowance for loan losses is generated by direct charges against income and is available to absorb loan losses. The allowance is based upon management's periodic evaluation of changes in the overall credit worthiness of the loan portfolio, economic conditions in general, and the effect of these conditions upon the financial status of specific borrowers and other factors.

The Bank is subject to regulation by the Office of the Comptroller of the Currency. They may require that the Bank adjust its allowance for loan losses upon request.

OTHER REAL ESTATE OWNED:

Other real estate owned is carried at the lower of cost or estimated fair value and consists of foreclosed real property and other property held for sale. The estimated fair value is reviewed periodically by management and any write-downs are charged against current earnings.

PREMISES AND EQUIPMENT:

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on both straight-line and accelerated methods and are charged to expense over the estimated useful lives of the related assets. Costs of maintenance and repairs are charged to expense as incurred.

INCOME TAXES:

Income taxes are provided based upon income reported in the statements of income (after exclusion of non-taxable income such as interest on state and municipal securities). The income tax effect resulting from timing differences between financial statement pre-tax income and taxable income is deferred to future periods.

PENSION PLAN:

The Company has a non-contributory defined benefit pension plan covering substantially all of its employees. Benefits are based on years of service and average earnings during the highest average sixty-month period during the final one hundred and twenty months of employment.

The Company's policy is to fund the maximum amount of contributions allowed for tax purposes. The Bank accrues an amount equal to its actuarially computed obligation under the plan.

The net periodic pension expense includes a service cost component, interest on the projected benefit obligation, return on plan assets and the effect of deferring and amortizing certain actuarial gains and losses and the unrecognized net transition asset over fifteen years.

TRUST ASSETS AND INCOME:

Assets held by Trust are not included in the financial statements, because such items are not assets of the Company. In accordance with industry practice, trust service income is recognized primarily on the cash basis. Reporting such income on the accrual basis would not materially effect net income.

Advertising Expense

Advertising expenses are expensed as incurred.

RECLASSIFICATIONS:

Certain amounts in the financial statements have been reclassified to conform with classifications adopted in the current year.

NOTE 2, Investment Securities

At December 31, 2002, the investment securities portfolio is composed of securities classified as held-to-maturity and available-for-sale, in conjunction with SFAS 115. Investment securities held-to-maturity are carried at cost, adjusted for amortization of premiums and accretions of discounts, and investment securities available-for-sale are carried at market value.

The amortized cost and fair value of investment securities held-to-maturity at December 31, 2002 and 2001, were:

	Amortized Cost	Unrealized Gains (Dollars in Thousands)	Unrealized Losses	Market Value
December 31, 2002:				
United States Treasury securities....	\$ 354	\$ 8	\$ -	\$ 362
Obligations of other United States Government Agencies.....	\$ 26,047	\$ 1,085	\$ -	\$ 27,132
Obligations of state and political subdivisions.....	1,115	122	-	1,237
	-----	-----	-----	-----
	\$ 27,516	\$ 1,215	\$ -	\$ 28,731
	=====	=====	=====	=====
December 31, 2001:				
United States Treasury securities...	\$ 424	\$ 6	\$ -	\$ 430
Obligations of other United States Government Agencies.....	36,444	1,487	\$ -	37,931
Obligations of state and political subdivisions.....	1,215	46	-	1,261
	-----	-----	-----	-----
	\$ 38,083	\$ 1,539	\$ -	\$ 39,622
	=====	=====	=====	=====

The amortized cost and fair values of investment securities available-for-sale at December 31, 2002 were:

	Amortized Cost	Unrealized Gains (Dollars in Thousands)	Unrealized Losses	Market Value
United States Treasury securities....	\$ 6,015	\$ 77	\$ (3)	\$ 6,089
Obligations of other United States Government agencies.....	67,571	780	-	68,351
Obligations of state and political subdivisions.....	48,170	2,808	(8)	50,970
Money Market investment.....	1,044	-	-	1,044
Federal Home Loan Bank Stock.....	1,750	-	-	1,750
Federal Reserve Bank stock.....	169	-	-	169
Other marketable equity securities...	150	-	(35)	115
	-----	-----	-----	-----
Total.....	\$124,869	\$ 3,665	\$ (46)	\$128,488
	=====	=====	=====	=====

The amortized cost and fair values of investment securities available-for-sale at December 31, 2001 were:

	Amortized Cost	Unrealized Gains (Dollars in Thousands)	Unrealized Losses	Market Value
United States Treasury securities....	\$ 1,027	\$ 62	\$ -	\$ 1,089
Obligations of other United States Government agencies.....	42,118	487	(307)	42,298
Obligations of state and political subdivisions.....	50,827	970	(462)	51,335
Adjustable Rate Mortgage Fund.....	1,312	-	-	1,312
Federal Home Loan Bank Stock.....	1,700	-	-	1,700
Federal Reserve Bank stock.....	169	-	-	169
Other marketable equity securities...	50	-	(35)	15
	-----	-----	-----	-----
Total.....	\$ 97,203	\$ 1,519	\$ (804)	\$ 97,918
	=====	=====	=====	=====

NOTE 2, Investment Securities (Continued)

Investment securities carried at \$55.8 million and \$51.8 million at December 31, 2002 and 2001, respectively, were pledged to secure public deposits and securities sold under agreements to repurchase and for other purposes required or permitted by law.

The amortized cost and approximate market values of investment securities at December 31, 2002 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	December 31, 2002			
	Available-For-Sale		Held-To-Maturity	
	Amortized Cost	Market Value (Dollars in Thousands)	Amortized Cost	Market Value
Due in one year or less.....	\$ 11,403	\$ 11,473	\$ 15,175	\$ 15,426
Due after one year through five years.....	76,024	77,632	11,226	12,068
Due after five years through ten years.....	25,213	26,937	1,115	1,237
Due after ten years.....	9,166	9,418	-	-
	-----	-----	-----	-----
Total debt securities.....	121,806	125,460	27,516	28,731
Other securities without stated maturities.	3,063	3,028	-	-
	-----	-----	-----	-----
Total investment securities	\$124,869	\$128,488	\$ 27,516	\$ 28,731
	=====	=====	=====	=====

The proceeds from the sale and maturities of investment securities, and the related realized gains and losses are shown below:

	2002	2001	2000
(Dollars in Thousands)			
Proceeds from sales and maturities of investments.....	\$ 60,932	\$ 39,022	\$ 9,580
	=====	=====	=====
Realized gains.....	\$ 14	\$ 102	\$ 44
Realized losses.....	-	103	-
	-----	-----	-----
Net gains (losses).....	\$ 14	\$ (1)	\$ 44
	=====	=====	=====

NOTE 3, Loans

At December 31, loans before allowance for loan losses consisted of:

	2002	2001
	(Dollars in Thousands)	
Commercial and other.....	\$ 52,183	\$ 51,608
Real estate - construction.....	29,822	27,056
Real estate - mortgage.....	204,946	177,237
Installment loans to individuals...	88,044	87,625
Tax exempt loans.....	2,966	2,957
	-----	-----
Total.....	\$377,961	\$346,483
	=====	=====

Information concerning loans which are contractually past due or in non-accrual status is as follows:

	2002	2001
	(Dollars in Thousands)	
Contractually past due loans - past due 90 days or more and still accruing interest.....	\$ 608	\$ 450
	=====	=====
Loans which are in non-accrual status.....	\$ 314	\$ 351
	=====	=====

The Bank has had, and may be expected to have in the future, banking transactions in the ordinary course of business with directors, executive officers, their immediate families, and companies in which they are principal owners (commonly referred to as related parties), on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others. The aggregate direct and indirect loans of these persons totaled \$2.3 million and \$1.8 million at December 31, 2002 and 2001, respectively. These totals do not include loans made in the ordinary course of business to other companies where a director or executive officer of the Bank was also a director or officer of such company but not a principal owner. None of the directors or executive officers had direct or indirect loans exceeding 10% of stockholders' equity at December 31, 2002.

	2002	2001
	----	----
	(Dollars in thousands)	
Balance, beginning of year.....	\$ 1,803	\$ 2,989
Additions.....	1,057	5
Reductions.....	(558)	(1,191)
	-----	-----
Balance, end of year.....	\$ 2,302	\$ 1,803
	=====	=====

The bank does not account for any of its loans under the provisions of Statement of Financial Accounting Standards No. 114 or 118 related to impaired loans.

NOTE 4, Allowance for Loan Losses

Changes in the allowance for loan losses are as follows:

	2002	2001	2000
	(Dollars in Thousands)		
Balance, beginning of year...	\$ 3,894	\$ 3,649	\$ 3,111
Recoveries.....	383	504	665
Provision for loan losses....	1,700	1,200	625
Loans charged off.....	(1,412)	(1,459)	(752)
	-----	-----	-----
Balance, end of year.....	\$ 4,565	\$ 3,894	\$ 3,649
	=====	=====	=====

NOTE 5, Premises and Equipment

At December 31, premises and equipment consisted of:

	2002	2001
	(Dollars in Thousands)	
Land.....	\$ 3,432	\$ 3,496
Buildings.....	10,992	11,335
Leasehold improvements.....	951	901
Furniture, fixtures and equipment.....	9,781	9,919
	-----	-----
Total cost.....	25,156	25,651
Less accumulated.....		
depreciation and amortization....	11,876	11,231
	-----	-----
Net book value.....	\$13,280	\$14,420
	=====	=====

NOTE 6, Other Real Estate Owned

Other real estate consisted of the following at December 31:

	2002	2001
	(Dollars in Thousands)	
Foreclosed real estate.....	\$ 665	\$ 713
Property held for sale.....	165	290
	-----	-----
Total.....	\$ 830	\$ 1,003
	=====	=====

NOTE 7. Deposits

The aggregate amount of certificates of deposits in denominations of \$100,000 or more at December 31, 2002 and 2001 was \$53,445,000 and \$45,804,000, respectively.

At December 31, 2002, the scheduled maturities of certificates of deposits are as follows:

Year	(Dollars in Thousands)
2003	\$111,758
2004	62,539
2005	15,418
2006	3,401
Thereafter	11,238

	\$204,354
	=====

NOTE 8, Indebtedness

The Bank's short-term borrowings include federal funds purchased, securities sold under repurchase agreements (including \$1.1 million and \$1.7 million to directors in 2002 and 2001, respectively) and United States Treasury Demand Notes. The federal funds purchased and securities sold under repurchase agreements are held under various maturities and interest rates. The United States Treasury Demand Notes are subject to call by the United States Treasury with interest paid monthly at the rate of 25 basis points (1/4%) below the federal funds rate.

NOTE 9, Stock Option Plan

The Company has stock option plans which reserve 312,740 shares of common stock for grants to key employees. The exercise price of each option equals the market price of the Company's common stock on the date of the grant and an option's maximum term is ten years. A summary of the exercisable incentive stock options is presented below:

	Outstanding Beginning of Year	Granted During the Year	Exercised During the Year	Expired During the Year	Outstanding At End of Year
2000					

Shares.....	206,961	85,500	(3,330)	(16,305)	272,826
Weighted average exercisable price	\$ 19.73	\$ 12.27	\$ 12.50	\$ 24.19	\$ 17.21
2001					

Shares.....	272,826	102,366	(7,920)	(3,750)	363,522
Weighted average exercisable price	\$ 17.21	\$ 16.13	\$ 12.34	\$ 16.13	\$ 17.03
2002					

Shares.....	363,522	-	(47,782)	(3,000)	312,740
Weighted average exercisable price	\$ 17.03	\$ -	\$ 12.96	\$ 14.20	\$ 17.68

At December 31, 2002, exercise prices on outstanding options ranged from \$12.08 to \$27.91 per share and the weighted average remaining contractual life was 6 years.

NOTE 9, Stock Option Plan (Continued)

The Company accounts for its stock option plans in accordance with APB Opinion No. 25, Accounting for Stock Issued to Employees, which does not allocate costs to stock options granted at current market values. The Company could, as an alternative, allocate costs to stock options using option pricing models, as provided in Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation. Because of the limited number of options granted and the limited amount of trading activity in the Company's stock, management believes that stock options are best accounted for in accordance with APB Opinion No. 25. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

	Year Ended December 31		
	2002	2001	2000
Net income, as reported.....	\$ 7,051	\$ 5,710	\$ 5,133
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects.....	(272)	(200)	(21)
Pro-forma net income.....	\$ 6,779	\$ 5,510	\$ 5,112
Earnings per share:			
Basic - as reported.....	\$ 1.80	\$ 1.47	\$ 1.32
	=====	=====	=====
Basic - pro forma.....	\$ 1.73	\$ 1.41	\$ 1.32
	=====	=====	=====
Diluted - as reported.....	\$ 1.77	\$ 1.46	\$ 1.32
	=====	=====	=====
Diluted - pro forma.....	\$ 1.70	\$ 1.41	\$ 1.32
	=====	=====	=====

Pro-forma amounts were computed using a 6% risk free interest rate over a 10 year term using an annual dividend rate of between 2.26% and 3.15% and a .01% volatility rate.

The pro-forma effect of the potential exercise of stock options on basic earnings per share would be to increase the number of weighted average number of outstanding shares by approximately 79,000 in 2002, 18,000 in 2001 and 1,000 in 2000.

In 2001, the Company had an Employee Stock Purchase Plan which reserved 44,970 shares of common stock for eligible employees. The purchase price was 95% of the lesser of (1) the common stock's fair market value at July 1 or (2) the common stock's fair market value at the following June 30. During 2001, 9,037 shares of common stock were purchased by employees.

NOTE 10, Income Taxes

The components of income tax expense are as follows:

	2002	2001	2000
	(Dollars in Thousands)		
Currently payable.....	\$ 2,515	\$ 1,776	\$ 1,302
Deferred.....	(259)	(42)	(95)
	-----	-----	-----
Reported tax expense.....	\$ 2,256	\$ 1,734	\$ 1,207
	=====	=====	=====

The items that caused timing differences affecting deferred income taxes are as follows:

	2002	2001	2000
	(Dollars in Thousands)		
Provision for loan losses.....	\$ (278)	\$ (108)	\$ (177)
Pension plan expenses.....	(21)	(5)	37
Deferred loan fees, net.....	12	10	7
Security gains and losses.....	5	(32)	15
Interest on certain non-accrual loans	3	57	16
Depreciation.....	23	36	70
Foreclosed assets.....	(3)	-	(64)
Other.....	-	-	1
	-----	-----	-----
Total	\$ (259)	\$ (42)	\$ (95)
	=====	=====	=====

A reconciliation of the "expected" Federal income tax expense on income before income taxes with the reported income tax expense follows:

	2001	2000	1999
	(Dollars	in	Thousands)
Expected tax expense (34%).....	\$ 3,165	\$ 2,531	\$ 2,156
Interest expense on tax exempt assets	76	118	143
Tax exempt interest.....	(840)	(912)	(1,097)
Disqualified incentive stock options.	(40)	-	-
Officer life.....	(114)	(7)	-
Other, net.....	9	4	5
	-----	-----	-----
Reported tax expense.....	\$ 2,256	\$ 1,734	\$ 1,207
	=====	=====	=====

NOTE 10, Income Taxes (Continued)

The components of the net deferred tax asset included in other assets are as follows at December 31:

	2002	2001
	(Dollars in Thousands)	
Components of Deferred Tax Liability:		
Depreciation.....	\$ (331)	\$ (310)
Accretion of discounts on securities..	(24)	(19)
Net unrealized (gain) on available-for-sale securities.....	(1,231)	(243)
Deferred loan fees and costs.....	(153)	(142)
Pension.....	(85)	(105)
	-----	-----
Deferred tax liability.....	(1,824)	(819)
Components of Deferred Tax Asset:		
Allowance for loan losses.....	1,379	1,102
Net unrealized loss on available-for-sale securities.....	-	-
Interest on non-accrual loans.....	50	53
Deferred compensation.....	-	-
Foreclosed assets.....	67	64
Capital loss carry forward.....	42	42
Trust organizational cost.....	13	13
	-----	-----
Deferred tax asset(liability), net..	\$ (273)	\$ 455
	=====	=====

NOTE 11, Lease Commitments

The Bank has noncancellable leases on premises and equipment expiring at various dates, including extensions to the year 2011. Certain leases provide for increased annual payments based on increases in real estate taxes and the Consumer Price Index.

The total approximate minimum rental commitment at December 31, 2002, under noncancellable leases is \$1.8 million which is due as follows:

	Year (Dollars in Thousands)	
2003	\$	296
2004		297
2005		248
2006		250
2007		252
Remaining term of leases		440

Total	\$	1,783
		=====

The aggregate rental expense of premises and equipment was \$296 thousand, \$287 thousand and \$220 thousand for 2002, 2001 and 2000 respectively.

NOTE 12, Pension Plan

The following tables set forth the Pension Plan's changes in benefit obligation, plan assets, funded status, assumptions and the components of net periodic benefit cost recognized in the Bank's financial statements at December 31:

	Pension Benefits	
	2002	2001

	(Dollars in Thousands)	
Change in benefit obligation		
Benefit obligation at beginning of year.....	\$ 3,737	\$ 3,230
Service cost.....	258	214
Interest cost.....	260	240
Actuarial change.....	-	224
Benefits paid.....	(306)	(171)
	-----	-----
Benefit obligation at end of year.....	\$ 3,949	\$ 3,737
	=====	=====
Change in plan assets		
Fair value of plan assets at beginning of year..	\$ 2,542	\$ 2,559
Actual return on plan assets.....	(125)	(133)
Employer contribution.....	355	287
Benefits paid	(306)	(171)
	-----	-----
Fair value of plan assets at end of year.....	\$ 2,466	\$ 2,542
	=====	=====
Funded Status.....	\$ (1,483)	\$ (1,195)
Unrecognized prior service cost.....	9	15
Unrecognized actuarial gains (loss).....	1,723	1,490
	-----	-----
Prepaid (accrued) benefit cost.....	\$ 249	\$ 310
	=====	=====
Amounts recognized in the statement of financial position consist of:		
Prepaid benefit cost.....	\$ 249	\$ 310
Accrued benefit liability.....	(736)	(376)
Intangible asset.....	16	22
Accumulated other comprehensive income.....	720	354
	-----	-----
	\$ 249	\$ 310
	=====	=====

Weighted-average assumptions as of December 31:

	2002	2001
	-----	-----
Discount rate.....	7.00%	7.50%
Expected return on plan assets.....	8.00%	8.00%
Rate of compensation increase.....	4.50%	4.50%

	2002	2001	2000
	-----	-----	-----
Components of net periodic benefit cost			
Service Cost.....	\$ 258	\$ 214	\$ 173
Interest cost.....	260	240	215
Expected return on plan assets.....	(201)	(203)	(216)
Amortization of prior service cost.....	7	7	7
Amortization of transition obligation.....	-	(12)	(13)
Amortization of unrecognized loss.....	92	55	-
	-----	-----	-----
Net periodic benefit cost.....	\$ 416	\$ 301	\$ 166
	=====	=====	=====

NOTE 13, Profit Sharing

The Bank has a defined contribution profit sharing and thrift plan covering substantially all of its employees. The Bank may make profit sharing contributions to the plan as determined by the Board of Directors. In addition, the Bank matches thrift contributions by employees fifty cents for each dollar contributed. Expenses related to the plan totaled \$392 thousand, \$350 thousand and \$299 thousand in 2002, 2001 and 2000 respectively.

NOTE 14, Commitments and Contingencies

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities. These commitments and contingencies represent off-balance sheet risk for the Bank. To meet the financing needs of its customers, the Bank makes lending commitments under commercial lines of credit, home equity loans and construction and development loans. The Bank also incurs contingent liabilities related to irrevocable letters of credit.

Off- balance sheet items at December 31 are as follows:

	2002	2001
	-----	-----
	(Dollars in Thousands)	
Commitments to extend credit:		
Home equity lines of credit.....	\$14,321	\$11,931
Construction and development loans committed but not funded..	25,894	18,101
Other lines of credit (principally commercial).....	27,987	28,196
	-----	-----
Total	\$68,202	\$58,228
	=====	=====
Irrevocable letters of credit.....	\$ 1,031	\$ 2,539

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. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank, upon extensions of credit is based on management's credit evaluation of the customer. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties.

Standby letters of credit and financial guarantees written are conditional commitments issued by the bank to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing agreements. Most guarantees extend for less than two years and expire in decreasing amounts through 2004. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. The Bank holds various collateral supporting those commitments for which collateral is deemed necessary.

NOTE 15, Fair Value of Financial Instruments

The estimated fair value of the Bank's financial instruments at December 31 are as follows:

	2002		2001	
	Carrying Amount (Dollars in Thousands)	Fair Value	Carrying Amount (Dollars in Thousands)	Fair Value
Cash and due from banks.....	\$ 14,437	\$ 14,437	\$ 14,786	\$ 14,786
Investment securities, held-to-maturity...	27,516	28,730	38,083	39,622
Investment securities, available-for-sale.	128,488	128,488	97,918	97,918
Federal funds sold.....	8,710	8,710	5,018	5,018
Loans, net of allowances for loan losses..	373,396	375,813	342,589	348,683
Deposits:				
Non-interest bearing deposits.....	90,621	90,621	79,978	79,978
Savings deposits.....	159,077	159,077	140,848	140,848
Certificates of Deposit.....	204,354	207,015	191,477	195,302
Securities sold under repurchase agreement and federal funds purchased....	21,283	21,283	28,321	28,321
Federal Home Loan Bank Advances.....	35,000	39,193	25,000	29,147
Interest bearing U.S. Treasury demand notes and other liabilities for borrowed money.....	6,000	6,000	369	369
Commitments to extend credit.....	68,202	68,202	58,228	58,228
Irrevocable letters of credit.....	1,031	1,031	2,539	2,539

The above presentation of fair values is required by the Statement of Financial Accounting Standards No. 107 "Disclosures about Market Values of Financial Instruments". The fair values shown do not necessarily represent the amounts which would be received on sale or other disposition of the instrument.

The carrying amounts of cash and due from banks, federal funds sold, demand and savings deposits and securities sold under repurchase agreements represent items which do not present significant market risks, are payable on demand or are of such short duration that the market value approximates carrying value.

Investment securities are valued at the quoted market price for individual securities held.

The fair value of loans is estimated by discounting future cash flows using current rates at which similar loans would be made to borrowers.

Certificates of deposit are presented at estimated fair value using rates currently offered for deposits of similar remaining maturities.

Federal Home Loan Bank advances are presented at estimated fair value using rates currently offered for advances of similar remaining maturities.

NOTE 16, Regulatory Matters

The Company is required to maintain minimum amounts of capital to "risk weighted" assets, as defined by the banking regulators. At December 31, 2002, the Company is required to have minimum Tier 1 and Total capital ratios of 4.00% and 8.00% respectively. The Company's actual ratios at that date were 13.91% and 15.12%. The Company's leverage ratio at December 31, 2002 was 9.79%.

The approval of the Comptroller of the Currency is required if the total of all dividends declared by a national bank in any calendar year exceeds the bank's net profits for that year combined with its retained net profits for the preceding two calendar years. Under this formula, the banking subsidiary can distribute as dividends to the Company in 2003, without approval of the Comptroller of the Currency, \$8.8 million plus an additional amount equal to the Bank's retained net profits for 2002 up to the date of any dividend declaration.

OLD POINT FINANCIAL CORPORATION
PARENT ONLY
BALANCE SHEETS

As of December 31, Dollars in thousands	2002	2001

ASSETS		
Cash in bank	\$ 248	\$ 276
Investment securities	2,215	1,215
Total Loans	-	-
Investment in subsidiary	55,637	49,408
Other real estate owned	-	-
Other assets	16	13
	-----	-----
TOTAL ASSETS	\$58,116	\$50,912
	=====	=====
LIABILITIES AND STOCKHOLDERS EQUITY		
Notes payable - bank	\$ -	\$ -
Other liabilities	-	-
Total liabilities	-	-
Stockholders' equity	58,116	50,912
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$58,116	\$50,912
	=====	=====

OLD POINT FINANCIAL CORPORATION
PARENT ONLY
INCOME STATEMENTS

For the year ended December 31, Dollars in thousands	2002	2001	2000

INCOME			
Cash dividends from subsidiary	\$1,850	\$1,700	\$1,650
Interest and Fees on Loans	-	-	-
Interest income from investment securities	98	113	123
Securities gains (losses)	-	-	-
Other income	144	144	144
	-----	-----	-----
TOTAL INCOME	2,092	1,957	1,917
EXPENSES			
Interest on borrowed money	-	-	-
Other expenses	397	373	400
	-----	-----	-----
TOTAL EXPENSES	397	373	400
Income before taxes and undistributed net income of subsidiary	1,695	1,584	1,517
Income tax	(77)	(66)	(74)
	-----	-----	-----
Net income before undistributed net income of subsidiary	1,772	1,650	1,591
Undistributed net income of subsidia	5,279	4,060	3,542
	-----	-----	-----
NET INCOME	\$7,051	\$ 5,710	\$5,133

OLD POINT FINANCIAL CORPORATION
PARENT ONLY
STATEMENT OF CASH FLOWS

For the year ending December 31, Dollars in thousands	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (Loss)	\$ 7,051	\$ 5,710	\$ 5,133
Adjustments to Reconcile Net Income to Net Cash Provided by operating activities:			
Equity in undistributed (earnings) losses of subsidiaries	(5,279)	(4,060)	(3,543)
(Gain) or Loss on sales of assets	-	-	-
Increase (decrease) in other assets	(2)	-	12
Increase (decrease) in other liabilities	-	-	-
	-----	-----	-----
Net cash provided (used) by operating activities	1,770	1,650	1,602
CASH FLOWS FROM INVESTING ACTIVITIES			
Maturity/call of investment securities	1,100	90	100
Sales of available-for-sale securities	(2,100)	-	-
Payments for investments in and advances to subsidiaries	600	(235)	(165)
Sale or repayment of investments in and advances to subsidiaries	-	-	-
(Purchase)/Sale of Premises and Equipment	-	-	-
Loans to customers	-	-	-
	-----	-----	-----
Net cash provided (used) by investing activities	(400)	(145)	(65)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in borrowed money	-	-	-
Proceeds from issuance of common stock	378	154	129
Dividends paid	(1,776)	(1,608)	(1,501)
Other, net	-	-	-
	-----	-----	-----
Net cash provided (used) by financing activities	(1,398)	(1,454)	(1,372)
Net increase in cash and due from banks	(28)	51	165
Cash and due from banks at beginning of period	276	225	60
	-----	-----	-----
Cash and due from banks at end of period	\$ 248	\$ 276	\$ 225

Accounting Rule Changes

None.

Regulatory Requirements and Restrictions

For the reserve maintenance period in effect at December 31, 2002, 2001 and 2000 the bank was required to maintain with the Federal Reserve Bank of Richmond an average daily balance totaling approximately \$2.3 million, \$581 thousand and \$350 thousand respectively.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The twelve persons named below, all of whom currently serve as directors of the Company, will be nominated to serve as directors until the 2004 Annual Meeting, or until their successors have been duly elected and have qualified.

Name (Age)	Director Since (1)	Principal Occupation For Past Five Years	Amount and Nature of Beneficial Ownership as of March 14, 2003 (Percent of Class)(2)(3)	
Dr. Richard F. Clark (70)	1981	Pathologist (retired) Sentara Hampton General Hospital	110,116 (2.5%)	(4)
Russell Smith Evans Jr. (60)	1993	Assistant Treasurer and Corporate Fleet Manager Ferguson Enterprises	8,475 *	(4)
G. Royden Goodson, III (47)	1994	President Warwick Plumbing & Heating Corp.	15,397 *	(4)
Dr. Arthur D. Greene (58)	1994	Surgeon - Partner Tidewater Orthopaedic Associates	9,520 *	(4)
Gerald E. Hansen (61)	2000	President Chesapeake Insurance Services, Inc.	11,066 *	
Stephen D. Harris (61)	1988	Attorney-at-Law - Partner Geddy, Harris, Franck & Hickman, L.L.P.	19,332 *	(4)
John Cabot Ishon (56)	1989	President Hampton Stationery	29,689 *	(4)
Eugene M. Jordan (79)	1964	Attorney-at-Law (retired)	31,500 *	(4)
John B. Morgan, II (56)	1994	President Morgan Marrow Insurance	9,865 *	(4)
Louis G. Morris (48)	2000	President & CEO Old Point National Bank	48,966 (1.2%)	(4)
Dr. H. Robert Schappert (64)	1996	Veterinarian - Owner Beechmont Veterinary Hospital	139,110 (3.5%)	(4)
Robert F. Shuford (65)	1965	Chairman of the Board, President & CEO Old Point Financial Corporation Chairman of the Board Old Point National Bank	535,484 (13.4%)	(4)(5)

*Represents less than 1.0% of the total outstanding shares.

(1) Refers to the year in which the individual first became a director of the Bank. Dr. Richard F. Clark, Eugene M. Jordan, and Robert F. Shuford became directors of the Company upon consummation of the Bank's reorganization on October 1, 1984. All present directors of the Company are directors of the Bank. Dr. Richard F. Clark, Dr. Arthur D. Greene, Mr. John C. Ishon and Mr. Robert F. Shuford are directors of the Trust Company.

(2) For purposes of this table, beneficial ownership has been determined in accordance with the provisions of Rule 13d-3 of the Securities Exchange Act of 1934 under which, in general, a person is deemed to be the beneficial owner of a security if he or she has or shares the power to vote or direct the voting of the security or the power to dispose of or direct the disposition of the security, or if he or she has the right to acquire beneficial ownership of the security within sixty days.

(3) Includes shares held (i) by their close relatives or held jointly with their spouses, (ii) as custodian or trustee for the benefit of their children or others, or (iii) as attorney-in-fact subject to a general power of attorney - Dr. Clark, 300 shares; Mr. Evans, 975 shares; Mr. Goodson, 4,362 shares; Mrs. Grabow, 2 shares; Dr. Greene, 2,952 shares; Mr. Hansen, 1,144 shares; Mr. Harris, 638 shares, Mr. Ishon, 5,239 shares; Mr. Jordan, 6,000 shares; Mr. Morgan, 4,765 shares; Dr. Schappert, 119,715 shares; and Mr. Shuford, 113,385 shares.

(4) Includes shares that may be acquired within 60 days pursuant to the exercise of stock options granted under the 1989 and 1998 Old Point Stock Option Plans - Dr. Clark 4,500, Mr. Evans 4,500, Mr. Goodson 4,500, Dr. Greene 4,500, Mr. Hansen 3,000, Mr. Harris 4,500, Mr. Ishon 4,500, Mr. Jordan 4,500, Mr. Morgan 4,500, Mr. Morris 26,031, Dr. Schappert 4,500, and Mr. Shuford 39,941.

(5) Mr. Shuford is one of three directors of the VuBay Foundation, a charitable foundation organized under 501(c)(3) of the Internal Revenue Code of 1986, as amended. A majority of the Directors have the power to vote shares of Company common stock owned by the foundation. The foundation owned 290,376 shares of stock as of March 14, 2003. Mr. Shuford disclaims any beneficial ownership of these shares.

There are two family relationships among the directors and executive officers. Mr. Jordan is the father-in-law of Mr. Ishon. Mr. Shuford and Dr. Schappert are married to sisters. None of the directors serve as a director of any other company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

The Company believes that its officers, directors and 10% beneficial owners during 2002 complied with all filing requirements under Section 16(a), with the exception of one late filing of Form 4 on behalf of Mr. Eugene M. Jordan, Sr. and two late filings of Form 4 on behalf of Mr. G. Royden Goodson, III.

In addition to the executive officers included in the preceding list of directors, the persons listed below are executive officers of the Company.

Name and (Age)	Principal Occupation with the Registrant
Cary B. Epes (54)	Senior Vice President/Credit Mr. Epes also serves as Executive Vice President and Chief Credit Officer for Old Point National Bank.
Margaret P. Causby (52)	Senior Vice President/Administration Ms. Causby also serves as Executive Vice President and Chief Administrative Officer for Old Point National Bank.
Frank E. Continetti (43) *resigned effective October 4, 2002	Executive Vice President/Trust Mr. Continetti also serves as President and Chief Executive Officer for Old Point Trust & Financial Services, N.A.
Laurie D. Grabow (45)	Senior Vice President/Finance Ms. Grabow also serves as Senior Vice President and Chief Financial Officer for Old Point National Bank.

Each of these executive officers owns less than 1% of the stock of the Company.

Item 11. Executive Compensation

Cash Compensation

The following table presents a three-year summary of all compensation paid or accrued by the Company and the Bank to the Company's Chief Executive Officer and each executive officer whose salary and bonus for 2002 exceeded \$100,000. The table also presents the number and percentages of shares of the Company's common stock held by these executive officers, who are all executive officers of the Company.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Amount of Nature of Beneficial Ownership as of March 14, 2003 (Percent of Class) (4) (5) (6)
		Salary (1)	Bonus (2)	All Other Compensation (3)	
Robert F. Shuford, Chairman, President & CEO (Company)	2002	\$175,766	\$40,000	\$15,646	535,484
	2001	\$158,600	\$33,000	\$16,006	(13.4%)
	2000	\$156,800	\$27,000	\$15,519	
Louis G. Morris President & CEO (Bank)	2002	\$147,266	\$34,000	\$12,329	48,966
	2001	\$130,600	\$27,500	\$10,729	(1.2%)
	2000	\$129,800	\$22,500	\$10,241	
Cary B. Epes EVP/CCO (Bank)	2002	\$115,333	\$27,680	\$10,059	27,274
	2001	\$107,000	\$23,540	\$ 9,329	*
	2000	\$107,000	\$19,260	\$ 8,948	
Margaret P. Causby EVP/CAO (Bank)	2002	\$114,333	\$27,440	\$10,025	25,936
	2001	\$106,000	\$23,320	\$ 9,532	*
	2000	\$106,000	\$19,080	\$ 8,863	
Frank E. Continetti President & CEO OPT&FS, NA	2002	\$ 87,650	\$ 0	\$ 2,759	494
	2001	\$103,333	\$11,160	\$ 9,112	*
	2000	\$102,000	\$15,000	\$ 8,511	
*Resigned effective 10/4/02					

(1) Salary includes directors' fees as follows: Mr. Shuford - 2002, \$9,100, 2001, \$8,600 and 2000, \$6,800. Mr. Morris - 2002, \$5,600, 2001, \$5,600 and 2000, \$4,800.

Mr. Continetti - 2002, \$2,750, 2001, \$3,500 and 2000, \$2,000.

(2) Bonus consideration for Mr. Shuford is paid in the year following the year in which the bonus is earned so that the Compensation Committee can evaluate year-end results. Bonus consideration for Mr. Morris, Mr. Epes, Mrs. Causby and Mr. Continetti is paid in the year in which it is earned.

(3) The amount of compensation in the form of perquisites or other personal benefits properly categorized in this column according to the disclosure rules adopted by the Securities and Exchange Commission did not exceed the lesser of either \$50,000 or 10% of the total annual salary and bonus reported in each of the three years reported for Mr. Shuford, Mr. Morris, Mr. Epes, Mrs. Causby and Mr. Continetti, respectively.

(4) Mr. Shuford has received other compensation as follows:

	2002	2001	2000
	-----	-----	-----
Deferred Profit Sharing	\$ 4,578	\$ 4,119	\$ 3,896
Cash Profit Sharing	4,606	3,823	3,559
401(k) Matching Plan	5,000	4,500	4,500
Group Term Insurance	1,462	3,564	3,564
	-----	-----	-----
Total	\$15,646	\$16,006	\$15,519

Mr. Morris has received other compensation as follows:

	2002	2001	2000
	-----	-----	-----
Deferred Profit Sharing	\$ 3,891	\$ 3,433	\$ 3,247
Cash Profit Sharing	3,915	3,186	2,966
401(k) Matching Plan	4,250	3,750	3,750
Group Term Insurance	273	360	278
	-----	-----	-----
Total	\$12,329	\$10,729	\$10,241

Mr. Epes has received other compensation as follows:

	2002	2001	2000
	-----	-----	-----
Deferred Profit Sharing	\$ 3,168	\$ 2,939	\$ 2,779
Cash Profit Sharing	3,188	2,727	2,539
401(k) Matching Plan	3,460	3,210	3,210
Group Term Insurance	243	453	420
	-----	-----	-----
Total	\$10,059	\$ 9,329	\$ 8,948

Mrs. Causby has received other compensation as follows:

	2001	2000	1999
	-----	-----	-----
Deferred Profit Sharing	\$ 3,140	\$ 2,911	\$ 2,753
Cash Profit Sharing	3,160	2,701	2,516
401(k) Matching Plan	3,430	3,180	3,180
Group Term Insurance	295	740	414
	-----	-----	-----
Total	\$10,025	\$ 9,532	\$ 8,863

Mr. Continetti has received other compensation as follows:

	2002	2001	2000
	-----	-----	-----
Deferred Profit Sharing	\$ 0	\$ 2,838	\$ 2,598
Cash Profit Sharing	0	2,634	2,373
401(k) Matching Plan	2,547	3,100	3,000
Group Term Insurance	212	540	540
	-----	-----	-----
Total	\$ 2,759	\$ 9,112	\$ 8,511

(5) For purposes of this table, beneficial ownership has been determined in accordance with the provisions of Rule 13d-3 of the Securities Exchange Act of 1934 under which, in general, a person is deemed to be the beneficial owner of a security if he or she has or shares the power to vote or direct the voting of the security or the power to dispose of or direct the disposition of the security, or if he or she has the right to acquire beneficial ownership of the security within 60 days.

(6) Include shares held (1) by their joint relative or held jointly with their spouses, (2) as custodian or trustee for the benefit of their children or others, (3) as attorney-in- fact subject to a general power of attorney-Mr. Shuford, 113,385 shares.

(6) Include shares that may be acquired within 60 days pursuant to the exercise of stock options granted under the 1989 and 1998 Old Point Stock Option Plans-Mr. Shuford 31,941 shares, Mr. Morris 26,031 shares, Mr. Epes 21,345 shares and Mrs. Causby 22,095 shares.

Item 12. Security Ownership of certain Beneficial Owners and Management

Security ownership of certain beneficial owners and management is detailed in Part III, Item 10 of this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions

Some of the Company's directors, executive officers, and members of their immediate families, and corporations, partnerships and other entities of which such persons are officers, directors, partners, trustees, executors or beneficiaries, are customers of the Bank. As of December 31, 2002 borrowing by all policy making officers and directors amounted to \$2.3 million. This represented 4.0% of the total equity capital accounts of the Company as of December 31, 2002. All loans and commitments to lend included in such transactions were made in the ordinary course of business, upon substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than normal risk of collectibility or present other unfavorable features. It is the policy of the Bank to provide loans to officers who are not executive officers and to employees at more favorable rates than those prevailing at the time for comparable transactions with other persons. These loans do not involve more than the normal risk of collectibility or present other unfavorable features.

The law firm of Troutman Sanders Mays & Valentine L.L.P. serves as legal counsel to the Company. Jordan, Ishon & Jordan serve as legal counsel to the Bank and Trust Company until December 31, 2002, at which time the firm dissolved. Director Eugene M. Jordan was a member of the firm. During 2002, the firm received a retainer and fees totaling \$42,781. Morgan Marrow Insurance of which John B. Morgan, II is President, provided insurance for which the Company paid \$69,337 during 2002. Hampton Stationery, of whom John Cabot Ishon is President, Geddy, Harris, Franck & Hickman L.L.P. of which Stephen D. Harris is a partner, and Warwick Plumbing & Heating Corp. of which G. Royden Goodson, III is President provide products and services to the Company.

Item 14. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to the Company required to be included in our reports filed or submitted under the Securities Exchange Act of 1934, as amended.

Changes in Internal Controls

Since the Evaluation Date, there have not been any significant changes in our internal controls or in other factors that could significantly affect such controls.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8

A.1 Financial Statements:

The following audited financial statements are included in Part II, Item 8, of this Annual Report on Form 10-K.

Consolidated Balance Sheets - December 31, 2002 and 2001 Consolidated Statements of Income Years Ended December 31, 2002, 2001 and 2000 Consolidated Statements of Changes in Stockholders' Equity Years Ended December 31, 2002, 2001 and 2000 Consolidated Statements of Cash Flows Years Ended December 31, 2002, 2001 and 2000

Notes to Financial Statements
Auditor's Report

A.2 Financial Statement Schedules:

Schedule	Location
Average Balance Sheets, Net Interest	
Income and Rates	Part I, Item 1
Analysis of Change in Net Interest Income	Part I, Item 1
Interest Sensitivity Analysis	Part I, Item 1
Investment Security Maturities & Yields	Part I, Item 1
Loans	Part I, Item 1
Maturity Schedule of Selected Loans	Part I, Item 1
Nonaccrual, Past Due and Restructured Loans	Part I, Item 1
Analysis of the Allowance for Loan Losses	Part I, Item 1
Allocation of the Allowance for Loan Losses	Part I, Item 1
Deposits	Part I, Item 1
Certificates of Deposit of \$100,000 and more	Part I, Item 1
Return on Average Equity	Part I, Item 1
Short Term Borrowings	Part I, Item 1
Selected Financial Data	Part II, Item 6
Capital Ratios	Part II, Item 7
Dividends Paid and Market Price of	
Common Stock	Part II, Item 7
Investment Securities	Part II, Item 8
Proceeds from sales and maturities of securities	Part II, Item 8
Premises and Equipment	Part II, Item 8
Other Real Estate Owned	Part II, Item 8
Stock Option Plan	Part II, Item 8
Components of Income Tax Expense	Part II, Item 8
Reconciliation of Expected and Reported Income Tax Expense	Part II, Item 8
Lease Commitments	Part II, Item 8
Pension Plan	Part II, Item 8
Commitments and Contingencies	Part II, Item 8
Fair Value of Financial Instruments	Part II, Item 8
Directors and Executive Officer	Part III, Item 10
Executive Compensation	Part III, Item 11

A.3 Exhibits:

3 Articles of Incorporation and Bylaws
4 Not Applicable
9 Not Applicable
10 Not Applicable
11 Not Applicable
12 Not Applicable
13 Not Applicable
18 Not Applicable
19 Not Applicable
21 Subsidiaries of the Registrant
23 Not Applicable
23 Consent of Independent Certified Public Accountants
24 Powers of Attorney
27 Not Applicable
28 Not Applicable
29 Not Applicable
99.1 Certification of Chief Executive Officer
99.2 Certification of Chief Financial Officer

B. Reports on Form 8-K:

A Current Report, Form 8-K was filed on October 9, 2002 regarding the Company's announcement of the election of Eugene M. Jordan, II to the Board of Directors of Old Point Trust & Financial Services, N.A. in advance of his appointment to the position of President and Chief Executive Officer.

A Current Report, Form 8-K was filed on October 9, 2002 regarding the Company's announcement of the declaration of a 50% stock dividend.

A Current Report, Form 8-K was filed on September 30, 2002 regarding the Company's announcement of the resignation of Frank E. Continetti, President and CEO of Old Point Trust & Financial Services, N.A.

INDEX OF EXHIBITS

Exhibit No.

3	Articles of Incorporation and Bylaws (incorporated by reference from our Annual Report on Form 10-K for the year ended 1998 (File No. 000-12896))
4	Not Applicable
9	Not Applicable
10	Not Applicable
11	Not Applicable
12	Not Applicable
13	Not Applicable
18	Not Applicable
19	Not Applicable
21	Subsidiaries of the Registrant
22	Not Applicable
23	Consent of Independent Certified Public Accountants
24	Powers of Attorney
27	Not Applicable
28	Not Applicable
29	Not Applicable
99.1	Certification of Chief Executive Officer
99.2	Certification of Chief Financial Officer

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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 on the 27th day of March, 2003.

OLD POINT FINANCIAL CORPORATION

/s/Robert F. Shuford

Robert F. Shuford, President

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in their capacities on the 27th day of March, 2003.

<i>/s/Robert F. Shuford</i> ----- <i>Robert F. Shuford</i>	<i>President and Director</i> <i>Principal Executive Officer</i>
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<i>/s/Laurie D. Grabow</i> ----- <i>Laurie D. Grabow</i>	<i>Senior Vice President</i> <i>Principal Financial & Accounting Officer</i>
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<i>/s/Richard F. Clark</i> ----- <i>Richard F. Clark</i>	<i>Director</i>
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<i>/s/Russell S. Evans, Jr.</i> ----- <i>Russell S. Evans, Jr.</i>	<i>Director</i>
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<i>/s/G. Royden Goodson, III</i> ----- <i>Royden G. Goodson, III</i>	<i>Director</i>
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<i>/s/Dr. Arthur D. Greene</i> ----- <i>Arthur D. Green</i>	<i>Director</i>
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<i>/s/Gerald E. Hansen</i> ----- <i>Gerald E. Hansen</i>	<i>Director</i>
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<i>/s/Stephen D. Harris</i> ----- <i>Stephen D. Harris</i>	<i>Director</i>
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<i>/s/John Cabot Ishon</i> ----- <i>John Cabot Ishon</i>	<i>Director</i>
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<i>/s/Eugene M. Jordan</i> ----- <i>Eugene M. Jordan</i>	<i>Director</i>
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<i>/s/Louis G. Morris</i> ----- <i>Louis G. Morris</i>	<i>Director</i>
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<i>/s/John B. Morgan</i> ----- <i>John B. Morgan</i>	<i>Director</i>
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<i>/s/Dr. H. Robert Schappert</i> ----- <i>Dr. H. Robert Schappert</i>	<i>Director</i>
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EXHIBIT 21. SUBSIDIARIES OF THE REGISTRANT

The Old Point National Bank of Phoebus, a wholly-owned subsidiary of the Corporation, is a national banking association subject to regulation by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve System.

Old Point Trust and Financial Services, N.A., a wholly-owned subsidiary of the Corporation, is a national banking association subject to regulation by the Comptroller of the Currency, and the Federal Reserve System.

**EXHIBIT 23. CONSENT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS**

CONSENT OF INDEPENDENT AUDITORS

To the Board of Directors
Old Point Financial Corporation
Hampton, Virginia

We have audited the accompanying consolidated balance sheets of Old Point Financial Corporation and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of income, cash flows and changes in stockholder's equity for each of the years in the three-year period ended December 31, 2002. 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.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of Old Point Financial Corporation and subsidiaries as of December 31, 2002 and 2001, and the consolidated results of their operations and cash flows for each of the years in the three-year period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

Eggleston Smith P.C.

/s/Eggleston Smith P.C.

*February 13, 2003
Newport News*

EXHIBIT 24. POWERS OF ATTORNEY

Old Point Financial Corporation

Power of Attorney

I, Russell Evans Jr., do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/Russell S. Evans, Jr.

Old Point Financial Corporation

Power of Attorney

I, Dr. Richard F. Clark, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Dr. Richard F. Clark

Old Point Financial Corporation

Power of Attorney

I, Stephen D. Harris, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Stephen D. Harris

Old Point Financial Corporation

Power of Attorney

I, John Cabot Ishon, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ John Cabot Ishon

Old Point Financial Corporation

Power of Attorney

I, Eugene M. Jordan, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Eugene M. Jordan

Old Point Financial Corporation

Power of Attorney

I, Robert F. Shuford, do hereby constitute and appoint Louis G. Morris and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Robert F. Shuford

Old Point Financial Corporation

Power of Attorney

I, Dr. Arthur D. Greene, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Dr. Arthur D. Greene

Old Point Financial Corporation

Power of Attorney

I, John B. Morgan, II, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ John B. Morgan, II

Old Point Financial Corporation

Power of Attorney

I, G. Royden Goodson, III, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in- fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ G. Royden Goodson, III

Old Point Financial Corporation

Power of Attorney

I, Dr. H. Robert Schappert, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in- fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Dr. H. Robert Schappert

Old Point Financial Corporation

Power of Attorney

I, Louis G. Morris, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in- fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Louis G. Morris

Old Point Financial Corporation

Power of Attorney

I, Gerald E. Hansen, do hereby constitute and appoint Robert F. Shuford and Eugene M. Jordan, my true and lawful attorney-in- fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Old Point Financial Corporation (the "Corporation"), to act and to execute any and all instruments as such attorneys or attorney deem necessary or advisable to enable the Corporation to comply with the Securities Exchange Act of 1934, as amended ("Act"), and any rules, regulations, policies or requirements of the Securities Exchange Commission (the "Commission") in respect thereof in connection with the preparation and filing by the Corporation with the Commission of its Annual Report on Form 10-K for the year ended December 31, 2002 and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by virtue hereof.

WITNESS my execution hereof this 28th day of January, 2003.

/s/ Gerald E. Hansen

**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 Annual Report of Old Point Financial Corporation (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert F. Shuford, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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 results of operations of the Company as of and for the periods covered in the Report.

/s/ Robert F. Shuford

Robert F. Shuford
President and Chief Executive Officer

Date: March 27, 2003

I, Robert F. Shuford, certify that:

1. I have reviewed this annual report on Form 10-K of Old Point Financial Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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 annual 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 annual report (the "Evaluation Date"); and
 - c) presented in this annual 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 the 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 the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual 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: March 27, 2003

/s/Robert F. Shuford

Robert F. Shuford
President and Chief Executive Officer

**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 Annual Report of Old Point Financial Corporation (the "Company") on Form 10-K for the period ending March 27, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Louis G. Morris, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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 results of operations of the Company as of and for the periods covered in the Report.

/s/Louis G. Morris

Louis G. Morris

Executive Vice President and Chief Financial Officer

Date: March 27, 2003

I, Louis G. Morris, certify that:

1. I have reviewed this annual report on Form 10-K of Old Point Financial Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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 annual 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 annual report (the "Evaluation Date"); and
 - c) presented in this annual 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 the 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 the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual 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: March 27, 2003

/s/Louis G. Morris

Louis G. Morris
Executive Vice President and Chief Financial Officer

End of Filing

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