



National Bankshares

FOR IMMEDIATE RELEASE

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NATIONAL BANKSHARES DECLARES SEMI-ANNUAL DIVIDEND

BLACKSBURG, VA, November 12, 2009: **National Bankshares, Inc.** (NASDAQ Capital Market: **NKSH**) announced today that its Board of Directors has approved payment on December 1, 2009 of a semi-annual cash dividend of \$0.43 per share to the Company's stockholders of record on November 23, 2009. Total dividends for 2009 are \$0.84 per share, an increase of 5% over the stockholder dividends paid in 2008.

James G. Rakes, Chairman, President & CEO of National Bankshares, Inc. said, "Our Company has traditionally shared higher earnings with our stockholders in the form of higher dividends. In this challenging economy, it is especially gratifying to be able to increase dividends again this year."

National Bankshares, Inc. is a financial holding company that is the parent of the 118 year-old National Bank of Blacksburg, which does business as National Bank from 25 offices in Southwest Virginia. The Company has a second non-bank subsidiary that serves the same markets as National Bankshares Investment Services and National Bankshares Insurance Services. The Company's stock is traded on the NASDAQ Capital Market under the symbol "NKSH". Additional information is available at www.nationalbankshares.com.

Forward-Looking Statements

Certain statements in this press release may be "forward-looking statements." Forward-looking statements are statements that include projections, predictions, expectations or beliefs about future events or results that are not statements of historical fact and that involve significant risks and uncertainties. Although the Company believes that its expectations with regard to forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual Company results will not differ materially from any future results implied by the forward-looking statements. Actual results may be materially different from past or anticipated results because of many factors, some of which may include changes in economic conditions, the interest rate environment, legislative and regulatory requirements, new products, competition, changes in the stock and bond markets and technology. The Company does not update any forward-looking statements that it may make.