

UNITED BANKSHARES INC/WV

Form DEF 14A

April 08, 2004

**SCHEDULE 14A
(RULE 14A-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

UNITED BANKSHARES, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials:
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:

(4) Date Filed:

**UNITED BANKSHARES, INC.
P. O. BOX 1508
UNITED SQUARE
FIFTH AND AVERY STREETS
PARKERSBURG, WEST VIRGINIA 26101**

NOTICE OF 2004 ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to the call of its Board of Directors, the 2004 Annual Meeting of Shareholders of UNITED BANKSHARES, INC. (United) will be held at The Blennerhassett Hotel, Fourth and Market Streets, Parkersburg, West Virginia on Monday, May 17, 2004, at 4:00 p.m., local time, for the purpose of considering and voting upon the following matters:

1. To elect eighteen (18) persons to serve as directors of United. The nominees selected by the current Board of Directors are listed in the accompanying Proxy Statement for this Annual Meeting.

2. To act upon any other business which may properly come before this Annual Meeting or any adjournment or adjournments thereof. The Board of Directors at present knows of no other business to come before this Annual Meeting.

The close of business on March 29, 2004, has been fixed by the Board of Directors as the record date for determining the shareholders entitled to notice of and to vote at this Annual Meeting.

WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE REGARDLESS OF YOUR PLANS TO ATTEND THIS MEETING. IF YOU DO ATTEND, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

TWO INDIVIDUALS, WHO ARE NOT DIRECTORS OF UNITED, HAVE BEEN NAMED IN THE PROXY TO VOTE THE SHARES REPRESENTED BY PROXY, IF YOU WISH TO CHOOSE SOME OTHER PERSON TO ACT AS YOUR PROXY, MARK OUT THE PRINTED NAME AND WRITE IN THE NAME OF THE PERSON YOU SELECT.

By Order of the Board of Directors

April 8, 2004

Richard M. Adams Chairman of the Board
and Chief Executive Officer

United Bankshares, Inc.
United Square
Fifth and Avery Streets
Parkersburg, West Virginia 26101

PROXY STATEMENT

General Information

These proxy materials are delivered in connection with the solicitation by the Board of Directors of United Bankshares, Inc. (United, the Company, we, or us), a West Virginia corporation, of proxies to be voted at our 2004 Annual Meeting of Shareholders and at any adjournment or postponement.

You are invited to attend our Annual Meeting of Shareholders on May 17, 2004, beginning at 4:00 p.m. The Meeting will be held at The Blennerhassett Hotel, Fourth and Market Streets, Parkersburg, West Virginia.

This Proxy Statement, form of proxy and voting instructions are being mailed on or about April 8, 2004.

Shareholders Entitled to Vote

Holders of record of United common shares at the close of business on March 29, 2004 are entitled to receive this notice and to vote their shares at the Annual Meeting. As of that date, there were 43,630,213 common shares outstanding. Each common share is entitled to one vote on each matter properly brought before the Meeting.

Proxies

Shareholders of record may vote their proxies by mail, in person, by telephone or by Internet.

Proxies may be revoked at any time before they are exercised by (1) written notice to the Secretary of the Company, (2) timely delivery of a valid, later-dated proxy or (3) voting at the Annual Meeting.

You may save us the expense of a second mailing by voting promptly. Choose one of the following voting methods to cast your vote.

Vote By Mail

If you choose to vote by mail, simply mark your proxy, date and sign it, and return it to us in the postage-paid envelope provided.

Vote By Telephone or Internet

If you have telephone or Internet access, you may submit your proxy by following the instructions on the proxy card.

Vote at the Annual Meeting

The method by which you vote now will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person. **If your shares are held in the name of a bank, broker or other holder of record, you**

must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the Meeting.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

Voting of Other Matters

If any other matters are properly presented for consideration at the Annual Meeting, the persons named in the enclosed form of proxy will have the discretion to vote on those matters for you. At the date this proxy statement went to press, we do not know of any other matter to be raised at the Annual Meeting.

Required Vote and Cumulative Voting

The presence, in person or by proxy, of the holders of a majority of the votes entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

A plurality of the votes cast is required for the election of directors. Abstentions and broker non-votes are not counted for purposes of the election of directors.

In the election of directors, shareholders cast one (1) vote for each nominee for each share held. However, every shareholder has the right of cumulative voting, in person or by proxy, in the election of directors. Cumulative voting gives each shareholder the right to aggregate all votes which he or she is entitled to cast in the election of directors and to cast all such votes for one candidate or distribute them among as many candidates and in such a manner as the shareholder desires.

At our 2004 Annual Meeting, the number of directors to be elected is eighteen (18). Each shareholder has the right to cast eighteen (18) votes in the election of directors for each share of stock held on the record date. If you wish to exercise, by proxy, your right to cumulative voting in the election of directors, you must provide a proxy showing how your votes are to be distributed among one or more candidates. Unless contrary instructions are given by a shareholder who signs and returns a proxy, all votes for the election of directors represented by such proxy will be divided equally among the eighteen (18) nominees. If cumulative voting is invoked by any shareholder, the vote represented by the proxies delivered pursuant to this solicitation, which do not contain contrary instructions, may be cumulated at the discretion of the Board of Directors of United Bankshares, Inc. in order to elect to the Board of Directors the maximum nominees named in this proxy statement.

On March 29, 2004, there were 43,630,213 shares of common stock outstanding that are held by approximately 6,276 shareholders of record and 5,826 shareholders in street name. A majority of the outstanding shares of United Bankshares, Inc. will constitute a quorum at the meeting.

Cost of Proxy Solicitation

We will pay the expenses of soliciting proxies. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission, facsimile transmission or by telegram. Brokers, fiduciaries, custodians and other nominees have been requested to forward solicitation materials to the beneficial owners of the Company's common stock. Upon request we will reimburse these entities for their reasonable expenses.

In order to facilitate and expedite distribution of these proxy solicitation materials to brokers, fiduciaries, custodians, nominee holders and institutional investors, United has retained Georgeson Shareholder Communications, Inc. of Carlstadt, New Jersey (Georgeson). Pursuant to a retention letter dated February 24,

2004, Georgeson will contact all broker and other nominee accounts identified on United's shareholder mailing list in order to facilitate determination of the number of sets of proxy materials such accounts require for purposes of forwarding the same to the beneficial owners. Georgeson will then assist in the delivery of proxy materials to these accounts for distribution. Georgeson will also (i) assist in the distribution of proxy materials to institutional investors, and (ii) follow-up with any brokers, other nominee accounts and institutional investors, requesting return of proxies. United is not retaining Georgeson to solicit proxies from registered holders or from non-objecting beneficial owners. Georgeson's fee for the above services is \$4,500 plus reasonable disbursements that may include the broker search, printing, postage, courier charges, filing reports, data transmissions and other expenses approved by United.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board of Directors consists of one class of eighteen (18) directors. Eighteen (18) directors will be elected at our 2004 Annual Meeting to serve for a one-year term expiring at our Annual Meeting in the year 2005. The Company's Bylaws provide that the number of directors shall be at least five (5) and no more than thirty-five (35) with the composition and number of nominees to be set at the discretion of the Board of Directors. For the election of directors at the 2004 Annual Meeting, the Board of Directors established the composition and number of nominees to be elected at eighteen (18).

The persons named in the enclosed proxy intend to vote the proxy for the election of each of the eighteen (18) nominees, unless you indicate on the proxy card that your vote should be withheld from any or all of such nominees. Each nominee elected as a director will continue in office until his successor has been elected or until his death, resignation or retirement.

The Board of Directors has proposed the following nominees for election as directors with terms expiring in 2005 at the Annual Meeting: Richard M. Adams, Robert G. Astorg, Thomas J. Blair, III, Harry L. Buch, W. Gaston Caperton, III, Lawrence K. Doll, H. Smoot Fahlgren, Theodore J. Georgelas, F. T. Graff, Jr., Russell L. Isaacs, John M. McMahon, J. Paul McNamara, G. Ogden Nutting, William C. Pitt, III, I. N. Smith, Jr., James G. Tardiff, Mary K. Weddle, and P. Clinton Winter, Jr.

The Board of Directors recommends a vote FOR the election of each of these nominees for director.

We expect each nominee for election as a director to be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board chooses to reduce the number of directors serving on the Board.

The principal occupation and certain other information about the nominees for director are set forth on the following pages.

DIRECTORS WHOSE TERMS EXPIRE IN 2004 AND NOMINEES FOR DIRECTORS

Name and Age as of the May 17, 2004 Meeting Date		Position, Principal Occupation, Business Experience and Directorships for the Last Five Years	Amount of Beneficial Ownership of Shares of Common Stock and Options (d)		
			Shares ^(a)	Options ^(b)	%
Richard M. Adams	57	Chairman and Chief Executive Officer of both United and United Bank (WV). Director of the Company since 1984.	516,093	217,356	1.66%
Robert G. Astorg	60	CPA and Managing Director of American Express Tax and Business Services, Inc. Member of Astorg, Weyer & Daugherty, P.L.L.C.; Director of the Company since 1991.	26,304	-	*
Thomas J. Blair, III	72	Consulting Engineer and former President and Chief Executive Officer of Kelley, Gidley, Blair & Wolfe, Inc. Director of the Company since 1988.	144,110	-	*
Harry L. Buch	73	Attorney and Partner with Bailey, Riley, Buch & Harman. Former partner with Gompers, Buch, McCarthy & McLure. Director of the Company since 1990.	11,526	-	*
W. Gaston Caperton, III	64	President of The College Board. Director of Owens Corning. President of the Caperton Group. Former Governor of State of West Virginia. Director of the Company since 1997.	25,022	-	*
Lawrence K. Doll	54	President of The Lawrence Doll Company and Lawrence Doll Homes LLC. Chairman of United Bank (VA).	594	-	*
H. Smoot Fahlgren (c)	73	Chairman of the Board of Fahlgren, Inc. Director of the Company since 1984.	363,348	-	*
Theodore J. Georgelas	57	President of Georgelas & Sons, Inc. Chairman of the Board of Sector Communications. Former Chairman of the Board of United Bank (VA). Director of the Company since 1990.	44,764	-	*
F. T. Graff, Jr (c)	65	Attorney and Managing Partner of Bowles Rice McDavid Graff & Love PLLC. Director of the Company since 1984.	24,000	-	*
Russell L. Isaacs	71	Owner of Russell L. Isaacs and Company. Director of the Company since 1984.	37,709	-	*
John M. McMahan	63	Chairman of the Board of Miller & Long Co., Inc. Director of United Bank (VA). Director of the Company since 1998.	239,025	-	*

DIRECTORS WHOSE TERMS EXPIRE IN 2004 AND NOMINEES FOR DIRECTORS

Name and Age as of the May 17, 2004 Meeting Date	Position, Principal Occupation, Business Experience and Directorships for the Last Five Years	Amount of Beneficial Ownership of Shares of Common Stock and Options (d)		
		Shares ^(a)	Options ^(b)	%
J. Paul McNamara	55 Former President and Chief Operating Officer of Sequoia Bancshares, Inc. Vice Chairman of United Bank (VA). Director of the Company since 2003.	160,140	-	*
G. Ogden Nutting	68 President of ONI, Inc., formerly The Ogden Newspapers, Inc. Director of the Company since 1986.	654,656	-	1.48%
William C. Pitt, III	59 Hotel and Resort Developer. Director of the Company since 1987.	3,250	-	*
I. N. Smith, Jr.	71 President of Kanawha-Roxalana Company. Consultant for United. Director of the Company since 1986.	307,706	-	*
James G. Tardiff	57 Former Chairman and Chief Executive Officer of Sequoia Bancshares, Inc. Director of United Bank (VA). Director of the Company since 2003.	153,470	-	*
Mary K. Weddle	54 CPA and Senior Vice President of Long & Foster Real Estate, Inc. Director of United Bank (VA).	4,515	-	*
P. Clinton Winter, Jr	56 President of Bray & Oakley Insurance Agency. Director of the Company since 1996.	482,754	-	1.09%
All Directors, Nominees and Executive Officers as a Group (27 persons)		5,615,325	573,937	13.98%

* Indicates the director owns less than 1% of United's issued and outstanding shares.

- (a) Includes shares held by United Bank's (WV) Trust Department as follows: Mr. Adams, 32,636 shares; Mr. Astorg, 6,444 shares; Mr. Fahlgren, 363,348 shares; Mr. Graff, 20,000 shares; Mr. Smith, 306,006 shares; non-director executive officers as a group, 6,109 shares; and 2,177,714 shares in which the voting authority is exercised by United Bank's (WV) Board of Directors.
- (b) Includes shares of common stock that may be acquired within sixty (60) days of March 29, 2004, through the exercise of stock options pursuant to United's Stock Option Plans.
- (c) H. Smoot Fahlgren is the father-in-law of F. T. Graff, Jr.
- (d) Unless otherwise indicated, beneficial ownership shares listed represent sole voting power. The following number of shares may be held in the name of spouses, children, certain relatives, trust, estates, and certain affiliated companies as to which shared voting and/or shared investment powers may exist: Mr. Adams, 77,742 shares; Mr. Blair, 11,340 shares; Mr. Caperton, 25,022 shares; Mr. Graff, Jr., 20,000 shares; Mr. McNamara, 40,800 shares; Mr. Nutting, 654,656 shares; Mr. Smith, Jr., 307,706 shares; and Mr. Winter, Jr.; 43,692 shares.

Information as to Directors Who Will Not Stand for Re-election

After more than twelve years of service, Warren A. Thornhill, III and James W. Word, Jr. are both retiring from the Board of Directors when their current terms expire at this Annual Meeting as a result of the mandatory age requirements of United's Corporate Governance Policy. United has benefited from and is grateful for the wisdom and guidance provided by Messrs. Thornhill and Word during their period of service to the Company.

COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**Beneficial Ownership of Directors and Named Executive Officers**

As of March 10, 2004, directors of the Company owned beneficially, directly or indirectly, the number of shares of common stock indicated in the preceding table.

The following table sets forth certain information regarding the named executive's beneficial ownership of common stock of United as of March 10, 2004:

Title of Class	Name of Officer	Shares of Common Stock of the Company Beneficially Owned (1)	
		Number of Shares	Percent of Class
	Richard M.		
Common Stock	Adams	733,449	1.66%
Common Stock	Steven E. Wilson	171,911	0.39%
	James B.		
Common Stock	Hayhurst, Jr.	126,789	0.29%
Common Stock	Kendal E. Carson	45,546	0.10%
	James J. Consagra,		
Common Stock	Jr.	71,966	0.16%

- (1) The amounts shown represent the total shares owned directly and indirectly by such named executive officers. The Direct shares include shares that are issuable upon the exercise of all stock options currently exercisable, as follows: Mr. Adams 217,356; Mr. S. Wilson 78,356; Mr. Hayhurst 70,790; Mr. Carson 44,250; and Mr. Consagra 69,200. The indirect shares include those shares owned by spouses and immediate family members, shares held in trust in which the executive is a beneficiary, and shares held by a corporation which the executive controls.

All directors and executive officers as a group beneficially owned 6,189,262 shares or 13.98% of the Company's common stock.

Principal Shareholder of United

The following table lists each shareholder of United who is the beneficial owner of more than 5% of United's common stock, the only class of stock outstanding, as of March 10, 2004.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Common Stock	United Bank (WV) Trust Department 514 Market Street, Parkersburg, WV 26101 (2,912,257 shares or 6.58% are registered under the nominee name of Parbanc Co.)	2,177,714	4.92%

-
- (1) United Bank (WV), a wholly-owned subsidiary of United and its Trust Department, holds in fiduciary or agency capacity 2,912,257 shares or 6.58% of United's stock. The investment authority for these shares is held by the Trust Department and is exercised by United Bank's (WV) Board of Directors. Of these total shares, the Trust Department also holds sole voting authority for 2,177,714 shares or 4.92% of United's outstanding common stock, by United Bank's (WV) Board of Directors, exercises this voting authority.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers to file reports of holdings and transactions in United shares with the Securities and Exchange Commission (SEC). To our knowledge, based solely on our review of the copies of such reports furnished and written representations that no other reports were required during 2003, we believe that in 2003 our directors and executive officers met all applicable SEC filing requirements except Thomas J. Blair, III did not timely file one report involving seven transactions during the period.

Related Shareholder Matters

The following table discloses the number of outstanding options granted by United to participants in equity compensation plans, as well as the number of securities remaining available for future issuance under these plans, as of March 10, 2004. The table provides this information for equity compensation plans that have and have not been approved by shareholders.

Plan Category	Number of Securities to be issued upon exercise of outstanding options	Weighted-average price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity Compensation Plans approved by Shareholders	1,710,227	\$ 24.40	1,119,292
Equity Compensation Plans not approved by Shareholders (1)			
Total	1,710,227	\$ 24.40	1,119,292

- (1) The table does not include information for equity compensation plans assumed by United in connection with mergers and acquisitions and pursuant to which there remain outstanding options (collectively, Assumed Plans), which include the following: Century Bancshares, Inc., Fed One Bancorp, Inc., GrandBanc, Inc., and Sequoia Bancshares, Inc. A total of 343,574 shares of United common stock may be purchased under the Assumed Plans, at a weighted average exercise price of \$8.98. No further grants may be made under any Assumed Plan.

GOVERNANCE OF THE COMPANY**Board and Committee Membership**

The committee descriptions and membership set forth below are those applicable as of the mailing date of this proxy statement.

During 2003, the Board of Directors met five (5) times. The Board of Directors of the Company has four (4) standing committees: The Executive Committee, Audit Committee, Compensation Committee, and Nominating and Governance Committee. During 2003, each director attended 75% or more of the aggregate of the total number of meetings of the Board of Directors and all committees of the Board on which he served except W. Gaston Caperton, III. Although there is no formal written policy, attendance at the annual meeting by directors is expected. Fifteen of the sixteen directors attended the 2003 Annual Meeting.

The Executive Committee

The Executive Committee is comprised of nine (9) directors, Richard M. Adams, Chairman, W. Gaston Caperton, III, H. Smoot Fahlgren, F. T. Graff, Jr., Russell L. Isaacs, John M. McMahon, G. Ogden Nutting, Warren A. Thornhill, III and P. Clinton Winter, Jr. The Executive Committee exercises all the authority of the Board of Directors whenever the Board of Directors is not meeting unless prohibited by law or under the provisions of the articles of incorporation or bylaws of the Corporation. The Board of Directors has specifically empowered the

Executive Committee to investigate mergers and acquisitions by marshaling necessary information and data to evaluate the advisability of mergers and acquisitions and to report their findings to the Board of Directors. The Board of Directors may accept, ratify, approve, amend, modify, repeal or change the actions of the Executive Committee. During 2003, the Executive Committee met two (2) times.

The Audit Committee

The Audit Committee has the primary responsibility to review and evaluate significant matters relating to audit, internal control and compliance. It reviews, with representatives of the independent auditors, the scope and results of the audit of the financial statements, audit fees and any recommendations with respect to internal controls and financial matters. The United Bankshares, Inc. Board of Director's Audit Committee Charter, as approved by the Board of Directors, governs the Audit Committee. Members of this committee for 2003 were Robert G. Astorg, Chairman, P. Clinton Winter, Jr., James W. Word, Jr., and R. Terry Butcher, who is a director of one of United's subsidiary banks. The Audit Committee met four (4) times during 2003. Since Mr. Butcher is not a member of United Bankshares, Inc. Board of Directors, Mr. Butcher does not meet the independence requirements as established by NASDAQ. Appropriately, Mr. Butcher resigned from the Audit Committee on December 31, 2003. Effective January 1, 2004, the Board of Directors appointed Mr. Russell Isaacs to replace Mr. Butcher. All members of the Audit Committee for 2004 will be independent directors. The Audit Committee Charter is included as Exhibit A to this Proxy Statement. The Audit Committee Report is set forth on page 20.

The Compensation Committee

The Compensation Committee recommends executive officer compensation to the Board of Directors. Members of this committee are Russell L. Isaacs, Chairman, W. Gaston Caperton, III, H. Smoot Fahlgren, F. T. Graff, Jr., John M. McMahon, G. Ogden Nutting, Warren A. Thornhill, III and P. Clinton Winter, Jr. The Compensation Committee met two (2) times during the year.

The Nominating and Governance Committee

The purposes of the Nominating and Governance Committee are to evaluate and recommend candidates for election as directors, make recommendations concerning the size and composition of the Board of Directors, develop and implement United's corporate governance policies, develop specific criteria for director independence, and assess the effectiveness of the Board of Directors.

Nominations to the Board of Directors by a shareholder may be made only if such nominations are made in accordance with the procedures set forth in Article II, Section 5 of the Restated Bylaws of United, which section, in full, is set forth below:

Section 5. Nomination of directors. Directors shall be nominated by the Board prior to the giving of notice of any meeting of shareholders wherein directors are to be elected. Additional nominations of directors may be made by any shareholder; provided that such nomination or nominations must be made in writing, signed by the shareholder and received by the Chairman or President no later than ten (10) days from the date the notice of the meeting of shareholders was mailed; however, in the event that notice is mailed less than thirteen (13) days prior to the meeting, such nomination or nominations must be received no later than three (3) days prior to any meeting of the shareholders wherein directors are to be elected.

In evaluating and determining whether to nominate a candidate for a position on United's Board, the Committee considers the criteria outlined in United's corporate governance policy, which include the independence of the proposed nominee, diversity, age, skills and experience in the context of the needs of the Board. United regularly

assesses the size of the Board, whether any vacancies are expected due to retirement or otherwise, and the need for particular expertise on the Board. Candidates may come to the attention of the Committee from current

Board members, shareholders, professional search firms, officers or other persons. The Committee will review all candidates in the same manner regardless of the source of the recommendation. Lawrence K. Doll and Mary K. Weddle, first time nominees for Director, were recommended by a non-management director and were considered and approved by the Nominating and Governance Committee for recommendation to shareholders for election.

Members of the Nominating and Governance Committee, composed of independent directors, are G. Ogden Nutting, Chairman, W. Gaston Caperton, III, H. Smoot Fahlgren, F. T. Graff, Jr., Russell L. Isaacs, John M. McMahon, Warren A. Thornhill, III and P. Clinton Winter, Jr. The Nominating and Governance Committee met three (3) times during the year. The charter for this committee is available on the corporate website under Policies at www.ubsi-wv.com.

Related Party Transactions

United's subsidiaries have had, and expect to have in the future, banking transactions with United and with its officers, directors, principal shareholders, or their interests (entities in which they have more than a 10% interest). The transactions, which at times involved loans in excess of \$60,000, were in the ordinary course of business and were made on substantially the same terms, including interest rates, collateral and repayment terms as those prevailing at the time for comparable transactions. United's subsidiary banks are subject to federal statutes and regulations governing loans to officers and directors and extend loans in compliance with such laws and only with the approval of the Board of Directors.

F. T. Graff, Jr., a member of the Board of Directors of United, is a partner in the law firm of Bowles Rice McDavid Graff & Love PLLC in Charleston, West Virginia. Bowles Rice McDavid Graff & Love PLLC rendered legal services to United during 2003 and it is expected that the firm will continue to render certain services in the future. The fees paid to Bowles Rice McDavid Graff & Love PLLC represent less than 5% of that firm's revenues for the year 2003.

Director Compensation

Non-employee directors of the Company receive a retainer of \$750 per month regardless of meeting attendance.

Each non-employee director who serves on the Executive, Audit, Compensation, and Nominating and Governance Committees receives a fee of \$750 for each United Board Committee Meeting attended except for Mr. Astorg, Mr. Isaacs, and Mr. Nutting. As Chairman of the Audit Committee, Mr. Astorg receives a retainer payment of \$750 per month without regard to committee meeting attendance. As Chairman of the Compensation Committee, Mr. Isaacs receives a retainer payment of \$750 per quarter without regard to committee meeting attendance. As Chairman of the Nominating and Governance Committee, Mr. Nutting receives a retainer payment of \$750 per quarter without regard to committee meeting attendance.

Executive Officers

Set forth below are the executive officers of United and relations that exist with affiliates and others for the past five years.

Name	Age	Present Position	Principal Occupation and Banking Experience During the Last Five Years
Richard M. Adams	57	Chairman of the Board & Chief Executive Officer - United; Chairman of the Board & Chief Executive Officer United Bank (WV)	Chairman of the Board & Chief Executive Officer - United; Chairman of the Board & Chief Executive Officer United Bank (WV)
Richard M. Adams, Jr.	35	Executive Vice-President - United; Executive Vice-President United Bank (WV)	Senior Vice-President United Bank (WV) President United Brokerage Co.
Kendal E. Carson	48	Executive Vice-President - United; President & Chief Executive Officer United Bank (VA)	Executive Vice-President United Bank (VA); Executive Vice-President George Mason Bank
James J. Consagra, Jr.	43	Executive Vice-President -United; Executive Vice-President & Chief Financial Officer-United Bank (VA)	Executive Vice-President -United; Executive Vice-President & Chief Financial Officer-United Bank (VA); Treasurer - George Mason Bankshares, Inc.; Executive Vice-President George Mason Bank
James B. Hayhurst, Jr.	57	Executive Vice-President -United; Executive Vice-President United Bank (WV)	Executive Vice-President -United; Executive Vice-President United Bank (WV)
John Neuner, III	58	Executive Vice-President - United; Executive Vice-President United Bank (WV)	Executive Vice-President -United; Executive Vice-President United Bank (WV)
Joe L. Wilson	56		

		Executive Vice-President -United; Executive Vice-President United Bank (WV)	Executive Vice-President -United; Executive Vice-President United Bank (WV)
Steven E. Wilson	55	Executive Vice-President, Chief Financial Officer, Treasurer & Secretary -United; Executive Vice-President, Chief Financial Officer, Treasurer & Secretary United Bank (WV)	Executive Vice-President, Chief Financial Officer, Treasurer & Secretary -United; Executive Vice-President, Chief Financial Officer, Treasurer & Secretary United Bank (WV)

Richard M. Adams and Richard M Adams, Jr. are father and son.

EXECUTIVE COMPENSATION**Cash Compensation**

The following table is a summary of certain information concerning the compensation awarded or paid to, or earned by, the Company's chief executive officer and each of the Company's other four most highly compensated executive officers during the last three fiscal years.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Long-term Compensation		
		Salary (\$)	Bonus (\$) ⁽¹⁾	Other Compensation (\$) ⁽²⁾	Securities Underlying Options (#)	All Other Compensation (\$) ⁽³⁾
Richard M. Adams	2003	562,000	346,500	0	30,000	7,500
Chairman of the Board	2002	527,500	385,000	0	30,000	6,875
and Chief Executive Officer	2001	476,608	341,300	0	30,000	6,600
Steven E. Wilson	2003	227,333	101,280	0	15,000	7,533
Executive Vice President,	2002	216,667	112,500	0	15,000	6,932
Chief Financial Officer,	2001	204,808	101,250	0	14,400	6,607
Secretary and Treasurer						
James B. Hayhurst, Jr.	2003	194,833	59,850	0	10,000	6,403
Executive Vice President	2002	186,667	66,500	0	10,000	6,233
	2001	179,850	52,000	0	9,000	5,062
Kendal E. Carson	2003	195,134	67,500	0	10,000	3,125
Executive Vice President	2002	183,600	75,000	0	10,000	5,000
	2001	177,083	52,500	0	9,000	4,427
James J. Consagra, Jr.	2003	186,166	67,000	0	10,000	5,000
Executive Vice President	2002	175,897	75,000	0	10,000	5,000
	2001	167,083	52,500	0	9,000	3,759

- (1) Bonuses are disclosed in the year earned, although paid in the following year. Historically, the Company disclosed bonuses in the year paid.
- (2) The aggregate value of all perquisites and other personal benefits did not exceed either \$50,000 or 10% of the total annual salary and bonus reported for the named executive officers; therefore, no disclosure has been made.
- (3) The amounts included in All Other Compensation consist entirely of United's contributions on behalf of the listed officers to the 401(K) Plan.

Stock Options Grants in 2003

The following table sets forth information concerning individual grants of options to purchase the Company's Common Stock made to the named executives in 2003.

Stock Option Grants in Last Fiscal Year

Name	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to All Employees in Fiscal Year	Exercise of Base Price (\$/Share)	Expiration Date	Grant Date Present
					Value (\$) (2)
Richard M. Adams	30,000 ⁽¹⁾	8.99%	30.20	11/06/2013	159,600
Steven E. Wilson	15,000 ⁽¹⁾	4.50%	30.20	11/06/2013	79,800
James B. Hayhurst, Jr.	10,000 ⁽¹⁾	3.00%	30.20	11/06/2013	53,200
Kendal E. Carson	10,000 ⁽¹⁾	3.00%	30.20	11/06/2013	53,200
James J. Consagra, Jr.	10,000 ⁽¹⁾	3.00%	30.20	11/06/2013	53,200

(1) Granted under the 2001 Incentive Stock Option Plan. The option exercise price is the market value of United's stock at the date the option was granted. All options granted under this plan are exercisable in accordance with a three-year vesting schedule: 50% after the first year; 75% after the second year; and 100% after the third year.

(2) Calculated using the Black-Scholes pricing model. The assumptions used in determining the valuation of these options using this methodology are as follows: average expected life of options of 7 years; risk-free interest rate of 3.90%; a volatility factor of 0.209; and a dividend yield of 3.48%.

Stock Option Exercises and Year-end Value Table

The following table sets forth certain information regarding individual exercises of stock options during 2003 by each of the named executives.

Aggregate Stock Option Exercises in Last Fiscal Year and FY-End Stock Option Plan

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Unexercised Stock Options at Fiscal Year End #		Value of Unexercised In-the-Money Stock Options at Fiscal Year End (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable

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Richard M. Adams	20,000	337,800	217,356/52,500	2,295,922/87,525
Steven E. Wilson	0	0	78,356/26,100	635,670/43,152
James B. Hayhurst, Jr.	6,500	105,755	70,790/17,250	761,411/28,158
Kendal E. Carson	0	0	45,250/17,250	473,381/28,158
James J. Consagra, Jr.	0	0	69,200/17,250	996,974/28,158

Compensation Committee Report

The Compensation Committee is responsible for administration of United Bankshares, Inc.'s (United's) Executive Compensation programs. This includes recommendations related to base salary, short-term incentives and long-term stock option incentives for all Executive Officers of the Company.

The Compensation Committee's Executive Compensation policies, developed based on competitive information, are designed to provide competitive levels of compensation that integrate pay with United's annual and long-term performance goals and assist in attracting and retaining qualified executives.

Periodically the Committee retains the services of nationally recognized compensation consulting firms to do extensive reviews of the compensation program for all Executive Officers.

Buck Consultants, a global human resources consulting firm, previously reported to the Committee that the total compensation plan for Executive Officers was conservative related to peer banking companies. Of the three primary aspects of total compensation, salary, annual incentive, and long-term incentives/stock options, UBSI salaries were found to be the most conservative form of pay. Option awards approached the median. The Bank Compensation Strategies Group reported similar findings.

Executive Officers are paid base salaries determined by the value of their position compared to published survey data, information gathered on competing banks of similar size and the officer's individual performance level.

The short-term Incentive Plan stresses reward for achievement of performance goals set each year. Each Executive Officer participates in a pool of funds set aside for this purpose. Participation level is based on a rating system tied to accomplishment of assigned goals as well as a specific formula, which relates the incentive award to a percentage of salary range midpoint. Company performance must exceed peer performance to activate compensation incentives.

The United management team should share the same goals as its shareholders. Toward this end, the long-term Incentive Stock Option Plan is designed to provide an ownership opportunity to key management personnel. Stock ownership provides an ever-important stockholder perspective necessary for successful management of the company. Awards are based on industry guidelines, which relate base compensation to stock price. Grant calculations are tested for reasonableness against competitive industry data, keeping in mind cumulative ownership targets.

Buck Consultants and the Bank Compensation Strategies Group reported that stock option grants to Executive Officers have historically been conservative when compared to general industry and practices for major regional banking organizations. The most recent share allocations as a percentage of outstanding shares have been consistent with competitive practices in the banking industry.

Peer group performance analysis is a continual process at United. Data provided by the Federal Reserve Bank Holding Company Performance Report is analyzed quarterly. Proxy data on an appropriate group of individual financial institutions is used to evaluate operating performance and profitability. United consistently performs well compared to peer.

Richard Adams, Chief Executive Officer, is awarded a pro-rata share of the established short-term incentive pool based on his performance rating assigned by the Committee. The Buck Consultants' report concluded that total cash compensation for the position of CEO is conservative compared to peer banking companies. UBSI's CEO was positioned below the median. Bank Compensation Strategies Group reported cash compensation for the CEO to be somewhat low based on the performance levels of the peer group.

Stock option shares granted to Mr. Adams were determined to be competitive when compared by Buck Consulting to the grant practices of a broad spectrum of banking organizations.

Mr. Adams at age 57 has served the company for 35 years; 27 of those years he has been responsible for motivating and building the organization.

Since 1990, UBSI stock has outperformed the S&P 500 and the KBW Bank Index. Dividends to shareholders have increased for 30 consecutive years for an annual compound growth rate of 10.2%. United's pay for performance compensation program emphasizing written performance objectives has been a major contributor to our ability to consistently enhance long-term shareholder value.

No member of the Committee is a former or current officer or employee of United.

COMPENSATION COMMITTEE