FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

OAK HILL FINANCIAL INC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the Quarter Ended March 31, 2006

Commission File Number: 0-26876

OAK HILL FINANCIAL, INC.

(Exact name of Registrant as specified in its charter)

Ohio	31-1010517
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
14621 S. R. 93 Jackson, Ohio	45640
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: (740) 286-3283

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 [X] No [_]

Indicate by check mark whether the registrant is large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [_] Accelerated filer [X] Non-accelerated filer [_]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [_] No [X]

As of May 4, 2006, the latest practicable date, 5,477,732 shares of the Registrant's common stock, $.50 stated value, were outstanding.

Oak Hill Financial, Inc.

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PART I - FINANCIAL INFORMATION
Item 1: Financial Statements

Oak Hill Financial, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(In thousands, except share data)	March 31, 2006	December 31, 2005
<S>	<C> (Unaudited)	<C>
ASSETS		
Cash and due from banks	$ 25,479	$ 24,786
Federal funds sold	325	1,614
Investment securities designated as available for sale - at market	132,453	131,193
Investment securities designated as held to maturity - at cost (approximate market value of $3,799 and $3,851 at March 31, 2006 and December 31, 2005, respectively)	3,613	3,619
Loans receivable - net	1,016,974	1,014,673
Loans held for sale - at lower of cost or market	100	410
Office premises and equipment - net	24,589	22,736
Federal Home Loan Bank stock - at cost	7,734	7,626
Real estate acquired through foreclosure	865	376
Accrued interest receivable on loans	3,941	4,156
Accrued interest receivable on investment securities	1,219	875
Goodwill - net	7,935	7,935
Core deposit intangible - net	3,784	4,068
Bank owned life insurance	13,098	12,948
Prepaid expenses and other assets	2,511	1,561
Prepaid federal income taxes	518	1,178
Deferred federal income taxes	1,091	1,304
TOTAL ASSETS	$ 1,246,229	$ 1,241,058
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Demand	$ 91,788	$ 97,575
Savings and time deposits	888,866	880,821
Total deposits	980,654	978,396
Securities sold under agreements to repurchase	30,470	18,263
Advances from the Federal Home Loan Bank	113,699	123,119
Subordinated debentures	23,000	23,000
Accrued interest payable and other liabilities	4,172	4,199
Total liabilities	1,151,995	1,146,977
Stockholders' equity		
Common stock - $.50 stated value; authorized 15,000,000 shares, 5,874,634 shares issued at March 31, 2006 and December 31, 2005	2,937	2,937
Additional paid-in capital	13,808	13,952
Retained earnings	87,945	85,505

Treasury stock (329,883 and 270,420 shares at March 31, 2006 and December 31, 2005, respectively - at cost)	(9,908)	(7,972)
Accumulated comprehensive loss:		
Unrealized loss on securities designated as available for sale, net of related tax effects	(548)	(341)
Total stockholders' equity	94,234	94,081
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,246,229	$ 1,241,058

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Oak Hill Financial, Inc.
CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except share data)	For the Three Months Ended March 31, 2006	2005
<S>	<C>	<C>
	(Unaudited)	
INTEREST INCOME		
Loans	$17,369	$14,740
Investment securities	1,465	944
Interest-bearing deposits and other	137	93
Total interest income	18,971	15,777
INTEREST EXPENSE		
Deposits	7,242	4,710
Borrowings	2,038	1,381
Total interest expense	9,280	6,091
Net interest income	9,691	9,686
Provision for losses on loans	200	750
Net interest income after provision for losses on loans	9,491	8,936
OTHER INCOME		
Service fees, charges and other operating	1,969	1,328
Commission income	820	671
Bank owned life insurance	150	79
Gain on sale of loans	209	318
Gain on sale of securities	139	143
Total other income	3,287	2,539
GENERAL, ADMINISTRATIVE AND OTHER EXPENSE		
Employee compensation and benefits	4,300	3,582
Occupancy and equipment	993	1,002
Federal deposit insurance premiums	32	30
Franchise taxes	316	53
Other operating	2,324	1,839
Amortization of core deposit intangible	284	72
Merger-related expenses		317
Total general, administrative and other expense	8,249	6,895
Earnings before federal income taxes	4,529	4,580
FEDERAL INCOME TAXES		
Current	710	1,351
Deferred	325	(31)
Total federal income taxes	1,035	1,320
NET EARNINGS	$ 3,494	$ 3,260
EARNINGS PER SHARE		
Basic	$ .63	$ .59
Diluted	$ .62	$ .57
DIVIDENDS PER SHARE	$ .19	$ .17

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Oak Hill Financial, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended March 31,	
(In thousands)	2005	2006
<S>	<C>	<C>
	(Unaudited)	
Net earnings	$ 3,494	$ 3,260
Other comprehensive income, net of tax:		
Unrealized losses on securities designated as available for sale, net of benefits of $(63) and $(515), respectively	(117)	(956)
Reclassification adjustment for realized gains included in net earnings, net of taxes of $49 and $50, respectively	(90)	(93)
Comprehensive income	$ 3,287	$ 2,211
Accumulated comprehensive loss	$ (548)	$ (444)

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Oak Hill Financial, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31,	
(In thousands)	2006	2005
<S>	<C>	<C>
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings for the period	$ 3,494	$ 3,260
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	358	346
Amortization of core deposit intangible	284	72
Gain on sale of securities	(139)	(143)
Amortization of premiums, discounts and mortgage servicing rights - net	116	325
Proceeds from sale of loans in secondary market	11,058	9,792
Loans disbursed for sale in secondary market	(10,621)	(9,338)
Gain on sale of loans	(127)	(198)
Loss on disposition of assets	--	95
Accretion of deferred loan origination fees	(75)	(42)
Loss on sale of other real estate owned	22	16
Purchase of loans	(450)	--
Federal Home Loan Bank stock dividends	(108)	(73)
Provision for losses on loans	200	750
Compensation expense related to stock incentive plan	12	--
Bank owned life insurance income	(150)	(79)
Increase (decrease) in cash due to changes in:		
Prepaid expenses and other assets	(950)	(371)
Accrued interest receivable	(129)	(566)
Accrued interest payable and other liabilities	(27)	(716)
Federal income taxes		
Current	660	1,210
Deferred	325	(31)
Net cash provided by operating activities	3,753	4,309
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Loan disbursements	(78,454)	(80,265)
Principal repayments on loans	75,932	65,032
Principal repayments on mortgage-backed securities designated		

as available for sale	3,378	4,149
Proceeds from sale of investment securities designated as available for sale	9,611	4,501
Proceeds from maturity of investment securities	38	1,290
Proceeds from disposition of assets	--	8
Proceeds from sale of other real estate owned	36	688
Purchase of investment securities designated as available for sale	(14,640)	(27,305)
Purchase of insurance agency	--	(12)
Decrease in federal funds sold - net	1,289	719
Purchase of office premises and equipment	(2,227)	(594)
Net cash used in investing activities	(5,037)	(31,789)
Net cash used in operating and investing activities (balance carried forward)	(1,284)	(27,480)

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Oak Hill Financial, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	For the Three Months Ended March 31,	
(In thousands)	2006	2005
<S>	<C> (Unaudited)	<C>
Net cash used in operating and investing activities (balance brought forward)	$ (1,284)	$(27,480)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:		
Proceeds from securities sold under agreement to repurchase	12,207	11,241
Net increase (decrease) in deposit accounts	2,336	(3,889)
Proceeds from Federal Home Loan Bank advances	23,000	18,000
Repayments of Federal Home Loan Bank advances	(32,420)	(994)
Repayments of notes payable	--	(2,700)
Dividends on common shares	(1,054)	(949)
Purchase of treasury shares	(2,384)	--
Proceeds from issuance of shares under stock option plan	211	341
Tax benefit of stock options exercised	81	142
Net cash provided by financing activities	1,977	21,192
Net increase (decrease) in cash and cash equivalents	693	(6,288)
Cash and cash equivalents at beginning of period	24,786	31,009
Cash and cash equivalents at end of period	$ 25,479	$ 24,721
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for: Federal income taxes	$ --	$ --
Interest on deposits and borrowings	$ 9,394	$ 6,140
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:		
Unrealized losses on securities designated as available for sale, net of related tax benefits	$ (207)	$ (1,049)
Recognition of mortgage servicing rights in accordance with SFAS No. 140	$ 82	$ 120
Transfer from loans to real estate acquired through foreclosure	$ 97	$ 33

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Oak Hill Financial, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three month periods ended March 31, 2006 and 2005

1. Basis of Presentation

Oak Hill Financial, Inc. (the "Company") is a financial holding company the principal assets of which have been its ownership of Oak Hill Banks ("Oak Hill") and Oak Hill Financial Insurance ("OHFI"). The Company also owns forty-nine percent of Oak Hill Title Agency, LLC ("Oak Hill Title") which provides title services for commercial and residential real estate transactions. Accordingly, the Company's results of operations are primarily dependent upon the results of operations of its subsidiaries.

On April 1, 2005, the Company acquired Lawrence Financial Holdings, Inc. ("Lawrence Financial") for a purchase price of approximately $15.2 million, of which $7.7 million was paid in cash. In addition, the Company issued 221,051 shares of common stock to Lawrence Financial shareholders. The transaction added $116.9 million in assets, $76.5 million in loans, $104.2 million in deposits and $8.6 million in equity to the Company.

Oak Hill conducts a general commercial banking business in southern and central Ohio which consists of attracting deposits from the general public and applying those funds to the origination of loans for commercial, consumer and residential purposes. OHFI is an insurance agency specializing in group health insurance and other employee benefits.

Oak Hill's profitability is significantly dependent on net interest income, which is the difference between interest income generated from interest-earning assets (i.e., loans and investments) and the interest expense paid on interest-bearing liabilities (i.e., customer deposits and borrowed funds). Net interest income is affected by the relative amount of interest-earning assets and interest-bearing liabilities and the interest received or paid on these balances. The level of interest rates paid or received by Oak Hill can be significantly influenced by a number of competitive factors, such as governmental monetary policy, that are outside of management's control.

The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and, therefore, do not include information or footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements and notes thereto of the Company included in the Annual Report on Form 10-K for the year ended December 31, 2005. However, all adjustments (consisting of normal recurring accruals), which, in the opinion of management, are necessary for a fair presentation of the consolidated financial statements, have been included. The results of operations for the three months ended March 31, 2006 are not necessarily indicative of the results that may be expected for the entire year.

2. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Oak Hill and OHFI. The Company effectively controls Oak Hill Title; therefore, their accounts are also included in the financial statements of the Company with the remaining ownership being accounted for as minority interest. All intercompany balances and transactions have been eliminated.

3. Liquidity and Capital Resources

Like other financial institutions, the Company must ensure that sufficient funds are available to meet deposit withdrawals, loan commitments, and expenses. Control of the Company's cash flow requires the anticipation of deposit flows and loan payments. The Company's primary sources of funds are deposits, borrowings and principal and interest payments on loans. The Company uses funds from deposit inflows, proceeds from borrowings and principal and interest payments on loans primarily to originate loans, and to purchase short-term investment securities and interest-bearing deposits.

At March 31, 2006, the Company had $357.2 million of certificates of deposit maturing within one year. It has been the Company's historic experience that such certificates of deposit will be renewed with Oak Hill at market rates of interest. It is management's belief that maturing certificates of deposit over the next year will similarly be renewed with Oak Hill at market rates of interest.

In the event that certificates of deposit cannot be renewed at prevalent market rates, the Company can obtain up to $220.4 million in advances from the Federal Home Loan Bank of Cincinnati ("FHLB"). Also, as an operational philosophy, the Company

Oak Hill Financial, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three month periods ended March 31, 2006 and 2005

3. Liquidity and Capital Resources (continued)

seeks to obtain advances to help with asset/liability management and liquidity. At March 31, 2006, the Company had $114.1 million of outstanding FHLB advances and letters of credit.

The Company engages in off-balance sheet credit-related activities that could require the Company to make cash payments in the event that specified future events occur. The contractual amounts of these activities represent the maximum exposure to the Company. However, certain off-balance sheet commitments are expected to expire or be only partially used; therefore, the total amount of commitments does not necessarily represent future cash requirements. These off-balance sheet activities are necessary to meet the financing needs of the Company's customers. At March 31, 2006, the Company had total off-balance sheet contractual commitments consisting of $19.2 million to originate loans, $117.3 million in unused lines of credit and letters of credit totaling $16.6 million. Funding for these amounts is expected to be provided by the sources described above. Management believes the Company has adequate resources to meet its normal funding requirements.

The table below details the amount of loan commitments, unused lines of credit and letters of credit outstanding at March 31, 2006 by expiration period:

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(In thousands)	One year or less	One to three years	After three years	Total
Loan commitments	$ 19,194	$ --	$ --	$ 19,194
Unused lines of credit	54,404	18,025	44,869	117,298
Letters of credit	6,631	10,000	--	16,631
	$ 80,229	$ 28,025	$ 44,869	$ 153,123

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The table below details the amount of contractual obligations outstanding at March 31, 2006, by expiration date:

(In thousands)	One year or less	One to three years	After three years	Total
Office premises and equipment	$ 1,192	$ --	$ --	$ 1,192
Advances from the Federal Home Loan Bank	15,856	41,561	56,282	113,699
Securities sold under agreement to repurchase	10,470	--	20,000	30,470
Subordinated debentures	--	--	23,000	23,000
Lease obligations	618	915	492	2,025
	$ 28,136	$ 42,476	$ 99,774	$ 170,386

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4. Earnings Per Share

Basic earnings per common share is computed based upon the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed including the dilutive effect of additional potential common shares issuable under stock options. The computations were as follows for the three-month periods ended March 31:

	For the Three Months Ended March 31, 2006	2005
Weighted-average common shares outstanding (basic)	5,567,489	5,566,360
Dilutive effect of assumed exercise of stock options	99,884	151,821
Weighted-average common shares outstanding (diluted)	5,667,373	5,718,181

Oak Hill Financial, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three month periods ended March 31, 2006 and 2005

4. Earnings Per Share (continued)

Options to purchase 119,750 and 125,450 shares of common stock with a weighted-average exercise price of $37.12 and $37.21 were outstanding at March 31, 2006 and 2005, respectively, but were excluded from the computation of common share equivalents for the three month periods ended March 31, 2006 and 2005 because the exercise prices were greater than the average market price of the common shares.

5. Critical Accounting Policies

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to use judgments in making estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The following critical accounting policies are based upon judgments and assumptions by management that include inherent risks and uncertainties.

Allowance for Losses on Loans: The balance in the allowance is an accounting estimate of probable but unconfirmed and unrecorded asset impairment that has occurred in the Company's loan portfolio as of the date of the consolidated financial statements. It is the Company's policy to provide valuation allowances for estimated losses on loans based upon past loss experience, adjusted for changes in trends and conditions of the certain items, including:

- Local market areas and national economic developments;
- Levels of and trends in delinquencies and impaired loans;
- Levels of and trends in recoveries of prior charge-offs;
- Adverse situations that may affect specific borrowers' ability to repay;
- Effects of any changes in lending policies and procedures;
- Credit concentrations;
- Experience, ability, and depth of lending management and credit administration staff;
- Volume and terms of loans; and
- Current collateral values, where appropriate.

When the collection of a loan becomes doubtful, or otherwise troubled, the Company records a loan loss provision equal to the difference between the fair value of the property securing the loan and the loan's carrying value. Unsecured credits are charged- off upon becoming contractually delinquent for greater than 90 days. Major loans and major lending areas are reviewed periodically to determine potential problems at an early date. The allowance for loan losses is increased by charges to earnings and decreased by charge-offs (net of recoveries).

The Company accounts for its allowance for losses on loans in accordance with SFAS No. 5, "Accounting for Contingencies," and SFAS No. 114, "Accounting by Creditors for Impairment of a Loan." Both Statements require the Company to evaluate the collectibility of both contractual interest and principal loan payments. SFAS No. 5 requires the accrual of a loss when it is probable that a loan has been impaired and the amount of the loss can be reasonably estimated. SFAS No. 114 requires that impaired loans be measured based upon the present value of expected future cash flows discounted at the loan's effective interest rate or, as an alternative, at the loans' observable market price or fair value of the collateral if the loan is collateral dependent.

A loan is defined under SFAS No. 114 as impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. In applying the provisions of SFAS No. 114, the Company considers its investment in one-to-four family residential loans, consumer installment loans and credit card loans to be homogeneous and therefore excluded from separate identification for evaluation of impairment. These homogeneous loan groups are evaluated for impairment in accordance with SFAS No. 5. With respect to the Company's

Oak Hill Financial, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three month periods ended March 31, 2006 and 2005

5. Critical Accounting Policies (continued)

investment in commercial and other loans, and its evaluation of impairment thereof, management believes such loans are adequately collateralized and as a result impaired loans are carried as a practical expedient at the lower of cost or fair value.

It is the Company's policy to charge off unsecured credits that are more than ninety days delinquent. Similarly, collateral- dependent loans which become more than ninety days delinquent are considered to constitute more than a minimum delay in repayment and are evaluated for impairment under SFAS No. 114 at that time.

Mortgage Servicing Rights: Mortgage servicing rights are accounted for pursuant to the provisions of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," which requires that the Company recognize as separate assets, rights to service mortgage loans for others, regardless of how those servicing rights are acquired. An institution that acquires mortgage servicing rights through either the purchase or origination of mortgage loans and sells those loans with servicing rights retained must allocate some of the cost of the loans to the mortgage servicing rights.

The mortgage servicing rights recorded by the Company, calculated in accordance with the provisions of SFAS No. 140, were segregated into pools for valuation purposes, using as pooling criteria the loan term and coupon rate. Once pooled, each grouping of loans was evaluated on a discounted earnings basis to determine the present value of future earnings that a purchaser could expect to realize from each portfolio. Earnings were projected from a variety of sources including loan servicing fees, interest earned on float, net interest earned on escrows, miscellaneous income, and costs to service the loans. The present value of future earnings is the "economic" value of the pool, i.e., the net realizable present value to an acquirer of the acquired servicing.

SFAS No. 140 requires that capitalized mortgage servicing rights and capitalized excess servicing receivables be amortized in proportion to and over the period of estimated net servicing income and assessed for impairment. Impairment is measured based on fair value. The valuation of mortgage servicing rights is influenced by market factors, including servicing volumes and market prices, as well as management's assumptions regarding mortgage prepayment speeds and interest rates. Management utilizes periodic third-party valuations by qualified market professionals to evaluate the fair value of its capitalized mortgage servicing assets.

Goodwill and Other Intangible Assets. The Company has recorded goodwill and core deposit intangibles as a result of merger and acquisition activity.

Goodwill represents the excess purchase price paid over the net book value of the assets acquired in a merger or acquisition. Pursuant to SFAS No. 142, "Goodwill and Intangible Assets," goodwill is not amortized, but is tested for impairment at the reporting unit annually and whenever an impairment indicator arises. The evaluation involves assigning assets and liabilities to reporting units and comparing the fair value of each reporting unit to its carrying value including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill is not considered impaired. However, if the carrying amount of the reporting unit exceeds the fair value, goodwill is considered impaired. The impairment loss equals the excess of carrying value over fair value.

Core deposit intangibles represent the value of long-term deposit relationships and are amortized over their estimated useful lives. The Company annually evaluates these estimated useful lives. If the Company determines that events or circumstances warrant a change in these estimated useful lives, the Company will adjust the amortization of the core deposit intangibles, which could affect future amortization expense.

6. Stock Incentive Plan

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123(R), "Share-Based Payment," which revises SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS No. 123(R) requires that cost related to the fair value of all equity-based awards to employees, including grants of employee stock options, be recognized in the financial statements.

The Company adopted the provisions of SFAS No. 123(R) effective January 1, 2006, using the modified prospective transition method, as permitted, and therefore have not restated its financial statements for prior periods. Under this method, the Company will apply the provisions of SFAS No. 123(R) to new equity-based awards and to equity-based awards modified, repurchased, or cancelled after January 1, 2006. In addition, the Company will recognize compensation cost for the portion of

6. Stock Incentive Plan (continued)

equity-based awards for which the requisite service period has not been rendered ("unvested equity-based awards") that are outstanding as of January 1, 2006. The compensation cost recorded for unvested equity-based awards will be based on their grant-date fair value. For the three months ended March 31, 2006, the Company recorded $12,000 in compensation cost for equity-based awards that vested during the three months ended March 31, 2006. The Company has $71,000 of total unrecognized compensation cost related to non-vested equity-based awards granted under its stock incentive plan as of March 31, 2006, which is expected to be recognized over a weighted-average period of 1.3 years.

Prior to the adoption of SFAS No. 123(R), the Company presented tax benefits resulting from the exercise of stock options as operating cash flows in the Consolidated Statement of Cash Flows. SFAS No. 123(R) requires that cash flows from the exercise of stock options resulting from tax benefits in excess of recognized cumulative compensation cost ("excess tax benefits") be classified as financing cash flows. The Company had $81,000 of tax benefits classified as financing cash flows for the three months ended March 31, 2006.

The Company accounted for its equity-based compensation awards prior to the adoption of SFAS No. 123(R) by applying APB Opinion No. 25 and related Interpretations, as permitted by SFAS No. 123. Accordingly, the Company did not recognize any compensation cost in its financial statements. Had compensation cost been recognized in accordance with the fair value recognition provisions of SFAS No. 123, the Company's net earnings and earnings per share would have been reduced to the pro forma amounts indicated below for the three months ended March 31, 2005:

(In thousands, except share data)	For the Three Months Ended March 31, 2005
Net earnings:	
As reported	$ 3,260
Stock-based compensation, net of tax	(259)
Pro-forma net earnings	$ 3,001
Basic earnings per share:	
As reported	$ 0.59
Stock-based compensation, net of tax	(0.05)
Pro-forma	$ 0.54
Diluted earnings per share:	
As reported	$ 0.57
Stock-based compensation, net of tax	(0.05)
Pro-forma	$ 0.52

There were no options granted during the three months ended March 31, 2006. The fair value of each option granted in 2005 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions.

	2005
Dividend yield	2.4%
Expected life	4 years
Expected volatility	38.4%
Risk-free interest rate	4.25%

The expected life of the options was based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate was based on the United States Treasury's rates at the dates of grant with maturity dates approximately equal to

6. Stock Incentive Plan (continued)

the expected life at the grant date. The expected volatility was based on the historical volatility of the Company's stock. The dividend yield was based on the Company's expectation of future dividend payouts.

The Company has a stock incentive plan that provides for grants of options of up to 1,200,000 authorized, but unissued shares of its common stock, restricted stock, stock appreciation rights, and other equity-based compensation. The following is a summary of the changes in outstanding options for the three months ended March 31, 2006 and the twelve months ended December 31, 2005:

	Three Months Ended March 31, 2006		Twelve Months Ended December 31, 2005	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	484,233	$23.14	582,466	$22.21
Granted			8,000	32.76
Exercised	(14,500)	$15.61	(92,800)	16.60
Forfeited	(5,200)	$33.91	(13,433)	33.89
Outstanding at end of period	464,533	$23.25	484,233	$23.14
Exercisable at end of period	457,533		475,983	
Weighted-average remaining contractual term		7.1 years		7.3 years

7. Effects of Recent Accounting Pronouncements

In February 2006, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 155, "Accounting for Certain Hybrid Instruments - an amendment of FASB Statements No. 133 and 140," to simplify and make more consistent the accounting for certain financial instruments. Specifically, SFAS No. 155 amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," to permit fair value remeasurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," to allow a qualifying special purpose entity to hold a derivative instrument that pertains to a beneficial interest other than another derivative financial instrument.

SFAS No. 155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006, or January 1, 2007 as to the Company, with earlier application allowed. The Company is currently evaluating SFAS No. 155, but does not expect it to have a material effect on the Company's financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets - an amendment of SFAS No. 140," to simplify the accounting for separately recognized servicing assets and servicing liabilities. Specifically, SFAS No. 156 amends SFAS No. 140 to require an entity to take the following steps:

- o Separately recognize financial assets as servicing assets or servicing entities, each time it undertakes an obligation to service a financial asset by entering into certain kinds of servicing contracts;

- Initially measure all separately recognized servicing assets and liabilities at fair value, if practicable, and;
- Separately present servicing assets and liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities.

Additionally, SFAS No. 156 permits, but does not require, an entity to choose either the amortization method or the fair value measurement method for measuring each class of separately recognized servicing assets and servicing liabilities. SFAS No. 156 also

7. Effects of Recent Accounting Pronouncements (continued)

permits a servicer that uses derivative financial instruments to offset risks on servicing to use fair value measurement when reporting both the derivative financial instrument and related servicing asset or liability.

SFAS No. 156 applies to all separately recognized servicing assets and liabilities acquired or issued after the beginning of an entity's fiscal year that begins after September 15, 2006, or January 1, 2007 as to the Company, with earlier application permitted. The Company is currently evaluating SFAS No. 156, but does not expect it to have a material effect on the Company's financial position or results of operations.

Forward-Looking Statements

This report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements about the Company. These forward-looking statements include statements regarding financial condition, results of operations, plans, objectives, and the future performance and business of the Company, including management's establishment of an allowance for loan losses, its statements regarding the adequacy of such allowance for loan losses, and management's belief that the allowance for loan losses is adequate. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts.

By their nature, forward-looking statements are subject to numerous assumptions, risks, and uncertainties. A number of factors could cause actual conditions, events, or results to differ significantly and materially from those described in the forward-looking statements. These factors include, but are not limited to, those set forth below and under the heading "Business Risks" included in Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2005 ("2005 Form 10-K"), and other factors described in the 2005 Form 10-K, and from time-to-time in other filings with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date they are made. The Company assumes no obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events.

Risk Factors

Oak Hill Financial, like other financial companies, is subject to a number of risks, many of which are outside of management's control. Management strives to mitigate those risks while optimizing returns. Among the risks assumed are: (1) credit risk, which is the risk that loan customers or other counter parties will be unable to perform their contractual obligations, (2) market risk, which is the risk that changes in market rates and prices will adversely affect the Company's financial condition or results of operations, (3) liquidity risk, which is the risk that the Company will have insufficient cash or access to cash to meet operating needs, and (4) operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events, and (5) legal risk, which is the risk of legal proceedings against the Company as well as regulatory and governmental reviews or investigations that arise in the course of the Company's business. The description of the Company's business contained in Item 1 of its 2005 Form 10-K, while not all inclusive, discusses a number of business risks that, in addition to the other information in this report, readers should carefully consider.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Oak Hill Financial, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the three month periods ended March 31, 2006 and 2005

Discussion of Financial Condition Changes from December 31, 2005 to March 31, 2006

The Company's total assets amounted to $1.2 billion at March 31, 2006, an increase of $5.2 million, or 0.4%, over the total at December 31, 2005. The increase in assets was funded primarily through an increase of $2.3 million, or 0.2% in deposits and a $12.2 million increase in repurchase agreements, which were partially offset by a decrease in FHLB advances of $9.4 million.

Cash and due from banks, federal funds sold, and investment securities, including mortgage-backed securities, increased by $658,000, or 0.4%, to a total of $161.9 million at March 31, 2006, compared to December 31, 2005. Investment securities increased by $1.3 million, as purchases of $14.6 million exceeded maturities and repayments of $3.4 million and sales of $9.5 million. Federal funds sold decreased by $1.3 million during the three-month period ended March 31, 2006.

Loans receivable, including loans held for sale, totaled $1.0 billion at March 31, 2006, an increase of $2.0 million, or 0.2%, over the comparable totals at December 31, 2005. Loan disbursements totaled $89.1 million during the three-month period ended March 31, 2006, which were partially offset by loan sales of $10.9 million and principal repayments of $75.9 million. Loan disbursements decreased by $528,000 when compared to the same period in 2005. Sales volume increased by $1.3 million when compared to the same period in 2005. Loan originations declined primarily due to the decrease in originations of commercial and other loans. Growth in the loan portfolio during the three months ended March 31, 2006 was comprised of a $9.9 million, or 1.4%, increase in commercial and residential real estate loans, a $1.4 million, or 2.6% increase in construction and land development loans and a $3.0 million, or 2.8%, increase in installment loans, which were partially offset by a $12.1 million, or 7.4%, decrease in commercial and other loans and a $208,000, or 9.5%, decrease in credit card loans. The allowance for loan losses totaled $13.7 million at March 31, 2006, an increase of $53,000, or 0.4%, over the total at December 31, 2005. The allowance for loan losses represented 1.33% of the total loan portfolio at March 31, 2006 and December 31, 2005.

Net charge-offs totaled approximately $146,000 and $535,000 for the three months ended March 31, 2006 and 2005, respectively. The Company's allowance represented 56.6% and 77.3% of nonperforming loans, which totaled $24.2 million and $17.7 million at March 31, 2006 and December 31, 2005, respectively. At March 31, 2006, nonperforming loans were comprised of, $16.7 million of loans secured primarily by commercial real estate, $7.2 million of loans secured by one-to-four family residential real estate, and $344,000 in installment loans. The Company continues to diligently explore several avenues to improve the status of such loans in a timely manner. In management's opinion, based upon its ongoing review, knowledge, and current information, the carrying value of commercial and non-residential credits are appropriate and all nonperforming loans were adequately collateralized or reserved for at March 31, 2006.

Deposits totaled $980.7 million at March 31, 2006, an increase of $2.3 million, or 0.2%, over the total at December 31, 2005. Brokered deposits continued to be an integral part of the Company's overall funding strategy, although to a lesser extent, due to competitive rates and lower operational costs compared with retail deposits. Brokered deposits totaled $63.2 million with a weighted-average cost of 3.34% at March 31, 2006, as compared to the $80.5 million in brokered deposits with a 3.20% weighted-average cost at December 31, 2005. Proceeds from deposit growth were used primarily to fund loan originations.

Advances from the Federal Home Loan Bank totaled $113.7 million at March 31, 2006, a decrease of $9.4 million, or 7.7%, from the total at December 31,

2005. Securities sold under agreements to repurchase totaled $30.5 million at March 31, 2006, an increase of $12.2 million, over the total at December 31, 2005. The increase resulted primarily from $20.0 million in reverse repurchase agreements incepted in March 2006, which were partially offset by the repayment of $10.0 million in reverse repurchase agreements incepted in March 2005.

The Company's stockholders' equity amounted to $94.2 million at March 31, 2006, an increase of $153,000, or 0.2%, over the balance at December 31, 2005. The increase resulted primarily from net earnings of $3.5 million and proceeds from options exercised of $211,000, which were partially offset by $1.1 million in dividends and the Company's repurchase of 74,455 outstanding shares of common stock at an aggregate price of $2.4 million ($32.02 per share).

Comparison of Results of Operations for the Three-Month Periods Ended March 31, 2006 and 2005

The results of operations for the three months ended March 31, 2005, do not include the acquisition of Lawrence Financial, as Lawrence Financial was acquired on April 1, 2005.

General

Net earnings for the three months ended March 31, 2006 totaled $3.5 million, a $234,000, or 7.2%, increase over net earnings reported in the comparable 2005 period. The increase in earnings resulted primarily from a $5,000 increase in net interest income, a $748,000 increase in other income, a $285,000 decrease in the provision for federal income tax, and a $550,000 decrease in the provision for losses on loans, which were partially offset by a $1.4 million increase in general, administrative and other expenses.

Net Interest Income

Total interest income for the three months ended March 31, 2006, amounted to $19.0 million, an increase of $3.2 million, or 20.2%, from the comparable 2005 period. Interest income on loans totaled $17.4 million, an increase of $2.6 million, or 17.8%, over the 2005 period. This increase resulted primarily from a $100.7 million, or 10.8% increase in the average portfolio balance, to a total of $1.0 billion for the three months ended March 31, 2006, coupled with a 41 basis point increase in the average fully-taxable equivalent yield, to 6.87% for the three month period ended March 31, 2006. Interest income on investment securities and other interest-earning assets increased by $565,000, or 54.5%. This increase resulted primarily from a $41.6 million, or 40.1%, increase in the average portfolio balance, to a total of $145.5 million for the three months ended March 31, 2006, coupled with a 64 basis point increase in the average fully-taxable equivalent yield, to 5.35% for the three months ended March 31, 2006.

Total interest expense amounted to $9.3 million for the three months ended March 31, 2006, an increase of $3.2 million, or 52.4%, over the comparable 2005 period. Interest expense on deposits increased by $2.5 million, or 53.8%, to a total of $7.2 million for the three months ended March 31, 2006. The increase resulted primarily from a $122.3 million, or 14.3%, increase in the average portfolio balance, to a total of $975.8 million for the three months ended March 31, 2006, coupled with a 77 basis point increase in the average cost of deposits, to 3.01% for the three months ended March 31, 2006. Interest expense on borrowings increased by $657,000, or 47.6%, for the three months ended March 31, 2006. The increase was due to a $27.6 million, or 20.1%, increase in the average

borrowings outstanding for the three months ended March 31, 2006, coupled with a 93 basis point increase in the average cost of borrowings, to 5.01% for the three months ended March 31, 2006.

As a result of the foregoing changes in interest income and interest expense, net interest income increased by $5,000, or 0.1%, for the three months ended March 31, 2006, as compared to the same period in 2005. The interest rate spread decreased 41 basis points, to 3.38% for the three months ended March 31, 2006, compared to 3.79% for the three months ended March 31, 2005. The fully-taxable equivalent net interest margin decreased 41 basis points, from 3.89% to 3.48% for the three months ended March 31, 2005 and 2006, respectively.

Provision for Losses on Loans

A provision for losses on loans is charged to earnings to bring the total allowance for loan losses to a level considered appropriate by management based on historical experience, the volume and type of lending conducted by the Company, the status of past due principal and interest payments, general economic conditions, particularly as such conditions relate to the Company's market area, and other factors related to the collectibility of the Company's loan portfolio. As a result of such analysis, management recorded a $200,000 provision for losses on loans for the three months ended March 31, 2006, a decrease of $550,000, or 73.3%, compared to same period in 2005. The provision for losses on loans for the three months ended March 31, 2006 was predicated upon an increase of $6.5 million in nonperforming loans, from $17.7 million at December 31, 2005 to $24.2 million at March 31, 2006, the $2.0 million of growth in the loan portfolio, as well as net charge-offs of $146,000 during the quarter.

Other Income

Other income totaled $3.3 million for the three months ended March 31, 2006, an increase of $748,000, or 29.5%, over the amount reported in the comparable 2005 period. This increase resulted primarily from an $857,000, or 38.6% increase in service fees, charges and other income, which were partially offset by a $109,000, or 34.3%, decrease in gain on sale of loans. The increase in service fees, charges and other income was due primarily to an increase in service charges on deposits totaling $365,000, an increase in commission income of $149,000, an increase in ATM fees totaling $82,000, and an increase in bank owned life insurance income of $71,000 in the 2006 quarter. The reduction of gain on sale of loans is attributable to a $65,000 decrease in gains from the sale of Small Business Administration loans, coupled with a $44,000 decrease in gains from the sale of residential real estate loans.

General, Administrative and Other Expense

General, administrative and other expense totaled $8.2 million for the three months ended March 31, 2006, an increase of $1.4 million, or 19.6%, over the amount reported in the 2005 period. The increase resulted primarily from a $718,000, or 20.0%, increase in employee compensation and benefits and a $645,000, or 27.9%, increase in other operating expenses, including merger-related expenses in 2005, amortization of core deposit intangible, and franchise taxes, which were partially offset by a $9,000, or 0.9%, decrease in occupancy and equipment expense.

The decrease in occupancy and equipment expense was due primarily to a $65,000, or 18.7%, decrease in maintenance contracts, a $31,000, or 15.3%, decrease in rent expense, and a $36,000 decrease in other occupancy and equipment expenses, which were partially offset by a $67,000, or 21.9% increase in depreciation expense and a $56,000, or 39.0% increase in utilities, property taxes and insurance. The increase in other expenses resulted primarily from a $211,000 increase in amortization of core deposit intangible, a $263,000 increase in franchise tax expense, a $75,000 increase in marketing expense, and a $49,000 increase in professional fees, coupled with incremental increases in other operating expenses year-to-year. The increase in compensation and benefits resulted primarily from an $848,000, or 26.5%, increase in salaries and wages attributable to yearly salary increases and the addition of staff in the Lawrence merger, a $61,000, or 28.7%, increase in group insurance, and a $5,000, or 1.3% increase in payroll tax expense.

Federal Income Taxes

The provision for federal income taxes amounted to $1.0 million for the three months ended March 31, 2006, a decrease of $285,000, or 21.6%, from the amount recorded in the comparable 2005 period. The decrease resulted primarily from a $125,000 increase in New Markets Tax Credits pursuant to the Bank's qualified investment in Oak Hill Community Development Corp., which was partially offset by a $51,000, or 1.1%, decrease in earnings before taxes. The effective tax rates were 22.9% and 28.8% for the three months ended March 31, 2006 and 2005, respectively.

Item 3: Quantitative and Qualitative Disclosure About Market Risk

There has been no significant change from disclosures included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Item 4: Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

At the end of the period covered by this report, the Company's management, with the participation of its chief executive officer and chief financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 promulgated under the Exchange Act. Based upon this evaluation, the Company's chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures were effective at March 31, 2006.

The Company's management also conducted an evaluation of internal control over financial reporting to determine whether any changes occurred during the quarter ended March 31, 2006. Based on this evaluation, there were no changes in the Company's internal control over financial reporting made during the quarter ended March 31, 2006, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Oak Hill Financial, Inc.
PART II - OTHER INFORMATION

Item1: Legal Proceedings

Not applicable.

Item 1A: Risk Factors

There have been no material changes from risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

<TABLE>
<CAPTION>

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announce Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(1)
<S>	<C>	<C>	<C>	<C>
January 1, 2006 - January 31, 2006	52,055	$32.45	52,055	--
February 1, 2006 - February 28, 2006	--	$ --	--	278,000
March 1, 2006 - March 31, 2006	22,400	$31.01	22,400	255,600

</TABLE>

(1) During January 2006, the Company completed the share repurchase plan

announced on May 26, 2005. On February 21, 2006, the Company announced that its Board of Directors had authorized management to repurchase up to 278,000 shares of the Company's common stock through open market or privately negotiated transactions. The authorization does not have an expiration date.

Item 3: Defaults Upon Senior Securities

Not applicable.

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

Not applicable.

Item 5: Other Information

Not applicable.

Item 6: Exhibits

Exhibits:

Exhibit Number	Description
31(a)	Certification of Chief Executive Officer, R. E. Coffman, Jr., dated May 4, 2006, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ("SOX").
31(b)	Certification of Chief Financial Officer, Ron J. Copher, dated May 4, 2006, pursuant to Section 302 of SOX.
32(a)	Certification of Chief Executive Officer, R. E. Coffman, Jr., dated May 4, 2006, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of SOX. -
32(b)	Certification of Chief Financial Officer, Ron J. Copher, dated May 4, 2006, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of SOX. -

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Oak Hill Financial, Inc.

Date: May 4, 2006 By: /s/ R. E. Coffman, Jr.

R. E. Coffman, Jr.
President & Chief Executive Officer

Date: May 4, 2006 By: /s/ Ron J. Copher

Ron J. Copher
Chief Financial Officer

EXHIBIT 31(a)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, R. E. Coffman, Jr., certify that:

1) I have reviewed this quarterly report on Form 10-Q of Oak Hill Financial, Inc.;

2) Based on my knowledge, this quarterly 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 report;

3) Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
   b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially

affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2006

/s/ R. E. Coffman, Jr.

R. E. Coffman, Jr.
President & Chief Executive Officer

EXHIBIT 31(b)

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ron J. Copher, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Oak Hill Financial, Inc.;

2) Based on my knowledge, this 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 report;

3) Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially

affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2006

/s/ Ron J. Copher

Ron J. Copher
Chief Financial Officer

EXHIBIT 32(a)

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 Quarterly Report of Oak Hill Financial, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. E. Coffman, Jr., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 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.

/s/ R. E. Coffman, Jr.

R. E. Coffman, Jr.
President & Chief Executive Officer

May 4, 2006