2008 ANNUAL REPORT TO THE SHAREHOLDERS

MVB

1999-2009
10 YEARS
MVB

MVB FINANCIAL CORP.

MVB Financial Corp.
Selected Financial Data
Amounts in thousands,
except for share data

	At or for the Year Ended December 31									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Summary of Operations										
Interest Income	$ 13,687	13,274	10,011	6,651	5,536	4,852	4,227	3,893	2,977	1,188
Interest Expense	5,949	6,377	4,360	2,326	1,570	1,702	1,852	2,195	1,820	643
Net Interest Income	7,738	6,897	5,651	4,325	3,966	3,150	2,375	1,698	1,157	545
Provisions for Loan Losses	595	584	445	160	269	223	225	166	138	104
Non-Interest Income	1,788	1,623	1,240	876	677	598	458	391	207	127
Non-Interest Expense	7,840	6,240	5,132	4,284	2,689	2,348	2,033	1,712	1,397	944
Applicable Income Tax Expenses (Benefit)	263	414	341	195	627	396	175	64	(50)	(118)
Net Income (Loss) from operations	1,260	1,282	973	562	1,058	781	400	147	(121)	(258)
Per Share Data										
Basic Net Income (Loss)/Share	$ 0.52	0.87	0.68	0.57	1.46	1.10	0.70	0.28	(0.23)	(0.57)
Fully Diluted Net Income/Share	0.51	0.85	0.67	0.49	1.41	1.07	0.68	0.27	(0.23)	(0.57)
Cash Dividends Declared	0.10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Book Value	16.11	15.60	14.82	13.52	11.80	11.04	10.37	8.75	8.48	9.14
Basic weighted-average shares outstanding	1,584	1,470	1,428	993	726	708	571	533	517	517
Diluted weighted-average shares outstanding	1,621	1,509	1,588	1,153	752	730	586	541	517	517
Average Balance Sheet Summary										
Loans, Gross	$ 189,070	158,495	124,794	87,145	70,252	55,301	42,153	30,560	20,429	5,591
Investment Securities	27,568	26,658	27,335	22,466	23,012	25,219	18,794	14,773	8,400	5,553
Total Assets	238,785	205,544	168,950	123,668	101,887	91,981	74,597	59,425	42,764	19,461
Deposits	169,946	147,454	122,733	95,349	81,414	71,657	58,294	44,924	31,646	12,336
Capital	25,695	22,259	20,015	12,957	8,342	7,575	5,379	4,761	4,500	4,058
End of Period Balance Sheet Summary										
Loans, Gross	$ 203,241	181,537	142,599	105,214	78,844	62,615	48,032	35,075	26,117	13,899
Investment Securities	26,591	27,843	28,739	28,534	20,791	25,073	22,335	18,121	10,093	8,139
Total Assets	258,706	230,098	191,284	151,334	106,206	94,936	80,977	65,325	50,358	34,087
Deposits	173,065	157,448	134,593	113,953	85,486	75,338	64,904	49,710	38,110	24,006
Capital	25,836	23,525	21,655	18,518	8,843	7,818	7,340	4,798	4,622	4,572
Selected Ratios										
Average Equity to Average Assets	10.76%	10.83%	11.85%	10.48%	8.19%	8.24%	7.21%	8.01%	10.52%	20.85%
Return on Average Assets										
Net Income (Loss)	0.53%	0.62%	0.58%	0.45%	1.04%	0.85%	0.54%	0.25%	-0.28%	-6.36%
Return on Average Equity										
Net Income (Loss)	4.90%	5.76%	4.86%	4.34%	12.68%	10.31%	7.44%	3.09%	-2.69%	-1.33%
Leverage Ratio	11.49%	11.53%	11.35%	11.82%	8.35%	8.21%	8.95%	7.14%	9.40%	24.20%
Risk-Based Capital Ratios										
Tier I Capital	13.38%	13.60%	14.37%	15.66%	11.27%	11.98%	13.98%	12.31%	16.20%	27.00%
Total Capital	14.26%	14.52%	15.21%	16.45%	12.40%	13.03%	14.96%	13.25%	17.00%	27.60%
Common Stock Price Per Share at Year End	$ 20.00	20.00	16.00	16.00	14.00	12.38 *	11.90 *	10.48 *	10.00 *	10.00 *

* adjusted for 5% stock dividends,
effective June 1, 2001 & August 15, 2004

MVB FINANCIAL CORP.

Banking Done Right!

301 Virginia Avenue • Fairmont, WV 26554

Dear Shareholders,

As I write this letter, the national economy looks bleak; but I really believe there are positive signs for our economic future. My thoughts are probably different than most economically knowledgeable professionals.

Consumer debt has been lower for the last few months. This is generally perceived as negative. Personally, I believe that it is a positive sign; that consumers are beginning to live within their means and trying to put their financial affairs in order. Cleaning up their financial affairs will provide them with a sound foundation as the overall economy begins to move forward. Continuing to increase credit card debt is irresponsible, especially during difficult economic times. Reality is beginning to set in for those that have lived beyond their means by overuse of credit.

Historically, West Virginia has not experienced the dramatic economic growth that many states have enjoyed. Conversely, West Virginia has not experienced the sharp declines when those states with overheated economies decline. During this period of economic decline, I believe we can be happy that we do business in West Virginia.

Mortgage loan rates are at historic lows. This provides an opportunity for current home owners that have maintained good credit to refinance their existing mortgage at these lower rates. The lower monthly payment will provide additional cash in their pocket. Those who have been renting because they could not afford a mortgage payment now have the opportunity to review the prospects of home ownership again. Low rate mortgage loans with small down payments are still available. Especially in West Virginia, this availability should lend support to the housing markets. Lower rates also provide an opportunity for current homeowners to upgrade their home by buying a different home or remodeling their current home. It is unlikely that there will be a better time to purchase or renovate a home.

In the area of mortgage lending, 2008 was a very good year for MVB. While many institutions have experienced a falling demand for mortgages, MVB's mortgage originations remain strong. During 2007, we originated 350 mortgage loans totaling $42.2 million. In 2008, we originated 341 loans for $48.2 million. This represents a decrease in the number of loans originated by 2.6%, but an increase of $6 million, or 14% increase over 2007. As you can see, MVB has not experienced a decrease in mortgage lending activity. With the lower interest rates, we expect our 2009 loan production to exceed that for 2008. Our current mortgage loans in process are at a historically high level.

Technology is an area that is constantly changing related to MVB and banking. This year, we have expanded our "Remote Deposit" offering, which allows MVB to provide deposit services to commercial customers without regard to location. The customer scans the checks and deposit ticket and then sends them to us electronically for processing. This provides the opportunity for commercial borrowers that do not have a presence in close proximity to one of our offices to be a deposit customer as well. While a relatively new product in West Virginia, this service is heavily used by large commercial organizations very successfully.

Phones: 304-363-4800; 1-888-689-1877 • Fax 304-366-8600

The development of this Remote Deposit technology has provided additional benefits to MVB. We no longer ship any documents to our data processor or checks to the Federal Reserve for collection. The transportation of documents has been replaced by the transmission of electronic images. This process change has reduced check collection fees and eliminated our courier dependency and expense. Weather transportation delays are no longer an issue for our data processing. The risk of loss during courier transportation has been eliminated. The paper items never leave our office. This evolution began with the adoption of “Check21” legislation in 2002.

Financially, MVB had a good year during a very difficult economic period. Most of you have probably seen the Bauer Financial Inc. rating of MVB reproduced in the Third Quarter Report to Shareholders. Their most recent rating is included in this Annual Report. Bauer Financial, Inc. is an independent rating service of financial institutions. We are proud to have received their highest award for seven consecutive quarters. It is important to shareholders to review independent materials related to MVB.

Several areas of our balance sheet grew well during 2008. Loans grew approximately $23 million or 13%. Most of the growth in loans was in commercial loans. As discussed earlier, consumers have been paying debt rather than incurring additional debt. As a result, our consumer loans have decreased. Most mortgage loan customers want a 30 year fixed-rate loan which we make and sell to the secondary mortgage market. MVB makes a fee for processing and closing such loans. We are pleased to have been able to increase our loan portfolio during 2008 in spite of the economy. We have found that we have denied many more loans during 2008 than in past years; quality is our first concern when evaluating a loan for consideration.

Our deposits grew nearly $16 million or 10% during 2008. This comes during a time when competition for deposits has become fierce. This is a result of competition for funds from the large banks and brokerage houses. Many of these large organizations are paying rates that exceed normal market rates of interest for deposits because they no longer have access to the wholesale capital markets. I suspect that this competition will remain strong for the foreseeable future.

Our capital position improved significantly during 2008. This is the result of the closing of our stock offering early in 2008 and our net income for the year.

As most everyone is aware, the United States Government (“US”) took over the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corp (“FHLMC”) during 2008. One of the actions taken by the US was to eliminate the dividend on all stock of FNMA and FHLMC, both common and preferred. This action reduced the market value of our FHLMC preferred stock to nearly zero. As a result of this action, MVB was required to mark these securities to market. The write down was $432,000, net of the tax benefit of the loss.

Net income for 2008, excluding the FHLMC write-down was $1.26 million versus $1.28 million in 2007. While flat net income is normally not encouraging, I believe that it is good performance. This is because of the rapidly decreasing interest rates during late January through March, when the Federal Reserve decreased interest rates 2% in 60 days. This was a shock to everyone’s portfolio: Rates were decreased another ¾ percent on December 26, 2008. At the current target for federal funds at 0 - .25%, it would seem like interest rates are at the bottom of their range.

Since the 2008 Letter to Shareholders, we have added two directors to the Board of Directors of MVB. Mrs. Berniece D. Collis and Dr. Joseph P. Cincinnati have been selected to represent the Berkeley and Jefferson County Division. Mrs. Collis was elected at the last Annual Meeting of shareholders and Dr. Cincinnati has been nominated for election at the 2009 Annual Meeting. Both individuals are highly respected in their profession. Mrs. Collis is Vice President of Minghini’s General Contractors, Inc. and Dr. Cincinnati is an orthopedic surgeon. We welcome these two directors to our Board and look forward to them sharing their knowledge and expertise with us.

One of the issues that community banks have been discussing for years is “too big to fail”. This related to the belief by many that the regulatory playing field was not equal. The US Government would protect the very large institutions from failing but treat small institutions much differently. The Federal regulators always stated that there was no such thing as “too big to fail”. I suggest that over the last year, “too big to fail” has become a reality. Look at the very large institutions; our government has indeed made sure they did not fail. I cannot judge whether this is good or not. There is now some whispering that there needs to be some size limitations on financial institutions going forward. I concur with this because I personally believe that many large organizations became too large to effectively manage. This is probably a good idea, but the “horse is already out of the barn”. How would you take the current “Big Four” institutions apart?

For years, the very large financial institutions, brokerage houses and insurance companies, wanted to repeal a long standing regulation, the Glass-Steagal Act. This Regulation prohibited the three from becoming involved in each others business. In 1999, the “Big Guys” won; Glass-Steagal was repealed. I cannot tell you the current mess would not have happened, but I sincerely believe that the mess would either, not have happened or would have been far less damaging. Again, the “Big Guys” know best.

MVB has tentatively been approved for participation in the Department of the Treasury Troubled Asset Relief Program Capital Purchase Program (TARP). I previously provided information that MVB has applied for participation in the program. The participation was based on the TARP proceeds being an insurance policy to protect MVB from catastrophic economic problems. MVB is a well capitalized institution currently and expects to be a well capitalized institution in the future. Unfortunately, we are sailing in unchartered economic waters and do not know what the future holds. This is the reason for our participation application.

The day after we received the preliminary approval, President Obama signed into law the Economic Stimulus Package (ESP). There are a number of provisions in ESP that relate to TARP on a retroactive and a going forward basis. As a result of these provisions, it is no longer clear if it is in the best interest of MVB to participate in TARP. While the ESP is law, there are no rules or guidelines written to implement the ESP. Until these are formalized, we cannot make a decision as to whether MVB should participate in TARP or not. It is unlikely this decision can be made before this Annual Report goes to print. We should be able to update you at our Annual Shareholders Meeting and in the first quarter of 2009 Report to Shareholders.

During the past year, there have been many changes to the FDIC Insurance available to insured institutions and their customers. Coverage is no longer the same at each institution as institutions may now elect to participate in optional additional coverage. MVB has elected to participate in all coverage offered by the FDIC. Please consult with one of us if you have any questions about FDIC Insurance coverage with MVB or other institutions. Account titling is an important consideration in determining coverage. Currently, a husband and wife can have FDIC Insurance of $1 million or more very easily in MVB.

It is hard to imagine that MVB has been open for 10 years. The bank opened with a single office January 4, 1999. The time has gone by very quickly. There have been many additions and changes during these years, including four offices and 70 staff members. There is one thing that I am proud to say has not changed; we have great staff members in each office that are concerned about providing first class customer service to each person they come in contact with. Our approach to Banking is to provide great service, not treat our customers as a number and try to milk them for all they are worth. The big institutions try to fool their customers with complex products that are difficult to understand and not for everyone. MVB provides old fashion products and services that our customers need and understand.

Prior to our Annual Shareholders Meeting, I will have retired from the active management of MVB. I will remain as a member of the Board of Directors and serve as Chairman of the Board beginning in May, 2009. Larry Mazza has become President and CEO of MVB as of January 1, 2009. Please provide him the same wonderful support that I have received.

The future for MVB is bright. Thank you for the opportunity to serve MVB. It has been a wonderful time that has gone very quickly.

Best regards,

Dick Martin

1999-2009
10 YEARS
MVB

MVB BANK

10/97	WV Division of Banking Approves Charter
11/97	Monongahela Valley Banks Starts Capital Campaign
03/98	Unveiling of Plans for a New Bank Office
05/98	Groundbreaking for the New Office on Virginia Avenue in Fairmont, WV
06/98	Completion of Capital Campaign
01/99	Monongahela Valley Bank Officially Opens Its Doors
04/99	Grand Opening Celebration
05/00	Monongahela Valley Bank Opens a Branch Office in the Middletown Mall Shop 'n Save in Fairmont, WV
01/04	MVB Financial Corp. Formed
03/04	Groundbreaking for the New Bridgeport Office In Harrison County
06/04	Reached $100,000,000 In Total Assets
03/05	Monongahela Valley Bank Officially Changed Its Name to MVB Bank, Inc.
08/05	Harrison County Officially Opens Its Office
10/05	MVB Financial Corp. Enters into the Eastern Panhandle with the Purchase of Susquehanna Bancshares, Incorporated in Charles Town
01/06	Reached $200,000,000 In Total Assets
07/07	MVB Opened an Office in Martinsburg, in Berkeley County

SNODGRASS
Certified Public Accountants and Consultants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
MVB Financial Corp.
Fairmont, West Virginia

We have audited the accompanying consolidated balance sheets of MVB Financial Corp. and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MVB Financial Corp. and subsidiaries as of December 31, 2008 and 2007, and the consolidated results of its operations and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2008, the Company adopted Emerging Issues Task Force No. 06-4, *Accounting for Deferred Compensation and Post-retirement Benefit Aspects of Endorsement Split Dollar Life Insurance Arrangements*. Also, as discussed in Note 18 to the consolidated financial statements, effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*.

We were not engaged to examine management's assertion about the effectiveness of MVB Financial Corp.'s internal control over financial reporting as of December 31, 2008, which is included in Form 10-K and, accordingly, we do not express an opinion thereon.

S. R. Snodgrass, A. C.

Wheeling, West Virginia
February 20, 2009

S.R. Snodgrass, A.C. • 980 National Road • Wheeling, West Virginia 26003-6400 • Phone: (304) 233-5030 • Facsimile: (304) 233-3062

MVB Financial Corp.
Consolidated Balance Sheets
(Dollars in thousands, except number of shares)
December 31, 2008 and 2007

	2008	2007
ASSETS		
Cash and due from banks	$ 4,710	$ 4,926
Interest bearing balances with banks	40	490
Certificates of deposit with other banks	7,000	-
Investment Securities:		
Securities held-to-maturity, at cost	8,796	1,814
Securities available-for-sale, at approximate market value	17,795	26,029
Loans:	203,241	181,537
Less: Allowance for loan losses	(1,860)	(1,733)
Net Loans	201,381	179,804
Loans held for sale	1,115	217
Bank premises, furniture and equipment	8,060	8,244
Accrued interest receivable and other assets	9,809	8,574
TOTAL ASSETS	$258,706	$230,098
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	$ 22,495	$ 19,129
Interest bearing	150,570	138,319
Total Deposits	173,065	157,448
Accrued interest, taxes, and other liabilities	1,835	1,601
Repurchase agreements	21,904	19,817
Federal Home Loan Bank and other borrowings	31,942	23,583
Long-term debt	4,124	4,124
Total Liabilities	232,870	206,573
STOCKHOLDERS' EQUITY		
Preferred stock, par value $1,000; 5,000 shares authorized, none issued		
Common stock, par value $1; 4,000,000 shares authorized; 1,603,622 and 1,508,081 shares issued respectively	1,604	1,508
Additional paid-in capital	20,175	18,450
Treasury Stock, 15,469 and 8,919 shares, respectively	(299)	(168)
Retained earnings	4,671	4,140
Accumulated other comprehensive loss	(315)	(405)
Total Stockholders' Equity	25,836	23,525
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$258,706	$230,098

MVB Financial Corp.
Consolidated Statements of Income
(Dollars in thousands except Share and Per Share Data)
Years ended December 31, 2008 and 2007

	2008	2007
INTEREST INCOME		
Interest and fees on loans	$ 11,902	$ 11,631
Interest on deposits with other banks	34	102
Interest on investment securities - taxable	1,334	1,207
Interest on tax exempt loans and securities	417	334
Total interest income	13,687	13,274
INTEREST EXPENSE		
Interest on deposits	4,765	4,859
Interest on repurchase agreements	303	725
Interest on Federal Home Loan Bank borrowings	678	568
Interest on long-term debt	203	225
Total interest expense	5,949	6,377
NET INTEREST INCOME	7,738	6,897
Provision for loan losses	595	584
Net interest income after provision for loan losses	7,143	6,313
OTHER INCOME		
Service charges on deposit accounts	681	647
Income on bank owned life insurance	180	167
Visa debit card income	249	212
Income on loans held for sale	411	377
Other operating income	267	220
	1,788	1,623
OTHER EXPENSES		
Salaries and employee benefits	4,022	3,485
Occupancy expense	528	406
Equipment depreciation and maintenance	399	351
Data processing	547	593
Visa debit card expense	212	152
Advertising	235	266
Legal and accounting fees	113	85
Printing, stationery and supplies	110	115
Other taxes	162	127
Other operating expenses	812	660
Loss on impairment of FHLMC preferred stock	700	-
	7,840	6,240
Income before income taxes	1,091	1,696
Income tax expense	263	414
Net Income	$ 828	$ 1,282
Basic net income per share	$0.52	$0.87
Diluted net income per share	$0.51	$0.85
Basic weighted average shares outstanding	1,584,295	1,470,167
Diluted weighted average shares outstanding	1,621,172	1,509,404

MVB Financial Corp.
Consolidated Statements of Cash Flows
(Dollars in thousands)
Years ended December 31, 2008 and 2007

	2008	2007
OPERATING ACTIVITIES		
Net Income	$ 828	$ 1,282
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	595	584
Deferred income tax (benefit)	(24)	(117)
Depreciation	441	364
Stock based compensation	15	13
Loans originated for sale	(34,570)	(27,887)
Proceeds of loans sold	33,672	28,963
Amortization, net of accretion	16	23
Loss on impairment of FHLMC preferred stock	700	-
(Increase) in interest receivable and other assets	(1,845)	(1,205)
Increase in accrued interest, taxes, and other liabilities	234	564
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	62	2,584
INVESTING ACTIVITIES		
(Increase) in loans made to customers	(22,172)	(38,995)
Purchases of premises and equipment	(257)	(2,115)
Purchases of investment securities available-for-sale	(14,229)	(6,625)
Purchases of investment securities held-to-maturity	(7,000)	(1,000)
Decrease/(increase) in deposits with Federal Home Loan Bank, net	450	(437)
Purchases of certificates of deposit with other banks	(7,000)	-
Proceeds from maturity of certificates of deposit with other banks	-	-
Proceeds from sales, maturities and calls of securities available-for-	22,351	7,110
Proceeds from maturities and calls of securities held-to-maturity	-	1,500
Purchase of bank owned life insurance	-	(500)
NET CASH (USED IN) INVESTING ACTIVITIES	(27,857)	(41,062)
FINANCING ACTIVITIES		
Net increase in deposits	15,617	22,855
Net increase/(decrease) in repurchase agreements	2,087	(392)
Proceeds from Federal Home Loan Bank borrowings	176,550	100,455
Principal payments on Federal Home Loan Bank borrowings	(168,191)	(90,662)
Proceeds from long-term borrowings	-	4,124
Purchase of treasury stock	(131)	(150)
Net proceeds of stock offering	1,735	586
Cash dividend	(159)	-
Common stock options exercised	71	171
NET CASH PROVIDED BY FINANCING ACTIVITIES	27,579	36,987
(Decrease) in cash and cash equivalents	(216)	(1,491)
Cash and cash equivalents at beginning of period	4,926	6,417
Cash and cash equivalents at end of period	$ 4,710	$ 4,926
Supplemental disclosure of cash flow information		
Cash payments for:		
Interest on deposits, repurchase agreements and FHLB borrowings	$ 5,790	$ 6,034
Income taxes	$ 644	$ 500

MVB Financial Corp.
Consolidated Statements of Changes in Stockholders' Equity
Years ended December 31, 2008 and 2007
(Dollars in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(loss)	Treasury Stock	Total Stockholders' Equity
Balance, December 31, 2006	$ 1,468	$ 17,720	$ 2,858	$ (373)	$ (18)	$ 21,655
Comprehensive income:						
Net Income			1,282			1,282
Other comprehensive income(loss) Net fair value adjustment on securities available for sale, less reclassification adjustment for realized gains - net of tax effect of $45				67		67
Total Comprehensive Income						1,349
Minimum pension liability adjustment net of tax effect				(99)		(99)
Stock offering	29	557				586
Stock based compensation		13				13
Treasury stock, acquired at cost					(150)	(150)
Common stock options exercised	11	160				171
Balance, December 31, 2007	$ 1,508	$ 18,450	$ 4,140	$ (405)	$ (168)	$ 23,525
Comprehensive income:						
Cumulative effect of change in accounting for split-dollar life insurance arrangements			(138)			(138)
Net Income			828			828
Other comprehensive income(loss) Net fair value adjustment on securities available for sale, less reclassification adjustment for realized gains - net of tax effect of $235				352		352
Total Comprehensive Income						1,180
Minimum pension liability adjustment - net of tax effect				(262)		(262)
Stock offering	89	1,646				1,735
Cash dividends paid ($0.10 per share)			(159)			(159)
Stock based compensation		15				15
Treasury stock, acquired at cost					(131)	(131)
Common stock options execised	7	64				71
Balance, December 31, 2008	$ 1,604	$ 20,175	$ 4,671	$ (315)	$ (299)	$ 25,836

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

MVB Financial Corp., "the Company", provides banking services to the domestic market with the primary market areas being the Marion, Harrison, Jefferson and Berkeley counties of West Virginia. To a large extent, the operations of the Company, such as loan portfolio management and deposit growth, are directly affected by the market area economies.

Cash and Cash Equivalents

Cash and cash equivalents include cash and due from banks.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of MVB Financial Corp. Inc., and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates, such as the allowance for loan losses, are based upon known facts and circumstances. Estimates are revised by management in the period such facts and circumstances change. Actual results could differ from these estimates.

Investment Securities

Debt securities that management has the ability and intent to hold to maturity are classified as held-to-maturity and carried at cost, adjusted for amortization of premium and accretion of discounts computed by the interest method from purchase date to maturity. Other marketable securities are classified as available-for-sale and are carried at fair value. Unrealized gains and losses on securities available-for-sale, net of the deferred income tax effect, are recognized as direct increases or decreases in stockholders' equity. Cost of securities sold is recognized using the specific identification method.

Loans Held for Sale

Through Taylor, Bean and Whitaker, MVB Bank, Inc. has the ability to offer customers long-term fixed rate mortgage products without holding these instruments in the bank's loan portfolio. After thorough review of the contract with Taylor, Bean and Whitaker, the Company has concluded that no material derivative instruments exist.

Loans and Allowance for Loan Losses

Loans are stated at the amount of unpaid principal reduced by an allowance for loan losses. Loans are considered delinquent when scheduled principal or interest payments are 31 days past due. Interest income on loans is recognized on an accrual basis. The allowance for loan losses is maintained at a level deemed adequate to absorb probable losses inherent in the loan portfolio. The Company consistently applies a quarterly loan review process to continually evaluate loans for changes in credit risk. This process serves as the primary means by which the Company evaluates the adequacy of the allowance for loan losses, and is based upon periodic review of the collectibility of loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are impaired. The general component covers non-classified loans and is based upon historical loss experience adjusted for qualitative factors.

A loan is considered impaired when, based upon current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and shortages generally are not classified as impaired. Generally the Company considers impaired loans to include loans classified as non-accrual loans and loans past due for longer than 90 days.

Loan Origination Fees and Costs

Loan origination fees and costs are accounted for according to Statement of Financial Accounting Standards No. 91, which requires that loan origination and commitment fees and direct loan origination costs be deferred and the net amount amortized as an adjustment of the related loan's yield.

Bank Premises, Furniture and Equipment

Bank premises, furniture and equipment are carried at cost less accumulated depreciation. The provision for depreciation is computed for financial reporting by the straight-line-method based on the estimated useful lives of assets, which range from 7 to 40 years on buildings and leasehold improvements and 3 to 10 years on furniture, fixtures and equipment.

Intangible Assets

The excess of the cost of an acquired company over the fair value of the net assets and identified intangibles acquired is recorded as goodwill. The net carrying amount of intangible assets was $956 and $975 at December 31, 2008 and 2007, respectively.

Other Investments

Federal Home Loan Bank (FHLB) stock is recorded at cost and considered to be restricted as the Company is required by the FHLB to hold this investment, and the only market for this stock is the issuing agency. FHLB stock totaled $1,479 and $1,181 at December 31, 2008 and 2007, respectively, and is included in other assets in the accompanying balance sheet. The Company also held $187 in Silverton Bank, N.A. stock at December 31, 2008 and 2007.

Income Taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the financial statements and those reported for income tax purposes. The differences relate principally to accretion of discounts on investment securities, provision for loan losses, minimum pension liability, and differences between book and tax methods of depreciation.

Stock Based Compensation

The Company accounts for stock-based compensation in accordance with Statement of Financial Accounting Standards No. 123R, "Share-Based Payment," (SFAS No. 123R) which was issued by the Financial Accounting Standards Board (FASB) in December 2004. SFAS No. 123R revises SFAS 123 "Accounting for Stock Based Compensation," and supersedes APB No. 25, Accounting for Stock Issued to Employees," (APB No. 25) and its related interpretations. Under SFAS No. 123R, the Company is required to record compensation expense for all awards granted after the date of adoption and for any unvested options previously granted.

Foreclosed Assets Held for Resale

Foreclosed assets held for resale acquired in satisfaction of mortgage obligations and in foreclosure proceedings are recorded at the lower of cost or fair value less estimated selling costs at the time of foreclosure, with any valuation adjustments charged to the allowance for loan losses. Any unrealized gains or losses on sale are then recorded in other non-interest expense. At December 31, 2008 and 2007, the Company held other real estate of $818 and $55.

Net Income Per Common Share

Diluted net income per common share includes any dilutive effects of stock options, and is computed by dividing net income by the average number of common shares outstanding during the period, adjusted for the dilutive effect of options under The Company's 2003 Stock Incentive Plan.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities and minimum pension liability, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

Endorsement Split-Dollar Life Insurance Arrangements

On January 1, 2008, the Company changed its accounting policy and recognized a cumualtive-effect adjustment to retained earnings totaling $138 related to accounting for certain endorsement split-dollar life insurance arrangements in connection with the adoption of Emerging Issues Task Force Issue No. 06-4, *Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split Dollar Life Insuarnce Arrangements* .

Reclassifications

Certain amounts in the 2007 financial statements have been reclassified to conform to the 2008 financial statement presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MVB FINANCIAL CORP.
December 31, 2008

NOTE 2. INVESTMENT SECURITIES

Amortized cost and approximate market values of investment securities held-to-maturity at December 31, 2008, including gross unrealized gains and losses, are summarized as follows:
(Dollars in thousands)

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Market Value
Municipal securities	807	7	(1)	813
U. S. Agency securities	7,989	131	-	8,120
	$ 8,796	$ 138	$ (1)	$ 8,933

Amortized cost and approximate market values of investment securities held-to-maturity at December 31, 2007, including gross unrealized gains and losses, are summarized as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Market Value
Municipal securities	816	5	(2)	819
U. S. Agency securities	998	-	-	998
	$ 1,814	$ 5	$ (2)	$ 1,817

Amortized cost and approximate market values of investment securities available-for-sale at December 31, 2008 are summarized as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Market Value
U. S. Agency securities	$ 15,025	$ 327	$ -	$ 15,352
Mortgage-backed securities	2,325	5	(11)	2,319
Other securities	124	-	-	124
	$ 17,474	$ 332	$ (11)	$ 17,795

Amortized cost and approximate market values of investment securities available-for-sale at December 31, 2007 are summarized as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Market Value
U. S. Agency securities	$ 21,793	$ 93	$ (32)	$ 21,854
Mortgage-backed securities	3,678	-	(56)	3,622
Corporate securities	700	-	(271)	429
Other securities	124	-	-	124
	$ 26,295	$ 93	$ (359)	$ 26,029

The following tables summarize amortized cost and approximate market values of securities by maturity:

	December 31, 2008			
	Held to Maturity		Available for sale	
	Amortized Cost	Approximate Market Value	Amortized Cost	Approximate Market Value
Within one year	$ -	$ -	$ 103	$ 103
After one year, but within five	278	284	4,991	5,139
After five years, but within ten	5,416	5,481	7,556	7,608
After ten Years	3,102	3,168	4,824	4,945
Total	$ 8,796	$ 8,933	$ 17,474	$ 17,795

Investment securities with a carrying value of $21,904 and $20,512 at December 31, 2008 and 2007, respectively, were pledged to secure public funds and repurchase agreements.

The Company's investment portfolio includes securities that are in an unrealized loss position as of December 31, 2008, the details of which are included in the following table. Although these securities, if sold at December 31, 2008 would result in a pretax loss of $12, the Company has no intent to sell the applicable securities at such market values, and maintains the Company has the ability to hold these securities until all principal has been recovered. Declines in the market values of these securities can be traced to general market conditions which reflect the prospect for the economy as a whole. When determining other-than-temporary impairment on securities, the Company considers such factors as adverse conditions specifically related to a certain security or to specific conditions in an industry or geographic area, the time frame securities have been in an unrealized loss position, the Company's ability to hold the security for a period of time sufficient to allow for anticipated recovery in value, whether or not the security has been downgraded by a rating agency, and whether or not the financial condition of the security issuer has severely deteriorated. As of December 31, 2008, the Company considers all securities with unrealized loss positions to be temporarily impaired, and consequently, does not believe the Company will sustain any material realized losses as a result of the current temporary decline in market value.

The following table discloses investments in an unrealized loss position:
At December 31, 2008, total temporary impairment totaled $12.

Description and number of positions	Less than 12 months		12 months or more	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Agencies (0)	$ -	$ -	$ -	$ -
Mortgage-backed securities (11)	1,343	(5)	133	(6)
Municipal securities (1)	-	-	226	(1)
	$ 1,343	$ (5)	$ 359	$ (7)

NOTE 3. LOANS

The components of loans in the balance sheet at December 31, were as follows:
(Dollars in thousands)

	2008	2007
Commercial and non-residential real estate	$ 137,872	$ 128,535
Residential real estate	52,303	42,030
Consumer and other	13,066	10,972
	$ 203,241	$ 181,537

Changes in the allowance for loan losses were as follows for the years ended December 31:
(Dollars in thousands)

	2008	2007
Balance at beginning of period	$ 1,733	$ 1,206
Losses charged to allowance	(483)	(68)
Recoveries credited to allowance	14	11
Provision for loan losses	596	584
Balance at end of period	$ 1,860	$ 1,733

Impaired loans are accounted for in accordance with Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of Loans, as amended by Statement of Financial Accounting Standards No. 118. The Company considers a loan 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.

Impaired loan information for the years ended December 31:

	2008	2007
Impaired loans with an allocated allowance	$ 876	$ -
Impaired loans without an allocated allowance	417	470
Total impaired loans	$ 1,293	$ 470
Allocated allowance on impaired loans	162	-
Average impaired loans	725	590
Income recognized on impaired loans	$ 44	$ 38

NOTE 4. BANK PREMISES, FURNITURE AND EQUIPMENT

Bank premises, furniture and equipment at December 31, were as follows:
(Dollars in thousands)

	2008	2007
Bank Premises	$ 7,509	$ 7,368
Equipment, furniture and fixtures	2,506	2,391
	10,015	9,759
Allowance for depreciation	(1,955)	(1,515)
	$ 8,060	$ 8,244

NOTE 5. DEPOSITS

Deposits at December 31, were as follows:
(Dollars in thousands)

	2008	2007
Demand deposits of individuals, partnerships, and corporations		
Interest bearing	$ 17,317	$ 13,640
Non-interest bearing	20,304	18,557
Time and savings deposits of individuals, partnerships and corporations	132,924	120,683
Deposits of states and political subdivisions	898	3,996
Official checks	1,622	572
Total Domestic Deposits	$ 173,065	$ 157,448
Time deposits of over $100 included above	$ 36,725	$ 34,580

Maturities of certificates of deposit at December 31, 2008 were as follows:

2009	$ 53,824
2010	14,053
2011	3,538
2012	4,662
2013	6,144
Total	$ 82,221

NOTE 6. BORROWED FUNDS

The Company is a party to repurchase agreements with certain customers. As of December 31, 2008 and 2007, the company held repurchase agreements of $21,904 and $19,817. Information related to repurchase agreements is summarized below:

(Dollars in thousands)	2008	2007
Balance at end of year	$ 21,904	$ 19,817
Average balance during the year	19,420	18,360
Maximum month-end balance	23,783	20,481
Weighted-average rate during the year	1.56%	3.95%
Rate at December 31	0.69%	3.41%

MVB Bank, Inc. (the Bank) is a member of the Federal Home Loan Bank ("FHLB") of Pittsburgh, Pennsylvania. The remaining maximum borrowing capacity with the FHLB at December 31, 2008 was approximately $22,806. At December 31, 2008 and 2007 the Bank had borrowed $30,942 and $23,583.

Borrowings from the FHLB as of December 31 were as follows:
(Dollars in thousands)

	2008	2007
Fixed interest rate note, originating April 1999, due April 2014, interest of 5.405% is payable monthly	$ 1,000	$ 1,000
Fixed interest rate note, originating January 2005, due January 2020, payable in monthly installments of $11, including interest of 5.140%	1,087	1,158
Fixed interest rate note, originating April 2002, due May 2017, payable in monthly installments of $4, including interest of 5.90%	676	689
Floating interest rate note, originating March 2003, due December 2011, interest payable monthly, including interest of 0.59%	18,545	10,296
Fixed interest rate note, originating July 2006, due July 2016, payable in monthly installments of $8, including interest of 4.50%	1,417	1,452
Fixed interest rate note, originating October 2006, due October 2021, payable in monthly installments of $6, including interest of 5.20%	1,127	1,145
Fixed interest rate note, originating April 2007, due April 2022, payable in monthly installments of $6, including interest of 5.18%	1,068	1,085
Amortizing fixed interest rate note, originating February 2007, due February 2022, payable in monthly installments of $5, including interest of 5.22%	944	958
Fixed interest rate note, originating September 2007, due September 2008, interest of 4.53% payable quarterly	-	700
Fixed interest rate note, originating November 2007, due April 2008, interest of 4.80% payable quarterly	-	2,700
Fixed interest rate note, originating November 2007, due April 2008, interest of 4.60% payable quarterly	-	1,300
Fixed interest rate note, originating December 2007, due December 2017, payable in monthly installments of $7, including interest of 5.25%	1,078	1,100
Fixed interest rate note, originating March 2008. due March 2013, interest of 2.37% payable quarterly	2,000	-
Fixed interest rate note, originating March 2008. due March 2009, interest of 2.26% payable quarterly	2,000	-
	$ 30,942	$ 23,583

In March 2007 the Company completed the private placement of $4 million Floating Rate, Trust Preferred Securities through its MVB Financial Statutory Trust I subsidiary (the "Trust"). The Company established the Trust for the sole purpose of issuing the Trust Preferred Securities pursuant to an Amended and Restated Declaration of Trust. The proceeds from the sale of the Trust Preferred Securities will be loaned to the Company under subordinated Debentures (the "Debentures") issued to the Trust pursuant to an Indenture. The Debentures are the only asset of the Trust. The Trust Preferred Securities have been issued to a pooling vehicle that will use the distributions on the Trust Preferred Securities to securitize note obligations. The securities issued by the Trust are includable for regulatory purposes as a component of the Company's Tier I capital.

The Trust Preferred Securities and the Debentures mature in 30 years and are redeemable by the Company after five years. Interest payments are due in March, June, September and December and are adjusted at the interest due dates at a rate of 1.62% over the three month LIBOR Rate. The Company reflects borrowed funds in the amount of $4.1 million as of December 31, 2008 and 2007 and interest expense of $203 and $225 for the years ended December 31, 2008 and 2007.

Borrowings from the FHLB are secured by stock in the FHLB of Pittsburgh, qualifying first mortgage loans, mortgage-backed securities and certain investment securities.

Additionally the Bank has a line of credit of $3,000 available from Silverton Bank, N.A. There were no borrowings against this line of credit at December 31, 2008 or 2007.

The bank had borrowed $1,000 at the Federal Reserve discount window for 90 days beginning December 2008, maturing March 2009 at a rate of 1.25%

A summary of maturities of these borrowings over the next five years is as follows:

Year	Amount
2009	$ 3,199
2010	210
2011	18,766
2012	232
2013	2,244
Thereafter	11,415
	$ 36,066

NOTE 7. COMMITMENTS AND CONTINGENT LIABILITIES

Financial Instruments with Off-Balance-Sheet Risk

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the statements of financial condition.

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

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customers' credit worthiness on a case-by-case basis. The amount and type of collateral obtained, if deemed necessary by the Company upon extension of credit, varies and is based on management's credit evaluation of the customer.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Standby letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. The Company's policy for obtaining collateral, and the nature of such collateral, is essentially the same as that involved in making commitments to extend credit.

Total contractual amounts of the commitments as of December 31 were as follows:
(Dollars in thousands)

	2008	2007
Available on lines of credit	$ 44,165	$ 41,528
Stand-by letters of credit	1,814	1,000
Other loan commitments	563	608
	$ 46,542	$ 43,136

Concentration of Credit Risk

The Company grants a majority of its commercial, financial, agricultural, real estate and installment loans to customers throughout the Marion, Harrison, Jefferson and Berkeley County areas of West Virginia and adjacent counties. Collateral for loans is primarily residential and commercial real estate, personal property, and business equipment. The Company evaluates the credit worthiness of each of its customers on a case-by-case basis, and the amount of collateral it obtains is based upon management's credit evaluation.

Litigation

The subsidiary bank is involved in various legal actions arising in the ordinary course of business. In the opinion of management and counsel, the outcome of these matters will not have a significant adverse effect on the consolidated financial statements.

NOTE 8. INCOME TAXES

The Company records income taxes in accordance with Statement of Financial Accounting Standards No. 109 (FAS 109), Accounting for Income Taxes. FASB 109 is an asset and liability approach that requires the recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of other assets and liabilities.

The amount reflected as income taxes represents federal and state income taxes on financial statement income. Certain items of income and expense, primarily the provision for possible loan losses, allowance for losses on foreclosed assets held for resale, depreciation, and accretion of discounts on investment securities are reported in different accounting periods for income tax purposes.

The provisions for income taxes for the years ended December 31, were as follows:
(Dollars in thousands)

Current:	2008	2007
Federal	$ 244	$ 451
State	43	80
	$ 287	$ 531
Deferred expense(benefit)		
Federal	$ (20)	$ (99)
State	(4)	(18)
	(24)	(117)
Income Tax expense	$ 263	$ 414

Following is a reconciliation of income taxes at federal statutory rates to recorded income taxes for the year ended December 31:

	2008		2007	
	Amount	%	Amount	%
Tax at Federal tax rate	$ 371	34.0%	$ 577	34.0%
Tax effect of:				
State income tax	27	2.5%	42	2.5%
Tax exempt earnings	(136)	-12.5%	(173)	-10.2%
Other	1	0.0%	(32)	-2.0%
	$ 263	24.0%	$ 414	24.3%

Deferred tax assets and liabilities are the result of timing differences in recognition of revenue and expense for income tax and financial statement purposes.

Deferred income tax liabilities and (assets) were comprised of the following at December 31:

	2008	2007
Depreciation	$ 255	$ 279
Pension	26	19
Gross deferred tax liabilities	281	298
Unrealized loss on securities available-for-sale	128	(106)
Allowance for loan losses	(643)	(636)
Minimum pension liability	(338)	(164)
Gross deferred tax (assets)	(853)	(906)
Net deferred tax (asset)	$ (572)	$ (608)

No deferred income tax valuation allowance is provided since it is more likely than not that realization of the deferred income tax asset will occur in future years.

NOTE 9. RELATED PARTY TRANSACTIONS

The Company has granted loans to officers and directors of the Company and to their associates. Related party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk of collectibility. Set forth below is a summary of the related loan activity.

(Dollars in thousands)	Balance at Beginning of Year	Borrowings	Repayments	Balance at end of Year
December 31, 2008	$ 6,213	$ 8,832	$ (1,528)	$ 13,517
December 31, 2007	$ 6,882	$ 1,038	$ (1,707)	$ 6,213

The Company held related party deposits of $5,981 and $7,358 at December 31, 2008 and December 31, 2007, respectively.

The Company held related party repurchase agreements of $1,867 and $5,051 at December 31, 2008 and December 31, 2007, respectively.

NOTE 10. PENSION PLAN

The Company participates in a trusteed pension plan known as the Allegheny Group Retirement Plan covering virtually all full-time employees. Benefits are based on years of service and the employee's compensation. The Company's funding policy is to fund normal costs of the plan as accrued. Contributions are intended to provide not only for benefits attributed to service to date, but also for those benefits expected to be earned in the future. The Company participated in the pension plan beginning January 1, 1999. The Company has recognized estimated pension expense of $301 and $300 for the years ended December 31, 2008 and 2007.
Information pertaining to the activity in the Company's defined benefit plan, using the latest available actuarial valuations with a measurement date of December 31, 2008 and 2007 is as follows:

(Dollars in thousands)	2008	2007
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,396	$ 836
Service cost	271	250
Interest cost	100	69
Actuarial loss	70	265
Benefits paid	(25)	(24)
Benefit obligation at end of year	$ 1,812	$ 1,396
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 1,058	$ 664
Actual return on plan assets	(386)	118
Employer contribution	320	300
Benefits paid	(25)	(24)
Fair value of plan assets at end of year	$ 967	$ 1,058
Funded status	$ (845)	$ (338)
Unrecognized net actuarial loss	924	395
Unrecognized prior service cost	12	14
Prepaid pension cost recognized	$ 91	$ 71
Accumulated benefit obligation	$ 1,471	$ 1,089

At December 31, 2008 and 2007, the weighted average assumptions used to determine the benefit obligation are as follows:

	2008	2007
Discount rate	6.25%	6.25%
Rate of compensation increase	3.00%	3.00%

The components of net periodic pension cost are as follows:

Service cost	$	232	$	250
Interest cost		86		69
Expected return on plan assets		(87)		(57)
Amortization of prior service costs		2		3
Amortization of loss		25		35
Net periodic pension cost	$	258	$	300

At December 31, 2008 and 2007, the weighted average assumptions used to determine net periodic pension cost are as follows:

Discount rate	6.25%	6.00%
Expected long-term rate of return on plan assets	8.00%	8.50%
Rate of compensation increase	3.00%	3.00%

The Company's pension plan asset allocations at December 31, 2008 and 2007, as well as target allocations for 2009 are as follows:

Asset Category	2009 Target	12/31/2008	12/31/2007
Equity securities	70%	64%	67%
Balanced fund	25%	30%	28%
Other	5%	6%	5%
Total	100%	100%	100%

The net transition obligation (asset), prior service cost (credit), and estimated net loss (gain) for the plan that are expected to be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are shown in the table below.

		2009		2008
Expected amortization of transition obligation (asset)	$	-	$	-
Expected amortization of prior service cost (credit)		2		2
Expected amortization of net loss (gain)		33		26

Below we show the best estimate of the plan contribution for next fiscal year. We also show the benefits expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter.

		Cash Flow
Contributions for the period of 1/1/2009 through 12/31/2009	$	338,751
Estimated future benefit payments reflecting expected future service		
1/1/2009 through 12/31/2009	$	41,576
1/1/2010 through 12/31/2010		46,760
1/1/2011 through 12/31/2011		56,802
1/1/2012 through 12/31/2012		85,286
1/1/2013 through 12/31/2013		97,032
1/1/2014 through 12/31/2018		574,533

NOTE 11. INTANGIBLE ASSETS

On October 7, 2005, the Company purchased a full service office in the Charles Town area of Jefferson County West Virginia. This office held assets of $1.8 million and total deposits of $17.1 million. As a result of this transaction, the Company recorded intangible assets. As of December 31, 2008 the Company has allocated $60 to core deposit intangibles, which are being amortized using the double-declining balance method over 10 years. The remaining $896 has been recorded as goodwill, and is evaluated for impairment on October 1st each year by the Company.

NOTE 12. STOCK OFFERING

During 2008 the Company closed a public stock offering of 200,000 shares of common stock by issuing 89,208 shares, in addition to 29,350 shares issued in 2007. This offering when completed totaled $2.3 million. The proceeds of this offering were used to support the growth of the bank and to increase the legal lending limit to one borrower. At December 31, 2007, outstanding shares totaled 1,508,081. During 2008, the Company issued 95,541 shares, concluding 2008 with outstanding shares of 1,603,622.

NOTE 13. STOCK OPTIONS

The MVB Financial Corp. Incentive Stock Plan provides for the issuance of stock options to selected employees. Under the provisions of the plan, the option price per share shall not be less than the fair market value of the common stock on the date of the grant. All options granted prior to 2004 vest in 4 years, and expire 10 years from the date of grant. For options granted in 2004 and 2005 the vesting period has been accelerated to fully vest at December 31, 2005. These options also expire 10 years from the date of the grant. Options granted in 2006 and 2007 vest in 5 years and expire 10 years from the date of the grant.

The following summarizes MVB's stock options as of December 31, and the changes for the year then ended:

	2008		2007	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	167,330	$ 14.91	176,812	$ 14.63
Granted	-	-	15,000	16.00
Adjust for 5% stock dividend	-	$ -	-	$ -
Exercised	(6,323)	-	(14,482)	-
Forfeited/expired	-	-	(10,000)	-
Outstanding at end of year	161,007	$ 15.05	167,330	$ 14.91
Exercisable at end of year	147,507	$ 15.00	150,330	$ 14.78
Weighted-average fair value of options granted during the year		N/A		$ 3.52

The fair value for the options was estimated at the date of grant using a Black-Scholes option-pricing model with an average risk-free interest rate of 4.65% for 2007, and a weighted-average expected life of the options of 7 years for 2007. The expected volatility of MVB's stock price used for 2007 options was 12.5% and the expected dividend yield used was .500%.

The following summarizes information concerning MVB's stock options outstanding at December 31, 2008:

	Options Outstanding			Options Exercisable	
Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$9.98	22,490	2.00	$9.98	22,490	$9.98
$10.48	1,575	3.00	$10.48	1,575	$10.48
$12.38	2,100	6.00	$12.38	2,100	$12.38
$16.00	134,842	8.00	$16.00	121,342	$16.00

NOTE 14. REGULATORY CAPITAL REQUIREMENTS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of Total and Tier I capital to risk-weighted assets, and of Tier I capital to average assets, as defined. As of December 31, 2008 and 2007, the Bank meets all capital adequacy requirements to which it is subject.

The most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table below. Both the Company's and the Bank's actual capital amounts and ratios are presented in the table below.

	ACTUAL		MINIMUM TO BE WELL CAPITALIZED		MINIMUM FOR CAPITAL ADEQUACY PURPOSES	
(Dollars in thousands)	AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO
As of December 31, 2008						
Total Capital (to risk-weighted assets)						
Consolidated	$ 26,547	12.6%	N/A	N/A	$ 16,868	8.0%
Subsidiary Bank	$ 30,053	14.3%	$ 21,060	10.0%	$ 16,848	8.0%
Tier I Capital (to risk-weighted assets)						
Consolidated	$ 24,687	11.7%	N/A	N/A	$ 8,434	4.0%
Subsidiary Bank	$ 28,193	13.4%	$ 12,636	6.0%	$ 8,424	4.0%
Tier I Capital (to average assets)						
Consolidated	$ 24,687	10.1%	N/A	N/A	$ 9,825	4.0%
Subsidiary Bank	$ 28,193	11.5%	$ 12,268	5.0%	$ 9,815	4.0%
As of December 31, 2007						
Total Capital (to risk-weighted assets)						
Consolidated	$ 24,117	12.8%	N/A	N/A	$ 15,132	8.0%
Subsidiary Bank	$ 27,329	14.5%	$ 18,823	10.0%	$ 15,058	8.0%
Tier I Capital (to risk-weighted assets)						
Consolidated	$ 22,384	11.8%	N/A	N/A	$ 7,566	4.0%
Subsidiary Bank	$ 25,596	13.6%	$ 11,294	6.0%	$ 7,529	4.0%
Tier I Capital (to average assets)						
Consolidated	$ 22,384	10.1%	N/A	N/A	$ 8,893	4.0%
Subsidiary Bank	$ 25,596	11.5%	$ 11,103	5.0%	$ 8,882	4.0%

NOTE 15. REGULATORY RESTRICTION ON DIVIDEND

The approval of the regulatory agencies is required if the total of all dividends declared by the Bank in any calendar year exceeds the Bank's net profits, as defined, for that year combined with its retained net profits for the preceding two calendar years.

NOTE 16. LEASES

The Company leases land and building space for the operation of some banking offices. All such leases qualify as operating leases. Following is a schedule by year of future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2008:

	(Dollars in thousands)
Years ended December 31:	
2009	$ 55
2010	55
2011	55
2012	55
2013	55
Thereafter	375
Total minimum payments required:	$ 650

Total lease expense for the years ended December 31, 2008 and 2007 was $54 and $54, respectively.

NOTE 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Short-term financial instruments: The carrying values of short-term financial instruments including cash and due from banks, interest bearing balances - FHLB, and certificates of deposit in other banks approximate the fair value of these instruments.

Securities: Estimated fair values of securities are based on quoted market prices, where available. If quoted market prices are not available, estimated fair values are based on quoted market prices of comparable securities.

Loans: The estimated fair values for loans are computed based on scheduled future cash flows of principal and interest, discounted at interest rates currently offered for loans with similar terms of borrowers of similar credit quality. No prepayments of principal are assumed.

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

Repurchase agreements: The fair values of repurchase agreements approximate their estimated fair values.

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

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

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

	December 31, 2008	
	Carrying Value	Estimated Fair Value
	(Dollars in thousands)	
Financial assets:		
Cash and due from banks	$ 4,710	$ 4,710
Interest bearing balances - FHLB	7,040	7,040
Securities available-for-sale	17,795	17,795
Securities held-to-maturity	8,796	8,629
Loans	203,241	205,273
Accrued interest receivable	1,123	1,123
	$ 242,705	$ 244,570
Financial liabilities:		
Deposits	$ 173,065	$ 166,142
Repurchase agreements	21,904	22,123
Federal Home Loan Bank Borrowings	31,942	32,261
Accrued interest payable	486	486
Long-term debt	4,124	4,124
	$ 231,521	$ 225,136

	December 31, 2007	
	Carrying Value	Estimated Fair Value
Financial assets:		
Cash and due from banks	$ 4,926	$ 4,926
Interest bearing balances - FHLB	490	490
Securities available-for-sale	26,029	26,029
Securities held-to-maturity	1,814	1,812
Loans	181,537	179,903
Accrued interest receivable	1,182	1,182
	$ 215,978	$ 214,342

Financial liabilities:		
Deposits	$ 157,448	$ 152,725
Repurchase agreements	19,817	19,777
Federal Home Loan Bank Borrowings	23,583	23,819
Accrued interest payable	523	523
Accrued interest payable	4,124	4,124
Long-term debt	$ 205,495	$ 200,968

Fair value estimates are made at a specific point in time, based on relevant market information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Fair value estimates are based on existing on-and-off balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments.

NOTE 18. FAIR VALUE MEASUREMENTS

Effective january 1, 2008, the Company adopted the provisions of FAS No. 157, *Fair Value Measurements* , for financial assets and financial liabilities. FAS No. 157 provides enhanced guidance for using fair value to measure assets and liabilities. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value. The standard does not expand the use of fair value in any new circumstances. The FASB issued Staff Position No. 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13* , which removed leasing transactions accounted for under FAS No. 13 and related guidance from the scope of FAS No. 157. The FASB also issued Staff Position No. 157-2, P*artial Deferral of the Effective Date of Statement 157* , which deferred the effective date of FAS No. 157 for all nonfinancial assets and nonfinancial liabilities to fiscal years beginning after November 15, 2008. FAS No. 157 establishes a hierarchal disclosure framework associated with the level of pricing observability utilized in measuring assets and liabilities at fair value. The three broad levels defined by FAS No. 157 hierarchy are as follows:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities include items for which quoted prices are available but traded less frequently, and items that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level III: Assets and liabilities that have little to no pricing observability as of the reported date. These items do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

The following table presents the assets and liabilities reported on the consolidated statements of financial condition at their fair value as of September 30, 2008 by level within the fair value hierarchy. As required by FAS 157, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	December 31, 2008			
(In Thousands)	Level I	Level II	Level III	Total
Assets:				
Investment securities, available for sale		17,795		17,795

NOTE 19. CONDENSED FINANCIAL STATEMENTS OF PARENT COMPANY

The investment of the Company in its second tier subsidiaries is presented on the equity method of accounting. Information relative to the parent company's balance sheets at December 31, 2008 and 2007, and the related statements of income and cash flows for each of those years are presented below:

(Dollars in thousands, except share data)

Balance Sheets	December 31	
Assets	2008	2007
Cash	$ 368	$ 675
Investment in bank subsidiary, eliminated in consolidation	29,342	26,737
Other assets	257	248
Total assets	$ 29,967	$ 27,660
Liabilities and shareholders' equity		
Liabilities		
Other liabilities	$ 7	$ 11
Long-term debt	4,124	4,124
Total liabilities	4,131	4,135
Stockholders' equity		
Preferred stock, par value $1,000; 5,000 shares authorized, none issued	$ -	$ -
Common stock, par value $1; 4,000,000 shares authorized; 1,603,622 and 1,508,081 shares issued respectively	1,604	1,508
Additional paid in capital	20,175	18,437
Treasury stock	(299)	(168)
Retained earnings	4,671	4,153
Accumulated other comprehensive income	(315)	(405)
Total stockholders' equity	25,836	23,525
Total liabilities and stockholders' equity	$ 29,967	$ 27,660

(Dollars in thousands)

Statements of Income	2008	2007
Income - dividends from bank subsidiary	$ -	$ -
Expenses - operating	250	232
Income/(Loss) before income taxes and undistributed income	(250)	(232)
Income tax (benefit)	(60)	(72)
Income after tax	(190)	(160)
Equity in undistributed income of bank subsidiary	1,018	1,442
Net income	$ 828	$ 1,282

(Dollars in thousands)

Statements of Cash Flows	2008	2007
OPERATING ACTIVITIES		
Net income	$ 828	$ 1,282
Equity in undistributed income of bank subsidiary	(1,018)	(1,442)
(Increase) in other assets	(149)	(244)
(Decrease)/increase in other liabilities	(4)	11
Stock option expense	15	13
Unrealized gain/(loss)	90	(33)
Net cash (used in) operating activities	(238)	(413)
INVESTING ACTIVITIES		
Investment in subsidiary	(1,585)	(3,754)
Net cash (used in) investing activities	(1,585)	(3,754)
FINANCING ACTIVITIES		
Proceeds of stock offering	1,736	587
Proceeds from long-term borrowings	-	4,124
Common stock options exercised	70	171
Cash dividend	(159)	-
Purchase of treasury stock	(131)	(150)
Net cash provided by financing activities	1,516	4,732
(Decrease)/increase in cash	(307)	565
Cash at beginning of period	675	110
Cash at end of period	$ 368	$ 675

Media Release

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FOR IMMEDIATE RELEASE:

To the Editor:

New Year, New Banking Concerns, But Not if You Bank at MVB Bank

January 2009: MVB Bank, Fairmont, West Virginia proudly announces it has earned **BAUERFINANCIAL, Inc.**'s highest 5-Star Superior rating for financial strength and stability. BAUERFINANCIAL has been analyzing the nation's banks for over 25 years and has earned the reputation as "the Nation's Bank Rating Firm", so to garner its highest 5-Star rating is a time-honored badge of distinction. Customers of MVB Bank can be proud that their bank still shines, even under the watchful eye of the BAUERFINANCIAL microscope. The rating is based on the overall financial picture of the bank and at 5-Stars indicates that MVB Bank is one of the strongest banks in the nation. This is the seventh consecutive quarter that MVB Bank has earned this highest honor.

"This New Year in particular brings with it a whole new set of worries, but where a consumer banks shouldn't be one of them", remarks Karen L. Dorway, president of BAUERFINANCIAL. "Some banks ignored proper loan underwriting standards in recent years and are now paying the price for that decision. But, MVB Bank is a prime example of a bank that has stuck to traditional, conservative banking strategies, which, in this climate, is exactly what the 'other banks' are returning to. MVB Bank is a model of banking safety and soundness and its customers can rest assured in that knowledge."

Established in 1999, MVB Bank has been serving the banking needs of its neighbors and friends for 10 years. It currently operates through five conveniently located offices in Bridgeport. Charles Town, Fairmont and Martinsburg and can also be found on the internet at www.mvbbanking.com.

MVB Bank: "West Virginia's Most Valuable Bank."

BAUERFINANCIAL, INC., Coral Gables, Florida, the nation's leading independent bank rating and research firm, has been reporting on and analyzing the performance of U.S. banks and credit unions since 1983. No institution pays for its rating, nor can it be eluded. Consumers may obtain star-ratings by visiting www.bauerfinancial.com.

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Summary of Stock Prices/ Transactions

July 15, 1998	Original issue	$10.00	per share
October 15, 1999	Secondary offering	11.00	per share
December 31, 1999	Last price before end of the year	11.00	per share
December 31, 2000	Last price before end of the year	11.00	per share
June 1, 2001	Stock dividend	5%	
December 31, 2001	Last price before end of the year	11.00	per share
November 1, 2002	Secondary offering	12.50	per share
December 31, 2002	Last price before end of the year	12.50	per share
December 31, 2003	Last price before end of the year	13.00	Per share
August 15, 2004	Stock dividend	5%	
December 31, 2004	Last price before end of the year	14.00	Per share
July 1, 2005	Secondary offering	16.00	Per share
December 31, 2005	Last price before end of the year	16.00	Per share
December 31, 2006	Last price before end of the year	16.00	Per share
July 1, 2007	Secondary offering	20.00	Per share
December 31, 2007	Last price before end of the year	20.00	Per share
December 15, 2008	Cash dividend	$0.10	Per share
December 31, 2008	Last price before end of the year	20.00	Per share

The above information is provided as a guide to your cost basis in your MVB common stock. There have been very few transactions in the MVB common stock and usually we are aware of the sales price. However, there may be other transactions in MVB common stock at prices which are not known to MVB. We believe the above information will help in future years when such information is needed for tax purposes.

Please contact Lisa Wanstreet, Corporate Secretary, if you have any questions. She may be reached at (304) 367-8697.

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