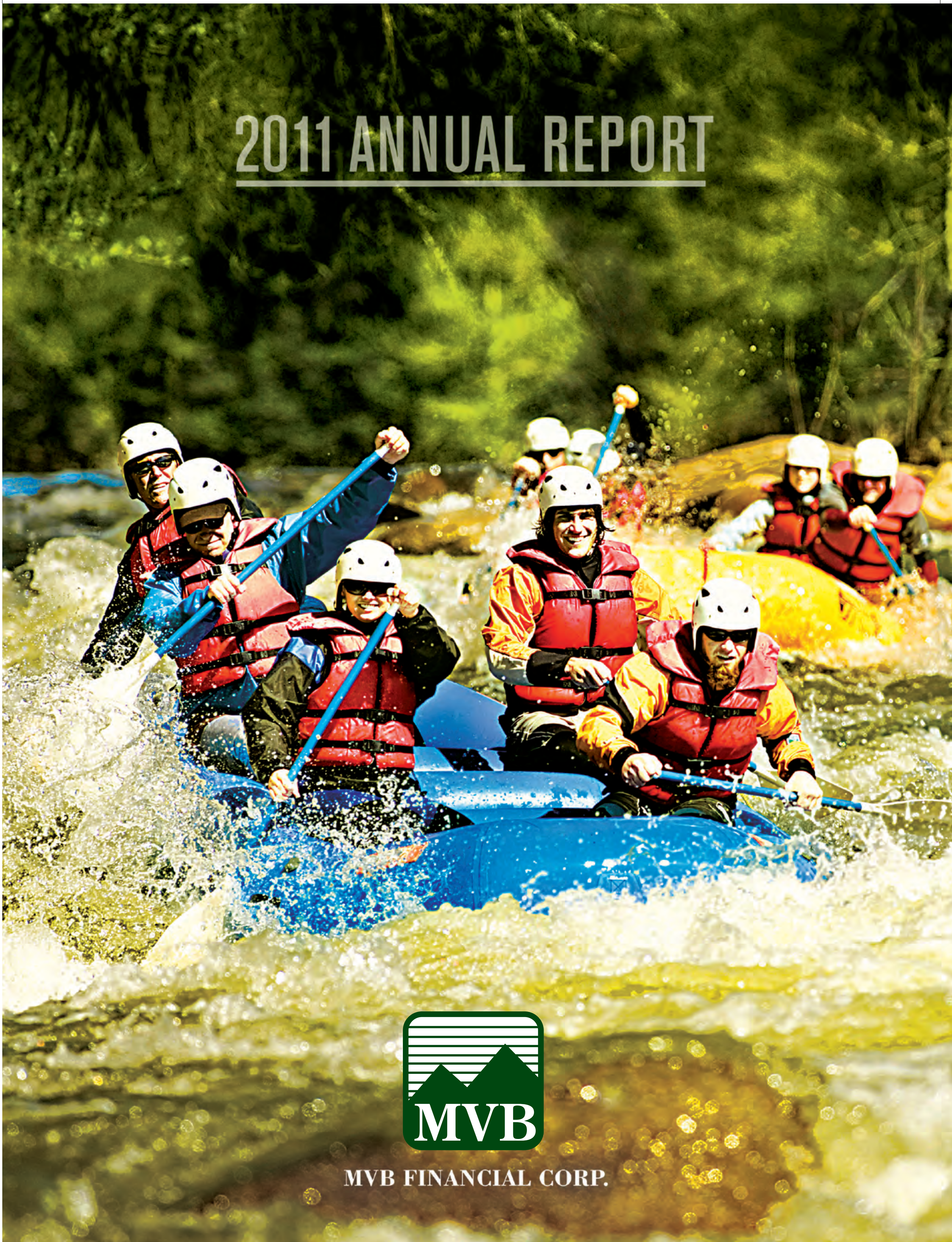
2011 ANNUAL REPORT



MVB

MVB FINANCIAL CORP.

Welcome to MVB

MVB Financial Corp. is the bank holding company for MVB Bank, Inc. We provide community banking services in the Berkeley, Harrison, Jefferson, Marion and Monongalia Counties of West Virginia. We offer a wide range of deposit products including checking, money market, savings accounts, our enhanced Kasasa Cash and Kasasa Saver accounts, and time certificates of deposit. In addition, we recently launched our new Wealth Management Solutions service.

MVB is an active business partner when it comes to commercial and consumer loans, offering an array of loan products for commercial development and real estate, capital needs, and agricultural loans, as well as personal loans, residential real estate loans, home equity lines of credit, and construction mortgages. We offer many other personalized and automated services in our branch locations, online and by phone. MVB commenced operations in 1999 and is based in Fairmont, West Virginia. Most importantly, we consider the communities we serve and our relationships with all of our clients to be our most valuable assets. Visit us at www.mvbbanking.com.

Vision, Mission & Values

VISION

A valued partner in growing strong communities

MISSION

A proactive community partner providing quality financial products and services that go beyond a typical bank through recognized extraordinary service and valued relationships

VALUES

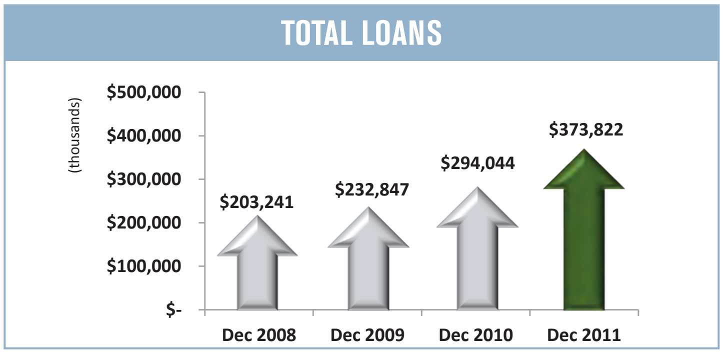
Extraordinary Service
Integrity
Accountability
Teamwork
Respect
Honesty
Community

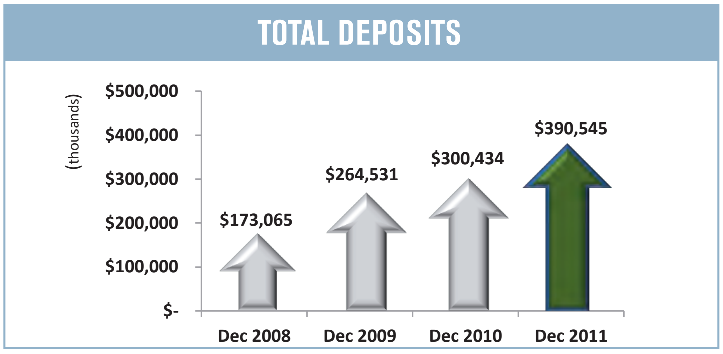
ON THE COVER

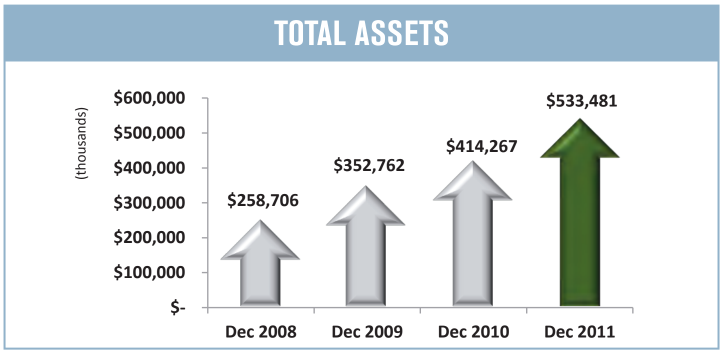
White water rafting is a sport enjoyed in West Virginia because of its challenges and unpredictable excitement - one minute you're paddling along a peaceful calm stretch of the Gauley River, enjoying the scenery of our beautiful mountains - the next moment you're shooting through rocks, boulders and down water falls, hanging on for dear life. Without skillful navigation, good direction of the raft's guide, and the collective efforts of the whole crew, a tumble into the water is possible. Metaphorically, the 2011 Annual Report cover symbolizes through nature MVB's successful navigation of the choppy and often difficult financial and economic 'rapids' of the past several years. The journey challenged the discipline and focus of MVB's entire team, who not only successfully traversed the highly difficult passages, but emerged stronger and ready for future opportunities in all waters.

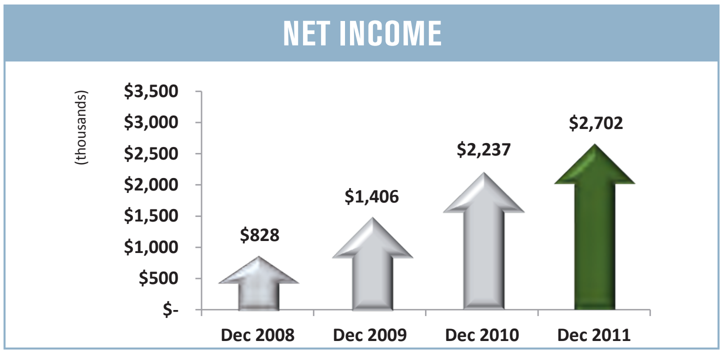
Selected Financial Highlights

MVB has posted progressive increases for each of the past four years in these selected indicators of growth and development. The graphs below depict the strength of MVB Bank's performance in the communities we serve. Compared to the previous year, MVB's total deposits increased by 30%, with total assets growing by nearly 29%, on a 27% increase in total loans during 2011. Net income jumped by nearly 21% from the previous year.

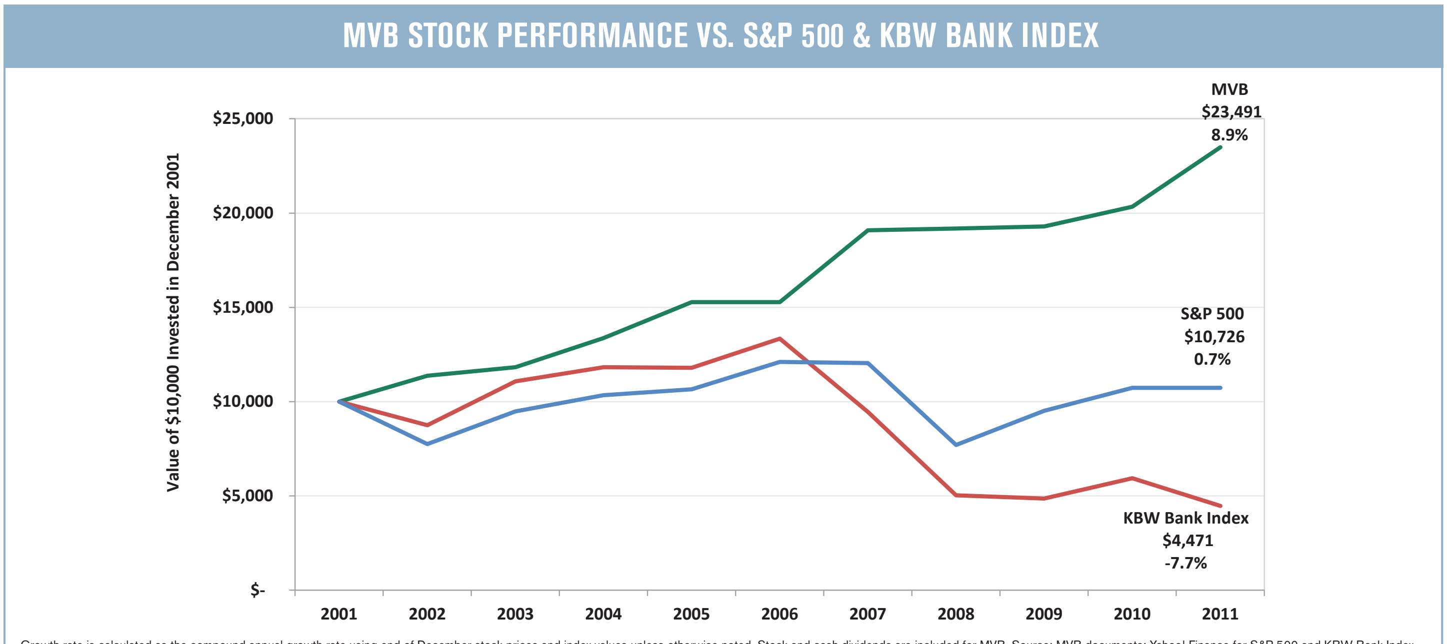








Following a record high stock price at the end of 2011, MVB's stock has outperformed the S&P 500 and the major bank index KBW with a compounded annual growth rate of 8.9%.



Growth rate is calculated as the compound annual growth rate using end of December stock prices and index values unless otherwise noted. Stock and cash dividends are included for MVB. Source: MVB documents; Yahoo! Finance for S&P 500 and KBW Bank Index.

Successfully Navigating Challenging Waters

Dear Shareholders, Teammates and Friends:

LARRY F. MAZZA, CEO

As I write this letter, the flow of economic news appears to be calming the streams of uncertainty and negativity, contemplating smoother waters for financial institutions, especially U.S. banks, going forward. Yet, recent history suggests that there can yet be eddies and unsettling times brought on by the confluence of changes both globally and here at home. The positive news is how well *Your Most Valuable Bank* has navigated the most challenging and heaviest waters of our lifetime.

READING THE WATERS

The past several years have upset many financial institutions, who failed to read the waters correctly, made maneuvering mistakes and perhaps, were too cautious. MVB never took for granted the seriousness of the situation, continually assessing what was directly ahead, always steering to less dangerous currents, while searching the most advantageous forward route. Now, despite settling waters on the surface, MVB continues to move swiftly to ensure our momentum is sustained. Reading the current bank climate, local is the new global. Across the country, community banks are successfully differentiating themselves from other types of banks. This includes local ownership and control, products and services tailored to local markets and clients, speed of decision making, the ability to form a personal connection with clients and the capacity to leverage local knowledge and relationships to garner new clients. MVB excels in all of these.

NAVIGATING THE WATERWAYS

MVB purposefully planned in advance and throughout the 2011 voyage, so that all our "rafts" were well equipped and fully ready. My observations are that we avoided credit quality issues by approaching our lending, not only from credit score values, but also by knowing the clients. Basing our lending on the individual, through building trusting relationships that last beyond the signing of a loan document, is how we operate. While to some extent we are fortunate to be in strong markets, we also held to a discipline that sought out more of the best opportunities, instead of just taking every available lending opportunity. We focused on diversity in size of loans and the markets in which we lent, not relying on one model or one place. We never compromised on hiring the absolute best people to be part of our team. We even did so when the right person was available with the right skills and experience, often in advance of proven need. An example is when this past year we ramped up the mortgage business landing a strong mortgage lending team in Morgantown to help create new channels to take MVB to the next level of mortgage loans production. This, along with advance development of a dedicated loan processing operations center, has led to a significantly increased presence in the retail

ROGER TURNER, COMMERCIAL LENDING

"Lending money is not an exact science, especially during tough economic times. MVB kept its lending philosophy simple – first and foremost, know the client, be consistent and find lending solutions that work for the client, while protecting the bank's best interest."

mortgage market in a short time period. Most importantly, we demonstrated our mission by helping more people with home ownership than most other financial institutions in West Virginia. All in all, we stayed on course by using a 'people first' focus to guide us. You will see on these few pages messages from some of our senior management team members reflecting on how we maneuvered amid the challenging narrow chutes and rough rapids over the past several years. I remain pleased in how MVB continued to navigate uncertain times with the right focus and execution that brought strong performance and a continued effective building of a solid foundation for future growth. I attribute the majority of our success in these endeavors to the very talented MVB Team, who, in each area of operation and at every level of the organization, helped steer MVB's top notch performance in 2011. The MVB Team is well-balanced, steady and prepared to handle any emerging hurdles or opportunities. Before offering our future navigation plan, I reflect on the financial highlights of our 2011 journey.

JOY KNIGHT, MORTGAGE LENDING
"During the unsettling times, rather than stand on the sidelines, we continued to build our capabilities and capacity to stay active in the mortgage marketplace."

CELEBRATING OUR 2011 JOURNEY

In every area of our operations, MVB delivered a solid performance in 2011. A few highlights include:

- Loans increased $79.8 million or 27% over 2010.
- Total assets increased $119.2 million or 29% from previous year, mainly the result of the increased loan and investment portfolios.
- Total deposits increased $90.1 million or 30% from 2010.
- Stockholders' equity increased $17.0 million or a 55% increase from the previous year.
- Net Income increased $465,000 or a 21% increase from 2010.

Listed separately in this report are key milestones of the notable achievements made during 2011 beyond the excellent financial results.

PLOTTING OUR COURSE

The MVB Team continues to chart its course based on the economy, our own experience and knowing our markets. Our regional economy is showing signs of strength. MVB is located in the sweet spot of the Marcellus natural gas play. Over the longer term, this will continue to be important to us regardless of energy commodity pricing. West Virginia University continues to be an economic engine, growing in size, programs, research scope and with a large healthcare presence contributing to the Morgantown area's continued expansion. West Virginia's Eastern Panhandle is showing positive signs of recovery with several national companies building facilities in these markets. We will continue to be proactive in taking advantage of these and other developmental opportunities that are clearly in our footprint. However, as credit lending loosens, and the larger, national and regional banks become more aggressive in the lending arena, MVB must be prepared to stay ahead of the competition. We must not waiver from what has made us successful, yet we

JIM RODGERS, COMMERCIAL LENDING EAST
"All MVB teammates were committed to finding ways to identify new, quality clients and assisting existing clients with a high level of personal service. This resulted in expanded relationships, with multiple financial products provided to the individuals we helped."

must continue to be innovative in our products, services and lending practices. Further, to advance growth, we need to continue building a motivated team that ensures the most effective and efficient support system for executing our plan. To this point, the following summarizes our highest priority focus areas for 2012. Although fully addressed in our updated strategic plan, *Building Bank Value, 2012-2016*, the following summary represents the underlying foundation for our work ahead:

1. CULTIVATE A HEALTHY, TALENTED TEAM THAT IS REWARDED FOR PERFORMANCE

Our teammates are one of MVB's most valuable assets. Without quality talent working in every area of MVB, our results to date would not have been possible. We will continue our efforts to ensure that our team members have an excellent work environment, are appropriately skilled in their areas of expertise, and are given the resources needed to perform.

DON ROBINSON, COMMERCIAL LENDING NORTH
"Most banks used the struggling national economy and increased regulatory pressures as excuses to slow down their growth and increase fees. At MVB, we understood our markets and the needs of our clients, so during the challenging times we forged ahead, expanded into Morgantown, recruited great talent and reported strong results."

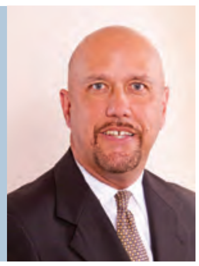
2. ENSURE TOP GROWTH AND SOLID PROFITABILITY

While looking to future growth and opportunities, we cannot lose sight of the vital importance of ensuring all of our operations are performing at high levels and fully contributing to MVB's profitability. Focus on the East and newly established North operations remains clearly in our sights to do all we can to ensure growth and profitability. Both areas have significant opportunities for us to grow our client base, increase loans and gain revenues.

3. SUCCEED IN GROWING MEANINGFUL DEPOSITS

The key ingredient for any bank to significantly add value rests in its ability to grow net deposits month in and month out. The dynamics associated with management and growth of deposits creates challenges that MVB must effectively navigate to reach the level of success we envision. Deposits are everyone's business at MVB.

DAVID JONES, CREDIT AND RISK
"Throughout the period of tightened or little credit, MVB never wavered from its well-established and effective credit risk analysis practices designed to ensure the highest level of quality prevailed, while still actively lending in our markets."



4. MAXIMIZE LOAN GROWTH WITHIN HIGH CREDIT QUALITY STANDARDS

The commercial, mortgage and retail lending teams are key to reaching our loan volume targets. We are fortunate to have very talented professionals in each of these areas. In all aspects of lending, we must work diligently to maintain a quality balance sheet and meet all compliance and regulatory requirements that reflect positively on our financial strength and stability in all our lending areas. Driving strong organic growth coupled with increased operational efficiency is our equation to increase shareholder value.

5. ACT ON NEW GROWTH OPPORTUNITIES & DIVERSIFIED REVENUE OPTIONS

During the planning with the Board this year, agreement was reached to become more active in pursuing opportunities in both merger and acquisition endeavors. Specifically, we will remain vigilant and agile for acquisition opportunities that align with MVB's vision and strategic direction. We will continue to diversify our sources of revenue with an emphasis on non-interest ones. For example, late in 2011, we established a wealth management services unit under the banner of MVB Wealth Management Solutions (WMS) dedicated to supporting the financial management interests of high net worth individuals, families and small business owners.

6. BUILD MVB'S RETAIL BANKING OPERATIONS THAT SUSTAIN DEEPER CLIENT BANKING RELATIONSHIPS AND LOYALTY

As MVB expands into new areas and looks to increase business in existing facilities, we are building the best retail banking operation that fully supports all lending areas and deepens existing and new client banking relationships. This will also assist us with our deposit growth initiatives. Client service is a true competitive edge for any organization. With many banks claiming superior service, MVB has to continually review how it delivers client service that is second to none. That means, being leaders in client service, not followers, in the marketplace.

JOHN SCHIRRIPA, COMMERCIAL LENDING CENTRAL

"MVB has been fortunate to have a seasoned, community-based team who understands how to do banking within our communities, always being sensitive to community needs and those of each client in our service area."

7. ENSURE MVB IS ORGANIZED EFFECTIVELY TO DRIVE CONSISTENT HIGH PERFORMANCE

We must match our aggressive growth with a commensurate and appropriate level of support services and infrastructure. We will invest in necessary technology and tools and enhance internal compliance, marketing, operations, back office support, and training in alignment with our growth plan. We're focused on how to best manage our central functions to ensure that MVB fully leverages our internal resources, including our ability to develop internal capacity to scale quickly when opportunities arise (organic expansion, M&A). Similarly, we are assessing how to best structure and operate our corporate and regional Boards in order to optimize their talent in the most effective manner.

Although we are pleased with our 2011 results, our attention is clearly on the waters in front of us and in strengthening our capacity and abilities for traversing whatever comes our way. While I cannot predict the future, I am confident MVB has been diligent in planning and plotting a course that best prepares us to be leaders in community banking. As I enter my fourth year as CEO, I remain extremely appreciative of my Teammates, the Board of Directors and shareholders who have entrusted me and the excellent management team to steer MVB in such a way as to put us in the forefront of successful community banking. Having such expertise and experience beside me at the helm has made all the difference. We remain gratified for our many clients, new and old, who entrust their banking needs with us. We pledge to sustain that trust by being their most valuable "community" bank with the best products and services, bar none!

ERIC TICHENOR, FINANCE AND INVESTMENTS

"From the financial perspective, MVB used a conservative, quality first approach to grow earnings. We took advantage of opportunities to deploy our excess capital into sound investment strategies that allowed us the flexibility to build our loan portfolio when opportunities became available and continue to expand our operations without sacrificing the yield, quality or cash flow of the portfolio."

With Kindest Regards and Gratitude,

Larry F. Mazza

LARRY F. MAZZA, CEO

2011 Milestones

- Expanded geographically (North) through opening an MVB Office in Morgantown, West Virginia to serve the surrounding areas with commercial and home mortgage lending; received approval by bank regulators to open a full service community bank in the Morgantown area and started location identification work.

- Opened MVB's first separate dedicated Operations Center in Bridgeport, West Virginia.

- Increased capital by an additional $8.3 million from completing a highly successful offering to accredited investors started in late 2010, with $6.6 million of the total finalized in early 2011.

- Received $8.5 million in capital from the Small Business Lending Fund (SBLF). Only healthy community banks with positive track records were selected to receive this funding.

- Established MVB's Wealth Management Solutions, a financial and investment advisory service.

- Issued a 10% stock dividend declared in January 2011, and paid a ten cent per share cash dividend, a 10% increase over 2010 based on the stock dividend paid in 2011.

- Achieved a record high stock price value for MVB shares in 2011.

- Earned the 5-Star Superior rating from Bauer Financial, Inc. This 3rd party, objective award is an important industry standard that places MVB in a special group of banks and speaks to MVB's safety, soundness and financial strength.

- Managed successfully, and better than its peers, a lower level of non-performing loans and charge-offs to total loans.

- Launched TeamVoice as a way to listen to and more fully engage every MVB team member ensuring a positive, healthy working environment with a culture of continuous improvement.

- Welcomed new directors, James Cava, Managing Member of Cava & Banko, PLLC, to the Central Board, and two MVB senior leaders, Roger Turner to the MVB Financial Corp. Board and John Schirripa to the Central Board.

- Implemented MVB Wellness Works, a comprehensive bank-wide wellness program for all teammates.

Listening To Our Clients

It's a win-win – we get better by responding to our clients' input, and they receive products and services that better match their needs. When MVB began our ClientVoice program, we hoped we would hear not just good news, but helpful input into how we could better serve our clients. That's exactly what we've received and we've been able to respond with better products and services. Below is a sample of the type of input our clients have voiced and how we responded.

WEEKEND HOURS FOR CLIENT CONVENIENCE

One client whose schedule makes banking on weekends essential wished that our Fairmont lobby was open on Saturdays. Our response: We'll meet you in person with a special appointment on Saturdays! We are delighted to be able to service clients individually when it's convenient for them.

COFFEE WARMS UP OUR LOBBIES

Many clients are enjoying the coffee bars we've added to the branches and the hospitality and friendliness that goes along with the coffee. Some of our branch lobbies are community gathering spots for some of our regular clients and we're happy to host them each and every day.

ONLINE BANKING COULD BE EASIER

We heard from a range of clients that our online banking was not as user friendly as we intended. So we're making it easier for everyone. In April 2012, we're launching a brand new online banking experience that will set the bank apart from the competition.

CUSTOMER SERVICE GREAT ALL OVER THE STATE

A client that used to live in Fairmont and moved to the Eastern Panhandle noted that MVB's customer service was great no matter the location.

MVB ClientVoice™

MVB Cares About Our Communities





As a bank, and as a group of dedicated teammates, MVB invests time, expertise and money in organizations across our communities. Our teammates offer financial expertise to nonprofit boards and give their time and talents to help local charities do their important daily work. Our reach extends from youth and high school sports teams, to community health, local festivals and economic development projects. We also support many educational initiatives and recently embarked on a program known as MoneyIsland,™ an entertaining online world for kids that encourages financial literacy with units on: Saving & Spending, Earning & Investing and Using Credit Wisely. The program was created by master teachers to align with national standards published by the Jump$tart Coalition for Personal Financial Literacy. To date, we've helped more than 2,000 middle school students in our communities get on board with MoneyIsland. We recognize that engaging with people and nonprofit organizations is key to keeping our communities vibrant and that's why we make community involvement a cornerstone of our culture. Our vision is to be a valued partner in growing strong communities.

Do You Kasasa?

MVB does and we're the first bank in West Virginia to do so.

Thousands of MVB clients have been enjoying the most innovative checking and savings accounts available from a financial institution, anywhere. These common services, most frequently used by banking consumers, truly set MVB apart from its peers, including the bigger banks – who are adding fees, not saving their clients from nuisance fees such as charges at ATM machines. The Kasasa concept and its focused execution will benefit our clients and MVB. In early 2012, MVB became part of Kasasa which is a growing national brand and promotion movement. MVB joins a growing network of community banks nationwide under the Kasasa brand to deliver innovative products that set the participating banks apart from others. It's a new name for a new way of banking. Kasasa is targeted to significantly increase the message about the value of the products MVB has already been offering. Thus, our Most Valuable Checking will be changed to Kasasa Cash. Similarly, our Most Valuable Savings account will now be called Kasasa Saver. The names may change, but the accounts remain exactly the same - clients are rewarded with greater interest when they meet certain qualifications. Being part of Kasasa affords access to a portfolio of products and services in the future. For example, there can be products made available that appeal to specific age groups or lifestyles that all center on the Kasasa branding. Through Kasasa, MVB also taps into collaborative funding for market research and advertising designed to reach existing and new clients. Kasasa, and its exclusive focus on community banks, has a proven track record. Banks using Kasasa in other states have shown improvements in deposit growth and in growing their client base. MVB is committed to leverage the most from the Kasasa initiative by increasing the number of people who DO Kasasa in our markets. Join the crowd and come Kasasa with us!

KA•SA•SA PRONUNCIATION: (KAH-SAH-SAH) IT'S A NEW WORD FOR A NEW DAY. A NEW WAY TO PUT YOUR MONEY WHERE YOUR PASSION IS. A NEW EQUATION: YOU + REAL CHOICES FOR YOUR MONEY + AMERICA'S FINEST COMMUNITY BANKS AND CREDIT UNIONS. BEYOND RIGID OLD WAYS TO A NEW ERA OF CHOICE - CHOOSING WHAT YOU WANT FIRST, THEN WHERE YOU WANT IT. KASASA CREATES FREE CHECKING AND SAVINGS ACCOUNTS THAT GIVE BACK TO YOU IN TOTALLY NEW WAYS. DO YOU WANT TO BE INSPIRED BY YOUR ACCOUNT? DO YOU WANT REAL CHOICES FOR YOUR MONEY? IF YOU KASASA YOU DO.

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 (the "Company") as of December 31, 2011 and 2010, 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 these 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

S. R. Snodgrass, A.C.

Wheeling, West Virginia
March 7, 2012

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, 2011 and 2010

	2011	2010
ASSETS		
Cash and due from banks	$ 9,763	$ 3,713
Interest bearing balances with banks	278	10,091
Certificates of deposit with other banks	9,918	17,734
Investment Securities:		
Securities held-to-maturity, at cost	13,568	7,460
Securities available-for-sale, at approximate fair value	99,366	61,824
Loans:	373,822	294,044
Less: Allowance for loan losses	(3,045)	(2,478)
Net Loans	370,777	291,566
Loans held for sale	7,147	1,839
Bank premises, furniture and equipment	7,782	7,579
Bank owned life insurance	8,076	5,689
Accrued interest receivable and other assets	6,806	6,772
TOTAL ASSETS	$ 533,481	$ 414,267
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	$ 38,632	$ 28,449
Interest bearing	351,913	271,985
Total Deposits	390,545	300,434
Accrued interest, taxes, and other liabilities	3,478	2,703
Repurchase agreements	77,835	47,623
FHLB and other borrowings	9,767	28,614
Subordinated debt	4,124	4,124
Total Liabilities	485,749	383,498
STOCKHOLDERS' EQUITY		
Preferred stock, par value $1,000; 8,500 and 5,000 shares authorized; 8,500 and 0 shares issued	8,500	-
Common stock, par value $1; 4,000,000 shares authorized; 2,234,767 and 1,802,391 shares issued respectively	2,235	1,802
Additional paid-in capital	32,603	23,864
Common stock paid for but not issued, par value $1; 0 and 90,560 shares	0	1,729
Treasury Stock, 51,077 and 47,218 shares, respectively	(1,084)	(1,006)
Retained earnings	6,220	4,643
Accumulated other comprehensive loss	(742)	(263)
Total Stockholders' Equity	47,732	30,769
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 533,481	$ 414,267

See Notes to Consolidated Financial Statements

MVB Financial Corp.
Consolidated Statements of Income
(Dollars in thousands except Share and Per Share Data)
Years ended December 31, 2011 and 2010

	2011	2010
INTEREST INCOME		
Interest and fees on loans	$ 16,446	$ 13,468
Interest on deposits with other banks	103	587
Interest on investment securities - taxable	1,539	1,427
Interest on tax exempt loans and securities	920	805
Total interest income	19,008	16,287
INTEREST EXPENSE		
Interest on deposits	3,852	4,401
Interest on repurchase agreements	503	474
Interest on FHLB and other borrowings	464	513
Interest on subordinated debt	81	82
Total interest expense	4,900	5,470
NET INTEREST INCOME	14,108	10,817
Provision for loan losses	1,723	1,100
Net interest income after provision for loan losses	12,385	9,717
OTHER INCOME		
Service charges on deposit accounts	660	658
Income on bank owned life insurance	287	265
Visa debit card income	414	361
Income on loans held for sale	957	634
Gain on sale of securities	833	88
Other operating income	537	448
	3,688	2,454
OTHER EXPENSES		
Salaries and employee benefits	6,717	4,796
Occupancy expense	697	590
Equipment depreciation and maintenance	594	472
Data processing	412	392
Visa debit card expense	332	295
Advertising	482	338
Legal and accounting fees	632	167
Printing, stationery and supplies	172	130
Consulting fees	408	211
FDIC insurance	368	523
Other taxes	175	190
Other operating expenses	1,370	1,035
	12,359	9,139
Income before income taxes	3,714	3,032
Income tax expense	1,012	795
Net Income	$ 2,702	$ 2,237
Basic net income per share after preferred dividends	$1.24	$1.40
Diluted net income per share after preferred dividends	$1.21	$1.38
Basic weighted average shares outstanding	2,147,890	1,598,432
Diluted weighted average shares outstanding	2,194,410	1,625,884

See Notes to Consolidated Financial Statements

MVB Financial Corp.
Consolidated Statements of Cash Flows
(Dollars in thousands)
Years ended December 31, 2011 and 2010

	2011	2010
OPERATING ACTIVITIES		
Net Income	$ 2,702	$ 2,237
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,723	1,100
Deferred income tax expense/(benefit)	147	(144)
Depreciation	466	447
Stock based compensation	117	46
Loans originated for sale	(62,647)	(46,657)
Proceeds of loans sold	57,339	46,582
Proceeds from sale of other real estate owned	373	866
Loss/(gain) on sale of other real estate owned	73	(61)
(Gain) on sale of investment securities	(833)	(88)
Amortization, net of accretion	886	513
(Increase) in interest receivable and other assets	(1,489)	(409)
Increase in accrued interest, taxes, and other liabilities	775	573
NET CASH (USED IN)/PROVIDED BY OPERATING	(368)	5,005
INVESTING ACTIVITIES		
(Increase) in loans made to customers	(80,934)	(62,060)
Purchases of premises and equipment	(669)	(269)
Purchases of investment securities available-for-sale	(249,771)	(69,602)
Purchases of investment securities held-to-maturity	(7,361)	(1,359)
Decrease/(increase) in deposits with FHLB and Fed, net	9,813	(6,156)
Purchases of certificates of deposit with other banks	(9,918)	(16,321)
Proceeds from maturity of certificates of deposit with other banks	17,734	48,029
Proceeds from sales, maturities and calls of securities available-for-	212,300	45,082
Proceeds from maturities and calls of securities held-to-maturity	1,225	474
Purchase of bank owned life insurance	(2,100)	-
NET CASH (USED IN) INVESTING ACTIVITIES	(109,681)	(62,182)
FINANCING ACTIVITIES		
Net increase in deposits	90,111	35,903
Net increase in repurchase agreements	30,212	11,982
Proceeds from FHLB and other borrowings	80,104	205,716
Principal payments on FHLB and other borrowings	(98,951)	(196,300)
Purchase of treasury stock	(78)	(484)
Net proceeds of stock offering	6,500	1,729
Cash dividend	(262)	(160)
Common stock options exercised	-	183
Issuance of preferred stock	8,463	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	116,099	58,569
Increase in cash and cash equivalents	6,050	1,392
Cash and cash equivalents at beginning of period	3,713	2,321
Cash and cash equivalents at end of period	$ 9,763	$ 3,713
Supplemental disclosure of cash flow information		
Cash payments for:		
Interest on deposits, repurchase agreements and FHLB	$ 4,958	$ 5,623
Income taxes	$ 1,101	$ 811

See Notes to Consolidated Financial Statements

MVB Financial
Consolidated Statements of Changes in Stockholders' Equity
Years ended December 31, 2011 and 2010
(Dollars in thousands)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(loss)	Treasury Stock	Total Stockholders' Equity
Balance, December 31, 2009	$ -	$ 1,629	$ 20,457	$ 5,917	$ (343)	$ (522)	$ 27,138
Comprehensive income:							
Net Income				2,237			2,237
Other comprehensive income(loss)							
Net fair value adjustment on securities available for sale, reclassification adjustment for realized losses - net of tax effect of $(167)					251		251
Total Comprehensive Income							2,488
Minimum pension liability adjustment - net of tax effect of $60					(171)		(171)
Cash dividends paid ($0.10 per share)				(160)			(160)
Stock offering in process			1,729				1,729
Stock based compensation			46				46
Stock dividend - 10% stock		160	3,191	(3,351)			
Treasury stock, acquired at cost						(484)	(484)
Common stock options exercised		13	170				183
Balance, December 31, 2010	$ -	$ 1,802	$ 25,593	$ 4,643	$ (263)	$(1,006)	$ 30,769
Comprehensive income:							
Net Income				2,702			2,702
Other comprehensive income(loss)							
Net fair value adjustment on securities available for sale, less reclassification adjustment for realized gains - net of tax effect of $(38)					58		58
Total Comprehensive Income							2,760
Minimum pension liability adjustment - net of tax effect of $358					(537)		(537)
Cash dividends paid ($0.10 per share)				(218)			218)
Dividends on preferred stock				(44)			(44)
Stock offering		394	6,112	(6)			6,500
Preferred stock issued	8,500			(37)			8,463
Stock based compensation			117				117
Stock dividend - 10% stock dividend		39	781	(820)			
Treasury stock, acquired at cost						(78)	(78)
Balance, December 31, 2011	$ 8,500	$ 2,235	$ 32,603	$ 6,220	$ (742)	$ (1,084)	$ 47,732

See Notes to Consolidated Financial Statements

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, Monongalia, 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 with original maturities of ninety days or less.

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 Crescent Mortgage Company, Franklin American Mortgage and Freddie MAC, 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. MVB values loans held for sale at the lower of cost or market. After thorough review of the process the Company has concluded that no material derivative instruments exist, as the bank obtains pricing information directly from the websites of the secondary mortgage providers and locks in pricing based upon pre-established margins set by management.

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
Accounting standards require 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 $917 and $927 at December 31, 2011 and 2010, 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 $1,973 and $1,816 at December 31, 2011 and 2010, respectively, and is included in other assets in the accompanying balance sheet.

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 generally accepted accounting standards. Under these standards 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, 2011 and 2010, the Company held other real estate of $176 and $402.

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 less the preferred stock dividend, 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.

Bank-owned life insurance
Bank-owned life insurance ("BOLI") represents life insurance on the lives of certain Company employees who have provided positive consent allowing the Company to be the beneficiary of such policies. These policies are recorded at their cash surrender value, or the amount that can be realized upon surrender of the policy. Income from these policies is not subject to income taxes and is recorded as other income.

Advertising Costs
Advertising costs are expensed as incurred.

Transfers of Financial Assets
Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (i) the assests have been isolated from the company, (ii) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (iii) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Reclassifications
Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 financial statement presentation.

NOTE 2. INVESTMENT SECURITIES

Amortized cost and approximate fair values of investment securities held-to-maturity at December 31, 2011, including gross unrealized gains and losses, are summarized as follows:

(Dollars in thousands)

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Fair Value
Municipal securities	13,568	587	(11)	14,144
	$ 13,568	$ 587	$ (11)	$ 14,144

Amortized cost and approximate fair values of investment securities held-to-maturity at December 31, 2010, including gross unrealized gains and losses, are summarized as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Fair Value
Municipal securities	6,460	27	(62)	6,425
U. S. Agency securities	1,000	17	-	1,017
	$ 7,460	$ 44	$ (62)	$ 7,442

Amortized cost and approximate fair values of investment securities available-for-sale at December 31, 2011 are summarized as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Fair Value
U. S. Agency securities	$ 51,165	$ 710	$ (1)	$ 51,874
Mortgage-backed securities	47,319	198	(149)	47,368
Other securities	124	-	-	124
	$ 98,608	$ 908	$ (150)	$ 99,366

Amortized cost and approximate fair values of investment securities available-for-sale at December 31, 2010 are summarized as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Approximate Fair Value
U. S. Agency securities	$ 34,903	$ 453	$ (76)	$ 35,280
Mortgage-backed securities	26,135	306	(21)	26,420
Other securities	124	-	-	124
	$ 61,162	$ 759	$ (97)	$ 61,824

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

	December 31, 2011			
	Held to Maturity		Available for sale	
	Amortized Cost	Approximate Fair Value	Amortized Cost	Approximate Fair Value
Within one year	$ 115	$ 115	$ -	$ -
After one year, but within five	-	-	34,130	34,795
After five years, but within ten	4,650	4,934	20,302	20,280
After ten Years	8,803	9,095	44,176	44,291
Total	$ 13,568	$ 14,144	$ 98,608	$ 99,366

Investment securities with a carrying value of $94,866 and $66,426 at December 31, 2011 and 2010, respectively, were pledged to secure public funds, repurchase agreements and potential borrowings at the Federal Reserve discount window.

The Company's investment portfolio includes securities that are in an unrealized loss position as of December 31, 2011, the details of which are included in the following table. Although these securities, if sold at December 31, 2011 would result in a pretax loss of $161, 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, 2011, 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, 2011, total temporary impairment totaled $161.

Description and number	Less than 12 months		12 months or more	
of positions	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Agencies (1)	$ 4,999	$ (1)	$ -	$ -
Mortgage-backed securities (16)	31,073	(128)	3,124	(21)
Municipal securities (3)	936	(11)	-	-
	$ 37,008	$ (140)	$ 3,124	$ (21)

NOTE 3. LOANS

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

	2011	2010
Commercial and non-residential real estate	$ 231,030	$ 194,605
Residential real estate	128,683	86,020
Consumer and other	13,782	13,324
Net deferred fees and costs	327	95
	$ 373,822	$ 294,044

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

	2011	2010
Balance at beginning of period	$ 2,478	$ 2,241
Losses charged to allowance	(1,189)	(912)
Recoveries credited to allowance	33	49
Provision for loan losses	1,723	1,100
Balance at end of period	$ 3,045	$ 2,478

The following table summarizes the primary segments of the loan portfolio as of December 31, 2011 and 2010 (in thousands):

	Commercial	Residential	Home Equity	Installment	Credit Cards	Total
December 31, 2011						
Total Loans	$231,357	$112,753	$15,930	$13,217	$565	$373,822
Individually evaluated for impairment	$2,597	$76	$9	$140	$0	$2,822
Collectively evaluated for impairment	$228,760	$112,677	$15,921	$13,077	$565	$371,000
December 31, 2010						
Total Loans	$194,700	$71,686	$14,334	$12,830	$494	$294,044
Individually evaluated for impairment	$393	$197	$262	$0	$4	$856
Collectively evaluated for impairment	$194,307	$71,489	$14,072	$12,830	$490	$293,188

Management evaluates individual loans in all of the commercial segments for possible impairment. Loans are considered to be impaired when, based on 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 evaluating impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. The Company also separately evaluates individual consumer and residential mortgage loans for impairment.

Once the determination has been made that a loan is impaired, the determination of whether a specific allocation of the allowance is necessary is measured by comparing the recorded investment in the loan to the fair value of the loan using one of three methods: (a) the present value of expected future future cash flows discounted at the loan's effective interest rate; (b) the loan's observable market price; or (c) the fair value of the collateral less selling costs. The method is selected on a loan-by-loan basis, with management primarily utilizing the fair value of collateral method. The evaluation of the need and amount of a specific allocation of the allowance and whether a loan can be removed from impairment status is made on a quarterly basis.

The following table presents impaired loans by class, segregated by those for which a specific allowance was required and those for which a specific allowance was not necessary as of December 31, 2011 and 2010 (in thousands):

	Impaired Loans with Specific Allowance		Impaired Loans with No Specific Allowance	Total Impaired Loans	
	Recorded Investment	Related Allowance	Recorded Investment	Recorded Investment	Unpaid Principal Balance
December 31, 2011					
Commercial	$2,597	$758	$0	$2,597	$2,597
Residential	76	10	0	76	76
Home Equity	9	9	0	9	9
Installment	140	100	0	140	140
Credit Card	0	0	0	0	0
Total impaired loans	$2,822	$877	$0	$2,822	$2,822
December 31, 2010					
Commercial	$59	$20	$334	$393	$393
Residential	165	75	32	197	197
Home Equity	262	99	0	262	262
Installment	0	0	0	0	0
Credit Card	4	4	0	4	4
Total impaired loans	$490	$198	$366	$856	$856

The following table presents the average recorded investment in impaired loans and related interest income recognized for the periods indicated (in thousands):

	December	
	2011	2010
Average investment in impaired loans	$2,091	$1,901
Interest income recognized on an accrual basis on impaired loans	$84	$76

Management uses a nine point internal risk rating system to monitor the credit quality of the overall loan portfolio. The first six categories are considered not criticized, and are aggregated as "Pass" rated. The criticized rating categories utilized by management generally follow bank regulatory definitions. The Special Mention category includes assets that are currently protected but are potentially weak, resulting in an undue and unwarranted credit risk, but not to the point of justifying a Substandard classification. Loans in the Substandard category have well-defined weaknesses that jeopardize the liquidation of the debt, and have a distinct possibility that some loss will be sustained if the weaknesses are not corrected. All loans greater than 90 days past due are considered Substandard. The portion of any loan that represents a specific allocation of the allowance for loan losses is placed in the Doubtful category. Any portion of a loan that has been charged off is placed in the Loss category.

To help ensure that risk ratings are accurate and reflect the present and future capacity of borrowers to repay a loan as agreed, the Bank has a structured loan rating process with several layers of internal and external oversight. Generally, consumer and residential mortgage loans are included in the Pass categories unless a specific action, such as bankruptcy, repossession, or death occurs to raise awareness of a possible credit event. The Bank's Chief Credit Officer is responsible for the timely and accurate risk rating of the loans in the portfolio at origination and on an ongoing basis. The Credit Department performs an annual review of all commercial relationships $750,000 or greater. Confirmation of the appropriate risk grade is included in the review on an ongoing basis. The Bank has an experienced Credit Department that continually reviews and assesses loans within the portolio. The Bank engages an external consultant to conduct loan reviews on at least an annual basis. Generally, the external consultant reviews larger commercial relationships or criticized relationships. The Credit Department compiles detailed reviews, including plans for resolution, on loans classified as Substandard on a quarterly basis. Loans in the Special Mention and Substandard categories that are collectively evaluated for impairment are given separate consideration in the determination of the allowance.

The following table represents the classes of the loan portfolio summarized by the aggregate Pass and the criticized categories of Special Mention, Substandard and Doubtful within the internal risk rating system as of December 31, 2011 and 2010 (in thousands):

	Pass	Special Mention	Substandard	Doubtful	Total
December 31, 2011					
Commercial	$218,353	$7,752	$2,655	$2,597	$231,357
Residential	111,105	1,157	491	-	112,753
Home Equity	15,750	96	75	9	15,930
Installment	12,806	242	29	140	13,217
Credit Card	565	-	-	-	565
Total	$358,579	$9,247	$3,250	$2,746	$373,822
December 31, 2010					
Commercial	$180,568	$8,294	$5,446	$392	$194,700
Residential	69,906	613	1,002	165	71,686
Home Equity	13,945	99	262	28	14,334
Installment	12,424	233	173	-	12,830
Credit Card	488	-	6	-	494
Total	$277,331	$9,239	$6,889	$585	$294,044

Management further monitors the performance and credit quality of the loan portfolio by analyzing the age of the portfolio as determined by the length of time a recorded payment is past due. The following table presents the classes of the loan portfolio summarized by the aging categories of performing loans and nonaccrual loans as of December 31, 2011 and 2010:

(in thousands)	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days + Past Due	Total Past Due	Non-Accrual	Total Loans
December 31, 2011							
Commercial	$225,618	$448	$2,836	$2	$3,286	$2,453	$231,357
Residential	111,022	1,593	-	62	1,655	76	112,753
Home Equity	15,846	-	84	-	84	-	15,930
Installment	12,888	138	26	2	166	163	13,217
Credit Card	565	-	-	-	-	-	565
Total	$365,939	$2,179	$2,946	$66	$5,191	$2,692	$373,822
December 31, 2010							
Commercial	$193,414	241	-	$217	$458	$828	$194,700
Residential	68,529	1,761	272	143	2,176	981	71,686
Home Equity	13,979	28	18	47	93	262	14,334
Installment	12,222	141	158	155	454	154	12,830
Credit Card	490	-	-	-	-	4	494
Total	$288,634	$2,171	$448	$562	$3,181	$2,229	$294,044

An allowance for loan losses ("ALL") is maintained to absorb losses from the loan portfolio. The ALL is based on management's continuing evaluation of the risk characteristics and credit quality of the loan portfolio, assessment of current economic conditions, diversification and size of the portfolio, adequacy of collateral, past and anticipated loss experience, and the amount of non-performing loans.

The Bank's methodology for determining the ALL is based on the requirements of ASC Section 310-10-35 for loans individually evaluated for impairment (discussed above) and ASC Subtopic 450-20 for loans collectively evaluated for impairment, as well as the Interagency Policy Statements on the Allowance for Loan and Lease Losses and other bank regulatory guidance. The total of the two components represents the Bank's ALL.

Loans that are collectively evaluated for impairment are analyzed with general allowances being made as appropriate. For general allowances, historical loss trends are used in the estimation of losses in the current portfolio. These historical loss amounts are modified by other qualified factors.

The classes described above, which are based on the Federal call code assigned to each loan, provide the starting point for the ALL analysis. Management tracks the historical net charge-off activity at the call code level. A historical charge-off factor is calculated utilizing a defined number of consecutive historical quarters. Commercial, Mortgage and Consumer pools currently utilize a rolling 12 quarters.

"Pass" rated credits are segregated from "Criticized" credits for the application of qualitative factors. Loans in the criticized pools, which possess certain qualities or characteristics that may lead to collection and loss issues, are closely monitored by management and subject to additional qualitative factors.

Management has identified a number of additional qualitative factors which it uses to supplement the historical charge-off factor because these factors are likely to cause estimated credit losses associated with the existing loan pools to differ from historical loss experience. The additional factors that are evaluated quarterly and updated using information obtained from internal, regulatory, and governmental sources are: national and local economic trends and conditions; levels of and trends in delinquency rates and non-accrual loans; trends in volume and terms of loans; effects of changes in lending policies; experience, ability, and depth of lending staff; value of underlying collateral; and concentrations of credit from a loan type, industry and/or geographic standpoint.

Management reviews the loan portfolio on a quarterly basis using a defined, consistently applied process in order to make appropriate and timely adjustments to the ALL. When information confirms all or part of specific loans to be uncollectible, these amounts are promptly charged off against the ALL.

Historically, management has utilized an internally developed spreadsheet to track and apply the various components of the allowance.

The following table summarizes the primary segments of the ALL, segregated into the amount required for loans individually evaluated for impairment and the amount required for loans collectively evaluated for impairment as of December 31, 2011 and 2010. Activity in the allowance is presented for the year ended December 31, 2011 (in thousands):

	Commercial	Residential	Home Equity	Installment	Credit Card	Total
ALL balance at						
December 31, 2010	$ 1,517	$ 460	$ 207	$ 274	$ 20	$ 2,478
Charge-offs	(552)	(349)	(177)	(105)	(6)	(1,189)
Recoveries	4	-	10	19	-	33
Provision	1,195	255	209	67	(3)	1,723
ALL balance at						
December 31, 2011	$ 2,164	$ 366	$ 249	$ 255	$ 11	$ 3,045
Individually evaluated for impairment	$758	$10	$9	$100	$0	$877
Collectively evaluated for impairment	$1,406	$356	$240	$155	$11	$2,168

The allowance for loan losses is based on estimates, and actual losses will vary from current estimates. Management believes that the granularity of the homogeneous pools and the related historical loss ratios and other qualitative factors, as well as the consistency in the application of assumptions, result in an ALL that is representative of the risk found in the components of the portfolio at any given date.

Troubled Debt Restructurings

The restructuring of a loan is considered a "troubled debt restructuring" if both (i) the borrower is experiencing financial difficulties and (ii) the creditor has granted a concession. Concessions may include interest rate reductions or below market interest rates, principal forgiveness, restructuring amortization schedules and other actions intended to minimize potential losses. Troubled debt restructurings during 2011 are set forth in the following table. There were no troubled debt restructurings during 2010.

The following table presents details related to loans identified as Troubled Debt Restructurings (TDRs) at December 31, 2011 and 2010.

	New TDRs (1)					
	December 31, 2011			December 31, 2010		
(Unaudited, dollars in thousands)	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial real estate:	-	-	-	-	-	-
Land and construction	-	-	-	-	-	-
Other	1	103	103	-	-	-
Total commercial real estate	1[1]	103	103	-	-	-
Commercial and industrial	-	-	-	-	-	-
Residential real estate	1	415	415	-	-	-
Home equity	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Total	2	518	518	-	-	-

(1) Excludes loans that were either paid off or charged-off by period end. The pre-modification balance represents the balance outstanding at the beginning of the period. The post-modification balance represents the outstanding balance at period end.

NOTE 4. BANK PREMISES, FURNITURE AND EQUIPMENT

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

	2011	2010
Bank Premises	$ 7,647	$ 7,533
Equipment, furniture and fixtures	3,445	2,893
	11,092	10,426
Allowance for depreciation	(3,310)	(2,847)
	$ 7,782	$ 7,579

NOTE 5. DEPOSITS

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

	2011	2010
Demand deposits of individuals, partnerships, and corporations		
Interest bearing	$ 113,515	$ 77,970
Non-interest bearing	37,744	27,984
Time and savings deposits of individuals, partnerships and corporations	184,993	161,534
Deposits of states and political subdivisions	53,237	32,431
Official checks	1,056	515
Total Domestic Deposits	$ 390,545	$ 300,434
Time deposits of over $100 included above	$ 65,316	$ 58,661

Maturities of certificates of deposit at December 31, 2011 were as follows:

2012	$ 58,029
2013	18,013
2014	6,190
2015	5,317
2016	5,539
Total	$ 93,088

NOTE 6. BORROWED FUNDS

The Company is a party to repurchase agreements with certain customers. As of December 31, 2011 and 2010, the company held repurchase agreements of $77,835 and $47,623. Information related to repurchase agreements is summarized below:

(Dollars in thousands)	2011	2010
Balance at end of year	$ 77,835	$ 47,623
Average balance during the year	61,855	44,238
Maximum month-end balance	86,507	55,550
Weighted-average rate during the year	0.81%	1.07%
Rate at December 31	0.66%	1.00%

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, 2011 was approximately $174,439. At December 31, 2011 and 2010 the Bank had borrowed $9,767 and $24,114.

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

	2011	2010
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%	851	933
Fixed interest rate note, originating April 2002, due May 2017, payable in monthly installments of $4, including interest of 5.90%	631	647
Floating interest rate note, originating March 2003, due December 2011, interest payable monthly, including interest of 0.68%	-	14,126
Fixed interest rate note, originating July 2006, due July 2016, payable in monthly installments of $8, including interest of 4.50%	1,301	1,341
Fixed interest rate note, originating October 2006, due October 2021, payable in monthly installments of $6, including interest of 5.20%	1,068	1,089
Fixed interest rate note, originating April 2007, due April 2022, payable in monthly installments of $6, including interest of 5.18%	1,015	1,034
Amortizing fixed interest rate note, originating February 2007, due February 2022, payable in monthly installments of $5, including interest of 5.22%	896	913
Fixed interest rate note, originating December 2007, due December 2017, payable in monthly installments of $7, including interest of 5.25%	1,005	1,031
Fixed interest rate note, originating March 2008. due March 2013, interest of 2.37% payable quarterly	2,000	2,000
	$ 9,767	$ 24,114

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 2037 and are redeemable by the Company in 2012. 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, 2011 and 2010 and interest expense of $81 and $82 for the years ended December 31, 2011 and 2010.

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

The bank had borrowed $4,500 in overnight funds at the Federal Reserve discount window on December 31, 2010 at a rate of 0.75%.

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

Year	Amount
2012	$ 232
2013	2,244
2014	1,257
2015	271
2016	1,353
Thereafter	8,534
	$ 13,891

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 customer’s 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)

	2011	2010
Available on lines of credit	$ 45,627	$ 32,539
Stand-by letters of credit	346	758
Other loan commitments	1,423	691
	$ 47,396	$ 33,988

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, Monongalia, 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

Accounting standards require that the Company use 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:	2011	2010
Federal	$ 658	$ 773
State	207	166
	$ 865	$ 939
Deferred expense(benefit)		
Federal	$ 112	$ (119)
State	35	(25)
	147	(144)
Income Tax expense	$ 1,012	$ 795

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

	2011		2010	
	Amount	%	Amount	%
Tax at Federal tax rate	$ 1,263	34.0%	$ 1,031	34.0%
Tax effect of:				
State income tax	93	2.5%	76	2.5%
Tax exempt earnings	(345)	-9.3%	(313)	-10.3%
Other	1	0.0%	1	0.0%
	$ 1,012	27.2%	$ 795	26.2%

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:

	2011	2010
Depreciation	$ 482	$ 299
Unrealized loss on securities available-for-sale	$ 303	$ 264
Pension	(9)	(66)
Gross deferred tax liabilities	776	497
Allowance for loan losses	(871)	(778)
Minimum pension liability	(798)	(440)
Gross deferred tax (assets)	(1,669)	(1,218)
Net deferred tax (asset)	$ (893)	$ (721)

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, 2011	$ 13,995	$ 2,004	$ (2,699)	$ 13,300
December 31, 2010	$ 15,067	$ 764	$ (1,836)	$ 13,995

The Company held related party deposits of $14,973 and $11,812 at December 31, 2011 and December 31, 2010, respectively.

The Company held related party repurchase agreements of $1,313 and $1,697 at December 31, 2011 and December 31, 2010, 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 $410 and $335 for the years ended December 31, 2011 and 2010.

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, 2011 and 2010 is as follows:

(Dollars in thousands)	2011	2010
Change in benefit obligation		
Benefit obligation at beginning of year	$ 3,059	$ 2,389
Service cost	356	311
Interest cost	166	142
Actuarial loss	669	243
Benefits paid	(36)	(26)
Benefit obligation at end of year	$ 4,214	$ 3,059
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 1,794	$ 1,575
Actual return on plan assets	(113)	188
Employer contribution	553	57
Benefits paid	(36)	(26)
Fair value of plan assets at end of year	$ 2,198	$ 1,794
Funded status	$ (2,016)	$ (1,265)
Unrecognized net actuarial loss	1,990	1,093
Unrecognized prior service cost	4	7
Prepaid pension cost recognized	$ (22)	$ (165)
Accumulated benefit obligation	$ 3,288	$ 2,414

At December 31, 2011 and 2010, the weighted average assumptions used to determine the benefit obligation are as follows:

	2011	2010
Discount rate	5.06%	5.50%
Rate of compensation increase	3.00%	3.00%

The components of net periodic pension cost are as follows:

	2011	2010
Service cost	$ 356	$ 311
Interest cost	166	142
Expected return on plan assets	(180)	(139)
Amortization of prior service costs	2	2
Amortization of loss	66	44
Net periodic pension cost	$ 410	$ 360

At December 31, 2011 and 2010, the weighted average assumptions used to determine net periodic pension cost are as follows:

	2011	2010
Discount rate	5.50%	6.00%
Expected long-term rate of return on plan assets	8.00%	8.00%
Rate of compensation increase	3.00%	3.00%

The Company's pension plan asset allocations at December 31, 2011 and 2010, as well as target allocations for 2012 are as follows:

Asset Category	2012 Target	12/31/2011	12/31/2010
Equity securities	60%	72%	59%
Balanced fund	30%	24%	31%
Other	10%	4%	10%
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.

	2012	2011
Expected amortization of transition obligation (asset)	$ -	$ -
Expected amortization of prior service cost (credit)	2	2
Expected amortization of net loss (gain)	117	66

Plan Assets

The pension plan's overall investment strategy is to achieve a mix of approximately 75 percent of investments for long-term growth and 25 percent for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers. The target allocations for plan assets are 75 percent equity securities, 20 percent corporate bonds and US Treasury securities, and 5 percent to all other types of investments. Equity securities primarily include investments in large-cap and mid-cap companies primarily located in the United States. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include investments in hedge funds and private equity funds that follow several different strategies.

The fair value of MVB's pension plan assets at December 31, 2011 by asset class are as follows:

The following table sets forth by level, within the fair value hierarchy, as defined in Note 18 - Fair Value Measurements, the Plan's assets at fair value as of December 31, 2011.

	Level I	Level II	Level III	Total
Assets:				
Cash and cash equivalents	$ 88	$ -	$ -	$ 88
Investment in equity securities	$ 1,583	$ -	$ -	$ 1,583
Investment in debt	$ -	$ 527	$ -	$ 527
Total assets at fair value	$ 1,671	$ 527	$ -	$ 2,198

Investment in government and debt securities and short-term investments are valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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 01/01/12 through 12/31/12	$ 948,348
Estimated future benefit payments reflecting expected future service	
1/1/2012 through 12/31/2012	$ 117,901
1/1/2013 through 12/31/2013	$ 129,994
1/1/2014 through 12/31/2014	$ 138,416
1/1/2015 through 12/31/2015	$ 163,324
1/1/2016 through 12/31/2016	$ 201,165
1/1/2017 through 12/31/2021	$1,214,592

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, 2011 the Company has allocated $21 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 2011 the Company completed a confidential offering to accredited investors which began in 2010 that resulted in the issuance of 393,305 shares of common stock totaling $8.3 million in additional capital. As of December 31, 2010 the Company had received signed offering memoranda and payment for 82,328 shares totaling 1.7 million in additional capital at December 31, 2010. The proceeds of this offering are being used to support current and long-range growth plans of the Company. During 2011 the Company issued 393,305 shares, concluding 2011 with outstanding shares of 2,234,767. A 10% stock dividend declared December 21, 2010 with a record date of January 25, 2011, payable February 15, 2011 resulted in an additional 39,071 shares.

On September 8, 2011 MVB received $8.5 million in Small Business Lending Fund (SBLF) capital. MVB issued 8,500 shares of $1,000 per share preferred stock with dividends payable in arrears on January 1, April 1, July 1 and October 1 each year. At the time of receipt of the SBLF money, MVB's loan production qualified for the lowest dividend rate posssible of 1%. MVB may continue to utilize the SBLF capital for a period of four and one half years at the 1% dividend rate so long as loan growth continues to support the reduced rate.

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, 2007, 2010 and 2011 vest in 5 years and expire 10 years from the date of the grant, with the exception of 10,000 shares granted in 2010 that vest in 3 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:

	2011		2010	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	207,297	$ 17.88	134,658	$ 15.83
Granted	10,500	-	99,500	-
Adjust for 10% stock dividend	21,779	$ -	-	$ -
Exercised	-	-	(12,859)	-
Forfeited/expired	-	-	(14,002)	-
Outstanding at end of year	239,576	$ 16.46	207,297	$ 17.88
Exercisable at end of year	148,973	$ 15.13	115,297	$ 16.00
Weighted-average fair value of options granted during the year		$ 3.67		$ 3.10

The fair value for the options was estimated at the date of grant using a Black-Scholes option-pricing model with average risk-free interest rates of 3.29% and 3.28% for 2011 and 2010 and a weighted average expected life of the options of 7 years for both 2011 and 2010. The expected volatility of MVB's stock price used for 2011 options was 5.40%, while for the 2010 options it was 1.26%. The expected dividend yield used was .50% for both 2011 and 2010.

The following summarizes information concerning MVB's stock options outstanding at December 31, 2011:

	Options Outstanding			Options Exercisable	
Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$14.55	127,376	5.00	$14.55	148,973	$15.13
$18.18	89,650	9.00	$18.18		
$20.45	22,550	9.00	$20.45		

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, 2011 and 2010, 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, 2011						
Total Capital (to risk-weighted assets)						
Consolidated	$ 50,603	14.8%	N/A	N/A	$ 27,421	8.0%
Subsidiary Bank	$ 54,291	15.8%	$ 34,276	10.0%	$ 27,421	8.0%
Tier I Capital (to risk-weighted assets)						
Consolidated	$ 47,558	13.9%	N/A	N/A	$ 13,710	4.0%
Subsidiary Bank	$ 51,246	14.9%	$ 20,566	6.0%	$ 13,710	4.0%
Tier I Capital (to average assets)						
Consolidated	$ 47,558	8.9%	N/A	N/A	$ 21,354	4.0%
Subsidiary Bank	$ 51,246	9.6%	$ 26,686	5.0%	$ 21,349	4.0%
As of December 31, 2010						
Total Capital (to risk-weighted assets)						
Consolidated	$ 32,582	11.9%	N/A	N/A	$ 21,807	8.0%
Subsidiary Bank	$ 36,275	13.3%	$ 27,258	10.0%	$ 21,807	8.0%
Tier I Capital (to risk-weighted assets)						
Consolidated	$ 30,104	11.0%	N/A	N/A	$ 10,903	4.0%
Subsidiary Bank	$ 33,797	12.4%	$ 16,355	6.0%	$ 10,903	4.0%
Tier I Capital (to average assets)						
Consolidated	$ 30,104	7.3%	N/A	N/A	$ 16,487	4.0%
Subsidiary Bank	$ 33,797	8.2%	$ 20,590	5.0%	$ 16,472	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, 2011:

	(Dollars in thousands)
Years ended December 31:	
2012	$ 245
2013	226
2014	164
2015	164
2016	151
Thereafter	246
Total minimum payments required:	$ 1,196

Total lease expense for the years ended December 31, 2011 and 2010 was $156 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, 2011	
	Carrying Value	Estimated Fair Value
	(Dollars in thousands)	
Financial assets:		
Cash and due from banks	$ 9,763	$ 9,763
Interest bearing balances with banks	10,196	10,216
Securities available-for-sale	99,366	99,366
Securities held-to-maturity	13,568	14,144
Loans	373,822	388,027
Accrued interest receivable	1,582	1,582
	$ 508,297	$ 523,098
Financial liabilities:		
Deposits	$ 390,545	$ 400,894
Repurchase agreements	77,835	77,861
FHLB and other borrowings	9,767	11,027
Accrued interest payable	341	341
Long-term debt	4,124	4,124
	$ 482,612	$ 494,247

	December 31, 2010	
	Carrying Value	Estimated Fair Value
Financial assets:		
Cash and due from banks	$ 3,713	$ 3,713
Interest bearing balances with banks	27,825	27,878
Securities available-for-sale	61,824	61,824
Securities held-to-maturity	7,460	7,442
Loans	294,044	302,277
Accrued interest receivable	1,398	1,398
	$ 396,264	$ 404,532
Financial liabilities:		
Deposits	$ 300,434	$ 307,584
Repurchase agreements	47,623	47,671
FHLB and other borrowings	28,614	32,305
Accrued interest payable	378	378
Long-term debt	4,124	4,124
	$ 381,173	$ 392,062

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

Accounting standards require that the Company adopt fair value measurement for financial assets and financial liabilities. This enhanced guidance for using fair value to measure assets and liabilities applies whenever other standards require or permit assets or liabilities to be measured at fair value. This guidance does not expand the use of fair value in any new circumstances.

Accounting standards establish 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 these standards 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 tables present the assets and liabilities reported on the consolidated statements of financial condition at their fair value as of December 31, 2011 and 2010 by level within the fair value hierarchy. As required by accounting standards, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company classified investments in government securities as Level 2 instruments and valued them using the market approach. All measurements are made on a recurring basis.

	December 31, 2011				December 31, 2010			
(In Thousands)	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Assets:								
U.S. Government Agency Securities		51,874		51,874		35,280		35,280
Mortgage backed Securities		47,368		47,368		26,420		26,420
Other Securities		124		124		124		124
Other Real Estate Owned		-	176	176		-	402	402
Impaired Loans		-	2,822	2,822		-	856	856
Total		99,366	2,998	102,364		61,824	1,258	63,082

Level 3 rollforward table
(In Thousands)

Level 3 measurements at 12/31/10	Gain/(loss)	Additions	Sales	Level 3 measurements at 12/31/11
$1,258	(596)	2,819	(483)	$2,998

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, 2010 and 2009, 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	2011	2010
Cash	$ 167	$ 1,779
Investment in bank subsidiary, eliminated in consolidation	51,421	32,733
Other assets	293	385
Total assets	$ 51,881	$ 34,897
Liabilities and shareholders' equity		
Liabilities		
Other liabilities	$ 25	$ 4
Long-term debt	4,124	4,124
Total liabilities	4,149	4,128
Stockholders' equity		
Preferred stock, par value $1,000; 8,500 and 5,000 shares authorized, 8,500 and 0 shares issued	$ 8,500	$ -
Common stock, par value $1; 4,000,000 shares authorized; 2,234,767 and 1,802,391 shares issued respectively	2,235	1,802
Additional paid in capital	32,603	23,864
Common stock paid for but not issued, par value $1; 82,328 shares issued	-	1,729
Treasury stock	(1,084)	(1,006)
Retained earnings	6,220	4,643
Accumulated other comprehensive income	(742)	(263)
Total stockholders' equity	47,732	30,769
Total liabilities and stockholders' equity	$ 51,881	$ 34,897

(Dollars in thousands)

Statements of Income	2011	2010
Income - dividends from bank subsidiary	$ -	$ -
Expenses - operating	296	176
(Loss) before income taxes and undistributed income	(296)	(176)
Income tax (benefit)	(112)	(67)
Income after tax	(184)	(109)
Equity in undistributed income of bank subsidiary	2,886	2,346
Net income	$ 2,702	$ 2,237

(Dollars in thousands)

Statements of Cash Flows	2011	2010
OPERATING ACTIVITIES		
Net income	$ 2,702	$ 2,237
Equity in undistributed income of bank subsidiary	(2,886)	(2,346)
Decrease/(increase) in other assets	92	(66)
Increase in other liabilities	21	-
Stock option expense	117	46
Unrealized (loss)/gain	(479)	80
Net cash (used in) operating activities	(433)	(49)
INVESTING ACTIVITIES		
Investment in subsidiary	(15,802)	161
Net cash (used in)/provided by investing activities	(15,802)	161
FINANCING ACTIVITIES		
Proceeds of stock offering	6,500	1,729
Preferred stock issued	8,463	-
Proceeds from long-term borrowings	-	-
Common stock options exercised	-	183
Cash dividend	(218)	(160)
Preferred stock dividend	(44)	-
Purchase of treasury stock	(78)	(484)
Net cash provided by financing activities	14,623	1,268
(Decrease)/increase in cash	(1,612)	1,380
Cash at beginning of period	1,779	399
Cash at end of period	$ 167	$ 1,779

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

		At or for the Year Ended December 31												
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Summary of Operations														
Interest Income	$	19,008	16,287	14,337	13,687	13,274	10,011	6,651	5,536	4,852	4,227	3,893	2,977	1,188
Interest Expense		4,900	5,470	5,533	5,949	6,377	4,360	2,326	1,570	1,702	1,852	2,195	1,820	643
Net Interest Income		14,108	10,817	8,804	7,738	6,897	5,651	4,325	3,966	3,150	2,375	1,698	1,157	545
Provisions for Loan Losses		1,723	1,100	785	595	584	445	160	269	223	225	166	138	104
Non-Interest Income		3,688	2,454	2,190	1,788	1,623	1,240	876	677	598	458	391	207	127
Non-Interest Expense		12,359	9,139	8,349	7,840	6,240	5,132	4,284	2,689	2,348	2,033	1,712	1,397	944
Applicable Income Tax Expenses (Benefit)		1,012	795	454	263	414	341	195	627	396	175	64	(50)	(118)
Net Income (Loss) from operations		2,702	2,237	1,406	828	1,282	973	562	1,058	781	400	147	(121)	(258)
Per Share Data														
Basic Net Income (Loss)/Share	$	1.24	1.40	0.88	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		1.21	1.38	0.86	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	0.10	0.10	0.10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Book Value		17.88	17.07	16.64	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		2,148	1,598	1,602	1,584	1,470	1,428	993	726	708	571	533	517	517
Diluted weighted-average shares outstanding		2,194	1,626	1,628	1,621	1,509	1,588	1,153	752	730	586	541	517	517
Average Balance Sheet Summary														
Loans, Gross	$	334,747	261,116	219,356	189,070	158,495	124,794	87,145	70,252	55,301	42,153	30,560	20,429	5,591
Investment Securities		95,529	64,104	30,456	27,568	26,658	27,335	22,466	23,012	25,219	18,794	14,773	8,400	5,553
Total Assets		473,734	390,350	310,187	238,785	205,544	168,950	123,668	101,887	91,981	74,597	59,425	42,764	19,461
Deposits		353,698	293,913	232,023	169,946	147,454	122,733	95,349	81,414	71,657	58,294	44,924	31,646	12,336
Capital		40,379	28,037	26,746	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	$	373,822	294,044	232,847	203,241	181,537	142,599	105,214	78,844	62,615	48,032	35,075	26,117	13,899
Investment Securities		112,934	69,284	43,886	26,591	27,843	28,739	28,534	20,791	25,073	22,335	18,121	10,093	8,139
Total Assets		533,481	414,267	352,762	258,706	230,098	191,284	151,334	106,206	94,936	80,977	65,325	50,358	34,087
Deposits		390,545	300,434	264,531	173,065	157,448	134,593	113,953	85,486	75,338	64,904	49,710	38,110	24,006
Capital		47,732	30,769	27,138	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		8.52%	7.18%	8.62%	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)		0.57%	0.57%	0.45%	0.35%	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)		6.69%	7.98%	5.26%	3.22%	5.76%	4.86%	4.34%	12.68%	10.31%	7.44%	3.09%	-2.69%	-1.33%
Leverage Ratio		9.60%	8.21%	8.55%	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		14.95%	12.40%	12.32%	13.38%	13.60%	14.37%	15.66%	11.27%	11.98%	13.98%	12.31%	16.20%	27.00%
Total Capital		15.84%	13.31%	13.25%	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	$	22.00	19.09 *	18.18 *	18.18 *	18.18 *	14.55 *	14.55 *	12.73 *	11.25 *	10.82 *	9.52 *	9.07 *	9.07

* adjusted for 5% stock dividends,
effective June 1, 2001 & August 15, 2004 &
10% stock dividend effective February 15, 2011

Shareholder & Company Information

SHAREHOLDERS MEETING

The Annual Meeting of Shareholders of MVB Financial Corp. will be held at 5:30 p.m. on Tuesday, May 15, 2012, at MVB Bank's Fairmont location at 301 Virginia Avenue, Fairmont, West Virginia 26554. Notice of the meeting is made to shareholders of record as of the close of business on March 26, 2012.

TRANSFER AGENT AND SHAREHOLDER INQUIRIES

The corporation's transfer agent is The Registrar & Transfer Company. Inquiries concerning transfer requirements, lost certificates and change of address should be directed to:

The Registrar & Transfer Company
10 Commerce Dr.
Cranford, NJ 07016
www.rtco.com

ALL OTHER INQUIRIES

INVESTOR INQUIRIES TO THE COMPANY SHOULD BE DIRECTED TO:

Lisa Wanstreet
304.367.8697
lwanstreet@mvbbanking.com

ALL OTHER INQUIRIES ABOUT THE COMPANY SHOULD BE DIRECTED TO:

MVB Financial Corp.
301 Virginia Avenue
Fairmont, West Virginia 26554
304.363.4800
www.mvbbanking.com

FORM 10K

A copy of the MVB Financial Corp. Form 10-K for 2011, which has been filed with the SEC, is available without attachments at no charge upon written request and is also available at http://ir.mvbbanking.com. Inquiries should be directed to the Investor Relations contact (above).

INDEPENDENT REGISTERED ACCOUNTING FIRM

S.R. Snodgrass, A.C. Certified Public Accountants, Wheeling, WV

STOCK MARKET LISTING

MVB Financial Corp. is an over-the-counter stock traded under the symbol: MVBF

MVB BANK LOCATIONS & OFFICES

301 Virginia Avenue
Fairmont, WV 26554
304.363.4800
888.689.1877

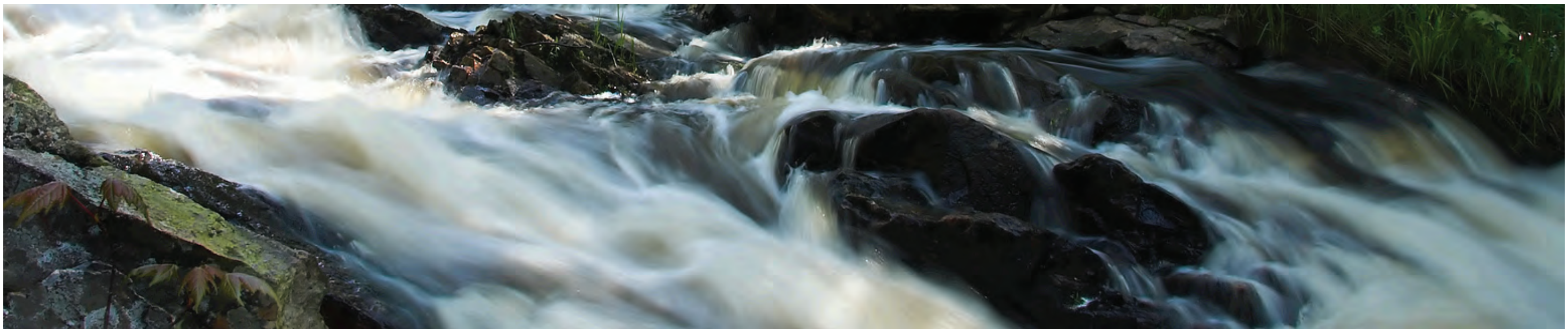
1000 Johnson Avenue
Bridgeport, WV 26330
304.842.6700
888.842.6722

88 Somerset Boulevard
Charles Town, WV 25414
304.728.9500
866.350.8635

651 Foxcroft Avenue
Martinsburg, WV 25401
304.264.4000
800.945.0408

9789 Mall Loop
White Hall, WV 26554
304.366.8400
888.499.4881

2400 Cranberry Square
Morgantown, WV 26508
304.594.3500



Board of Directors

DAVID B. ALVAREZ
Board Member of MVB Central, Inc.; President of MEC Construction in Bridgeport, WV

STEPHEN R. BROOKS
Vice-Chair of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Attorney with Flaherty, Sensabaugh & Bonasso in Morgantown, WV

JAMES J. CAVA, JR.
Board Member of MVB Central, Inc.; CPA & Managing Member of Cava & Banko, PLLC in Bridgeport, WV

DR. JOSEPH P. CINCINNATI
Chair of MVB East, Inc. and Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Orthopedic Surgeon with the Center of Orthopedic Excellence in Martinsburg, WV

BERNIECE D. COLLIS
Vice-Chair of MVB East, Inc., Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Vice President of Minghini's General Contractors, Inc. in Martinsburg, WV

JOHN W. EBERT
Board Member of MVB Central, Inc.; President of J. W. Ebert Corp. dba McDonald's in Bridgeport, WV.

DR. CARL R. FISCHER
Board Member of MVB Central, Inc.; General Surgeon in Bridgeport, WV

DR. BRIAN D. GILPIN
Board Member of MVB East, Inc.; Veterinarian with Shenandoah Veterinary Hospital in Martinsburg, WV

HARVEY M. HAVLICHEK
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; President of Adams Office Supply & Novelty Company, Inc. in Fairmont, WV

CHRISTINE B. IELAPI
Board Member of MVB Central, Inc.; Executive Vice President of Your Chef, Inc. in Bridgeport, WV

MARIA K. LORENSEN
Board Member of MVB East, Inc.; Development Director for the Hospice of the Panhandle in Martinsburg, WV

KENNETH F. LOWE, III
Board Member of MVB East, Inc.; Director of Hotel and Restaurant Operations for the Clarion Hotel & Conference Center & CEO/ Vice President of Ken Lowe Management Company in Shepherdstown, WV

JAMES R. MARTIN
Chair of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc., Board Member of MVB East, Inc.; Past President & Chief Executive Officer of MVB Financial Corp. and MVB Bank, Inc. in Fairmont, WV

LARRY F. MAZZA
Board Member of MVB Financial Corp., MVB Bank, Inc., MVB Central, Inc. and MVB East, Inc.; Chief Executive Officer of MVB Financial Corp. and President & Chief Executive Officer of MVB Bank, Inc. and MVB East, Inc. in Fairmont, WV

BARBARA A. MCKINNEY
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Owner/Broker – Howard Hannah/Premier Properties by Barbara Alexander, LLC. in Morgantown, WV

G. WARREN MICKEY
Board Member of MVB East, Inc.; Retired Educator/Farmer, in Charles Town, WV

DR. SAAD MOSSALLATI
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Vascular Surgeon with Associated Specialists, Inc. in Bridgeport, WV

DR. KELLY R. NELSON
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Senior Vice President with MedExpress Urgent Care in Bridgeport, WV

LEONARD W. NOSSOKOFF
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Owner, Shop 'n Save Supermarkets in Pittsburgh, PA

J. CHRISTOPHER PALLOTTA
Board Member of MVB Financial Corp., MVB Bank, Inc., MVB Central, Inc. and MVB East, Inc.; President of Bond Insurance Agency in Fairmont, WV

NITESH S. PATEL
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Business Consultant; Previously President & Chief Executive Officer of D.N. American, Inc. in Dayton, OH

JOHN T. SCHIRRIPA
Board Member of MVB Central, Inc.; President and Chief Executive Officer of MVB Central, Inc. and Executive Vice President, Regional President – Central, and Commercial Loan Officer of MVB Bank, Inc. in Bridgeport, WV

CHRISTOPHER B. SHULTZ
Board Member of MVB East, Inc.; Owner/ Realtor of Shultz Realty and Commercial Associates and Developer in Jefferson County, WV

JOHN B. SPADAFORE
Board Member of MVB Central, Inc.; Retired Physical Therapist in Bridgeport, WV

LOUIS SPATAFORE
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; President & General Manager of Friendly Furniture Galleries in Fairmont, WV

WAYNE H. STANLEY
Board Member of MVB Financial Corp, MVB Bank, Inc. and MVB Central, Inc.; Chief Executive Officer of Victory of West Virginia, Inc. and President of Stanley Industries, Inc. in Bridgeport, WV

RICHARD L. TOOTHMAN
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Broker & Owner of Toothman Realty in Fairmont, WV

DR. MICHAEL F. TRENT
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; Dentist in the Naval Dental Center in Camp Lejeune, NC.

ROGER J. TURNER
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; President of MVB Financial Corp. and Executive Vice President and Senior Commercial Loan Officer of MVB Bank, Inc. in Fairmont, WV

SAMUEL J. WARASH
Board Member of MVB Financial Corp., MVB Bank, Inc. and MVB Central, Inc.; President of S.J. Warash, Inc. in Fairmont, WV

MVB FINANCIAL CORP.

301 VIRGINIA AVENUE · FAIRMONT, WEST VIRGINIA 26554 · 304.363.4800 · 1.888.689.1877 · WWW.MVBBANKING.COM