

MVB FINANCIAL CORP
Form 10-Q
November 16, 2009
Table of Contents

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission File number 333-120931

MVB Financial Corp.

(Exact name of registrant as specified in its charter)

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West Virginia
(State or other jurisdiction of
incorporation or organization)

20-0034461
(I.R.S. Employer

Identification No.)

301 Virginia Avenue

Fairmont, West Virginia 26554-2777

(Address of principal executive offices)

304-363-4800

(Issuer's telephone number)

Not Applicable

(Former name, address, and fiscal year, if changed since last report)

Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of November 13, 2009, the number of shares outstanding of the issuer's only class of common stock was 1,629,971.

Table of Contents

MVB Financial Corp.

Part I. Financial Information

Item 1.	Financial Statements	
	The unaudited interim consolidated financial statements of MVB Financial Corp. and Subsidiaries (MVB or the Company) listed below are included on pages 2-14 of this report.	
	<u>Consolidated Balance Sheets at September 30, 2009 and December 31, 2008</u>	2
	<u>Consolidated Statements of Income for the Nine and Three Months ended September 30, 2009 and 2008</u>	3
	<u>Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2009 and 2008</u>	4
	<u>Notes to Consolidated Financial Statements</u>	5
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
	Management's Discussion and Analysis of Financial Condition and Results of Operations is included on pages 15-25 of this report.	
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk.</u>	25
Item 4.	<u>Controls and Procedures</u>	25
Item 4T.	<u>Controls and Procedures</u>	25

Part II. Other Information

Item 1.	<u>Legal Proceedings</u>	26
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>	26
Item 3.	<u>Defaults Upon Senior Securities</u>	26
Item 4.	<u>Submission of Matters to a Vote of Security Holders</u>	26
Item 5.	<u>Other Information</u>	26
Item 6.	<u>Exhibits</u>	26

Table of Contents**Part I. Financial Information****Item 1. Financial Statements****MVB Financial Corp. and Subsidiaries****Consolidated Balance Sheets****(Dollars in thousands, except Share and Per Share Data)**

	September 30 2009 (Unaudited)	December 31 2008 (Note 1)
Assets		
Cash and due from banks	\$ 2,531	\$ 4,710
Interest bearing balances FHLB	15,403	40
Certificates of deposits in other banks	37,294	7,000
Investment securities:		
Securities held-to-maturity, at cost	6,891	8,796
Securities available-for-sale, at approximate market value	37,000	17,795
Loans:	223,958	203,241
Less: Allowance for loan losses	(2,126)	(1,860)
Net loans	221,832	201,381
Loans held for sale	2,284	1,115
Bank premises, furniture and equipment, net	7,853	8,060
Accrued interest receivable and other assets	10,928	9,809
Total assets	\$ 342,016	\$ 258,706
Liabilities		
Deposits		
Non-interest bearing	\$ 22,770	\$ 22,495
Interest bearing	231,666	150,570
Total deposits	254,436	173,065
Accrued interest, taxes and other liabilities	2,270	1,835
Repurchase agreements	38,900	21,904
Federal Home Loan Bank borrowings	15,249	31,942
Long-term debt	4,124	4,124
Total liabilities	314,979	232,870
Stockholders equity		
Preferred stock, \$1,000 par value, 5,000 shares authorized; none issued		
Common stock, \$1 par value, 4,000,000 authorized, 1,629,971 and 1,603,622 issued	1,629	1,604
Additional paid-in capital	20,453	20,175
Treasury Stock, 26,636 and 15,469 shares, respectively	(523)	(299)
Retained earnings	5,822	4,671
Accumulated other comprehensive income (loss)	(344)	(315)
Total stockholders equity	27,037	25,836

Total liabilities and stockholders equity	\$ 342,016	\$ 258,706
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See accompanying notes to unaudited financial statements.

Table of Contents**MVB Financial Corp. and Subsidiaries****Consolidated Statements of Income****(Unaudited) (Dollars in Thousands except Share and Per Share Data)**

	Nine Months Ended September 30		Three Months Ended September 30	
	2009	2008	2009	2008
Interest income				
Interest and fees on loans	\$ 8,838	\$ 8,993	\$ 3,021	\$ 2,950
Interest on deposits with other banks	483	25	189	1
Interest on investment securities taxable	851	1,004	283	331
Interest on tax exempt loans and securities	422	298	160	105
Total interest income	10,594	10,320	3,653	3,387
Interest expense				
Deposits	3,401	3,717	1,204	1,147
Repurchase agreements	158	253	81	71
Federal Home Loan Bank borrowings	403	530	128	171
Long-term debt	89	157	24	46
Total interest expense	4,051	4,657	1,437	1,435
Net interest income	6,543	5,663	2,216	1,952
Provision for loan losses	474	448	171	147
Net interest income after provision for loan losses	6,069	5,215	2,045	1,805
Other income				
Service charges on deposit accounts	566	516	194	187
Income on bank owned life insurance	133	135	50	45
Visa debit card income	206	188	77	66
Income on loans held for sale	453	318	119	122
Other operating income	286	198	76	59
Gain on sale of securities		16		
Total other income	1,644	1,371	516	479
Other expense				
Salary and employee benefits	3,139	3,015	1,056	1,021
Occupancy expense	424	391	138	136
Equipment expense	297	298	106	102
Data processing	396	401	138	144
Visa debit card expense	173	160	65	56
Advertising	228	172	94	44
Legal and accounting fees	103	80	34	31
Printing, stationery and supplies	75	80	25	27
Other taxes	133	117	44	44
Loss on security impairment	186	700		700
FDIC insurance	324	81	95	27
Other operating expenses	673	499	252	169
Total other expense	6,151	5,994	2,047	2,501

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Income before income taxes	1,562	592	514	(217)
Income tax expense	412	321	125	89
Net income	\$ 1,150	\$ 271	\$ 389	\$ (306)
Basic net income per share	\$ 0.71	\$ 0.17	\$ 0.24	\$ (0.19)
Diluted net income per share	\$ 0.70	\$ 0.17	\$ 0.23	\$ (0.19)
Basic weighted average shares outstanding	1,622,183	1,577,824	1,629,971	1,598,617
Diluted weighted average shares outstanding	1,648,132	1,617,498	1,655,920	1,638,290

See accompanying notes to unaudited financial statements.

Table of Contents**MVB Financial Corp. and Subsidiaries****Consolidated Statements of Cash Flows****(Unaudited) (Dollars in thousands)**

	Nine Months Ended September 30	
	2009	2008
Operating activities		
Net income	\$ 1,150	\$ 271
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	474	448
Deferred income tax (benefit)/expense	(71)	17
Depreciation	332	329
Stock option expense	11	11