

MVB FINANCIAL CORP
Form 10QSB
August 13, 2007
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United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-QSB

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended JUNE 30, 2007

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 small business issuer as specified in its charter)

West Virginia
(State or other jurisdiction of

incorporation or organization)

301 Virginia Avenue

Fairmont, West Virginia 26554-2777

20-0034461
(I.R.S. Employer

Identification No.)

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(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)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 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 August 10, 2007, the number of shares outstanding of the issuer's only class of common stock was 1,467,849.

Transitional Small Business format (check one): Yes ☐ No ☒

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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)

	June 30 2007	December 31 2006
	(Unaudited)	(Note 1)
Assets		
Cash and due from banks	\$ 5,543	\$ 6,417
Interest bearing balances FHLB	1,329	53
Investment securities:		
Securities held-to-maturity, at cost	2,321	2,326
Securities available-for-sale, at approximate market value	23,362	26,413
Loans:	156,538	142,599
Less: Allowance for loan losses	(1,432)	(1,206)
Net loans	155,106	141,393
Loans held for sale	831	1,293
Bank premises, furniture and equipment, net	8,032	6,493
Accrued interest receivable and other assets	7,490	6,896
Total assets	\$ 204,014	\$ 191,284
Liabilities		
Deposits		
Non-interest bearing	\$ 19,941	\$ 19,758
Interest bearing	130,460	114,835
Total deposits	150,401	134,593
Accrued interest, taxes and other liabilities	1,032	1,037
Repurchase agreements	18,782	20,209
Federal Home Loan Bank borrowings	7,567	13,790
Long-term debt	4,124	
Total liabilities	181,906	169,629
Stockholders' equity		
Preferred stock, \$1,000 par value, 5,000 shares authorized; none issued		
Common stock, \$1 par value, 4,000,000 authorized, 1,467,849 and 1,467,849 issued and outstanding, respectively	1,468	1,468
Additional paid-in capital	17,720	17,720
Treasury Stock	(18)	(18)
Retained earnings	3,401	2,858
Accumulated other comprehensive income (loss)	(463)	(373)

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Total stockholders' equity	22,108	21,655
Total liabilities and stockholders' equity	\$ 204,014	\$ 191,284

See accompanying notes to unaudited financial statements.

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MVB Financial Corp. and Subsidiaries

Consolidated Statements of Income

(Unaudited) (Dollars in Thousands except Share and Per Share Data)

	Six Months Ended		Three Months Ended	
	June 30		June 30	
	2007	2006	2007	2006
Interest income				
Interest and fees on loans	\$ 5,144	\$ 3,796	\$ 2,662	\$ 2,036
Interest on deposits with other banks	95	24	77	2
Interest on investment securities taxable	609	553	293	271
Interest on tax exempt loans and securities	165	161	82	82
Total interest income	6,013	4,534	3,114	2,391
Interest expense				
Deposits	2,250	1,428	1,173	744
Repurchase agreements	337	286	167	158
Federal Home Loan Bank borrowings	203	158	97	108
Long-term debt	75		73	
Total interest expense	2,865	1,872	1,510	1,010
Net interest income	3,148	2,662	1,604	1,381
Provision for loan losses	240	162	120	87
Net interest income after provision for loan losses	2,908	2,500	1,484	1,294
Other income				
Service charges on deposit accounts	306	289	161	152
Income on bank owned life insurance	78	73	40	36
Visa debit card income	102	80	53	42
Income on loans held for sale	175	71	91	40
Other operating income	81	36	54	19
Loss on sale of securities		(4)		(4)
Total other income	742	545	399	285
Other expense				
Salary and employee benefits	1,675	1,437	885	722
Occupancy expense	175	187	74	94
Equipment expense	160	157	84	76
Data processing	359	306	184	157
Advertising	102	31	62	19
Legal and accounting fees	39	38	18	18
Printing, stationery and supplies	53	49	32	26
Other taxes	56	44	29	23
Other operating expenses	284	277	146	147
Total other expense	2,903	2,526	1,514	1,282

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Income before income taxes	747	519	369	297
Income tax expense	210	130	90	81
Net income	\$ 537	\$ 389	\$ 279	\$ 216
Basic net income per share	\$ 0.37	\$ 0.28	\$ 0.19	\$ 0.15
Diluted net income per share	\$ 0.36	\$ 0.28	\$ 0.19	\$ 0.15
Basic weighted average shares outstanding	1,467,849	1,387,460	1,467,849	1,426,733
Diluted weighted average shares outstanding	1,492,150	1,402,471	1,492,150	1,441,744

See accompanying notes to unaudited financial statements.

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MVB Financial Corp. and Subsidiaries

Consolidated Statements of Cash Flows

(Unaudited) (Dollars in thousands)

	Six Months Ended June 30	
	2007	2006
Operating activities		
Net income	\$ 537	\$ 389
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	240	162
Depreciation	153	155
Stock option expense	5	
Loans originated for sale	(11,704)	(3,454)
Proceeds of loans sold	12,166	2,436
Amortization, net of accretion	18	24
(Increase) in interest receivable and other assets	(34)	(681)
(Decrease)/increase in accrued interest, taxes, and other liabilities	(3)	298
Net cash provided by/(used in)/operating activities	1,378	(671)
Investing activities		
(Increase)/decrease in loans made to customers	(13,953)	(20,595)
Purchases of premises and equipment	(1,692)	(55)
(Increase)/decrease in deposits with Federal Home Loan Bank, net	(1,276)	2,688
Purchases of certificates of deposit with other banks		(594)
Proceeds from maturity of certificates of deposit with other Banks		1,485
Purchases of investment securities available-for-sale	(624)	(1,400)
Proceeds from sales, maturities and calls of securities available-for-sale	3,511	3,712
Purchase of bank owned life insurance	(500)	
Proceeds from maturities and calls of securities held-to-maturity		209
Net cash (used in) investing activities	(14,534)	(14,550)
Financing activities		
Net increase in deposits	15,808	2,523
Net (decrease)/increase in repurchase agreements	(1,427)	1,890
Net (decrease)/increase in Federal Home Loan Bank Borrowings	(6,223)	10,419
Proceeds from long-term borrowings	4,124	
Purchase of treasury stock		(2)