## A Message from Management

### Dear Shareholders, Customers, and Friends,

our company experienced an eventful year in 2009. There were **challenges** like increased FDIC premiums and the fallout from the big bank bailouts. There were **opportunities** such as the introduction of our new OVB Classroom Adventures, which brings local bankers into the classroom for lessons on financial literacy. There was **sorrow** for the loss of long-time Director and friend Robert H. Eastman. Yet there were **triumphs** experienced through an increase in dividends and launches of Ohio Valley Bank's new Visa Rewards credit card and Loan Central's new 3-Option Tax Refund Loan program.

In a recent letter to shareholders, we tried to imagine the bank as it was when it first opened its doors on November 1st, 1872. We imagine those days of family and faith; days when honesty and hard work paid dividends beyond monetary reward. Back then, they didn't have to worry about Sarbanes-Oxley or FDIC assessment fees. Their only concern was in serving their friends and neighbors, a commitment we still honor today.

Perhaps that's why Ohio Valley Bank has been around for more than 137 years and why our share performance has remained steady, performing well above our peer group (SNL \$500 million - \$1 billion Bank Index, chart on page 5). Maybe that's why OVBC's companies brought in a consolidated net income of over \$6 million

for the year of 2009; even after an increase in FDIC premiums of over a million dollars.

Based on the FDIC's restoration plan, we expect the heightened assessment levels to continue. On December 30, 2009, financial institutions were required to prepay their FDIC premiums through 2012. Ohio Valley Bank's assessment amount was nearly \$3.6 million, which will be expensed over the next three years. This action insures our depositors; but, as you can see, it comes at a high

...performing well above our peer group... price. Unfortunately, it's a cost incurred as a result of a problem that wasn't created by the carefully managed community banks like Ohio Valley Bank.

Careful management is a passion that has been passed from generation to generation in this institution. It is one of many traditions still honored by

those that don an OVB name tag as they enter the lobby doors each morning. It is tradition like careful, conservative management and outstanding service that will help us weather threats in today's U.S. financial industry.

However, as always, we hope to do more than weather the storm. In addition to the efforts by our 250+ employees to hold down expenses; we are actively seeking new sources of revenue and ways to expand on current services. Our marriage of tradition and technology helps us in this endeavor. Wherever our



Tradition Remains Strong

customers lead...wireless, paperless, self serve, hands free...we will support them. We will support them just as our predecessors did when they introduced the county's first free parking, the first drive-thru window, and the first ATM. When applied effectively, technology enhances our life, and by so, strengthens our community and our company.

On the pages that follow, we share our commitment to you, our shareholders, and to the communities in which we serve.

Sincerely,

Jeffrey E. Smith Chairman and CEO Ohio Valley Banc Corp.

E. Smith Storages & Wiscun

Thomas E. Wiseman President and COO Ohio Valley Banc Corp.

Above President and COO Tom Wiseman and Chairman and CEO Jeff Smith re-create a pose first made famous by their predecessors Morris Haskins and Emerson Evans circa 1975. Both photos were taken at the vault entrance in the Ohio Valley Bank Main Office.

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BANK.







# A Tradition of Service...

very bank offers checking accounts. Every bank offers savings and loans. However we've found (and I'm sure you have to) that not all banks are equal. It seems that too often, traditional community banks are left behind when it comes to offering the technology we've come to expect in today's world. And the big banks...well, that's just it. They are sometimes too big. They hide behind their technology, using it to completely replace human contact. They've forgotten their beginnings and those that got them to where they are now.

### **Tradition Meets Technology**

Our secret? We marry the best of the traditional community back with the technology of the big banks. We call it "Tradition Meets Technology". Our focus on aggressively seeking new financial technology takes us above and beyond the typical community bank. In 2009 alone, Ohio Valley Bank began projects in debit/credit card rewards and a major expansion of our mobile banking offering. Also in 2009, Loan Central debuted its unprecedented 3-Option Tax Refund Loans.

Technology certainly makes a difference; however, we would be just like those faceless big banks if it were not for the second part...Tradition. OVB's tradition of service is what keeps us grounded. It reminds us where we came from and who we serve. That's why Ohio Valley Bank bankers **teach financial literacy** in school and at 4-H camp. OVB continues to support our communities including our local business owners; such

as **Eastman's Foodland**. In 2010, the Eastman family will celebrate the 30th Anniversary of their American company.

The extra care we take to protect the needs of our customers is second nature. It's been that way since the doors opened in 1872.

We've also found that our unique marriage of Tradition and Technology turns the chore of banking into a fond experience.



When you ask elementary teacher Beth Covey, why she uses OVB's iPhone application, she will probably say its because of convenience. The iPhone "app" is easy to use, but the convenience that Beth is referring to is that if she has a question, she can call or email OVB's Internet Call Center,

where a local person (not a machine or a random operator in India) answers the phone

and assists her.

When traveling software salesman Dave Rusie forgot that his online CD was maturing, he was relieved to see a friendly email in his Inbox. Internet Call Center Representative Jamie Stapleton assisted him with the

maturing CD. The best part...Dave didn't have to alter his travel plans; he didn't even have to enter the state.

#### BUSINESS PROFILE

Ohio Valley Banc Corp. commenced operations on October 23, 1992, as a one-bank holding company with The Ohio Valley Bank Company being the wholly-owned subsidiary. The Company's headquarters are located at 420 Third Avenue in Gallipolis, Ohio.

The Ohio Valley Bank Company was organized on September 24, 1872. The Bank is insured under the Federal Deposit Insurance Act and is chartered under the banking laws of the State of Ohio.

In April 1996, the Banc Corp. opened a consumer finance company operating under the name of Loan Central, Inc.

Ohio Valley Financial Services, an agency specializing in life insurance, was formed as a subsidiary of the Corp. in June 2000. The Corp. also has minority holdings in ProAlliance.



When carpet store owner Jon Mollohan decided to expand into the cleaning business, he knew that he would need to upgrade his credit card processing. He was amazed by the savings and ease-of-use that OVB's merchant

services provided. His new machine takes up less space, needs less attention, and each transaction costs less. Ohio Valley Bank's Bank Card department was in constant contact with him during the switch over.

When Accounting Manager Jean Adkins is reconciling accounts for Holzer Medical Center, she downloads the account statements through eDelivery. She recalls an instance when the statement file was too big for her computer to download. She called OVB and within minutes, an OVB manager was at the door with a printed copy.



Ken Holley enjoys eDelivery too. In 2009, he was the lucky winner of a Gold Membership for the Columbus Zoo. Perhaps Ken will be able to visit the Asian Elephant that OVB "adopted". In October, for every person who switched to eDelivery paperless

bank statements, Ohio Valley Bank made a donation to the Zoo's Adopt-an-Animal program. Ohio Valley Bank won three awards for the ground-breaking "Save a Tree. Feed an Animal." program.



All this aside, we're sure that one of the most memorable bank visits of the year was experienced by our Main Office customers in July.

One day they were surprised to find that the lobby was

transformed into a French bistro overnight. The decorations, food, and waitress costumes were part of a "Serving You" event dreamed up by Assistant Vice President Brenda Henson. The event added a little fun to the week and was the talk of the town as photos of the



lobby hit the newspaper and were traded on Facebook.



While customers will remember the lobby, OVB employees will always remember 2009 as a farewell to the traditional 2 o'clock cut-off. Since October 1st, transactions made at an OVB office before closing have been processed on

the same business day. Some traditions die hard as they should. This project required alot of time and strategy to achieve; however, it was well worth the trouble. The extension, like all of the stories shared here, enhanced the banking experience for our customers.