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OHIO VALLEY BANC CORP
Form 10-K
March 16, 2009

Ohio Valley Banc Corp.
420 Third Avenue
Gallipolis, Ohio 45631

March 16, 2009

VIA EDGAR TRANSMISSION
=====

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Ohio Valley Banc Corp.
Commission File No. 0-20914
CIK No. 0000894671
Annual Report on Form 10-K for the Fiscal Year Ended December 31, 2008

Ladies and Gentlemen:

Ohio Valley Banc Corp. (the "Company") is today filing one complete copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (the "Form 10-K"), including financial statements and exhibits. The consolidated financial statements included in the Company's Annual Report to Shareholders for the fiscal year ended December 31, 2008, which are incorporated by reference in the Form 10-K, reflect no changes in any accounting principle or practice or in the method of applying such principle or practice from the preceding year.

If you have any questions with respect to the enclosed Form 10-K, please do not hesitate to contact Jeffrey E. Smith at (740) 446-2631.

Very truly yours,

OHIO VALLEY BANC CORP.

By: /s/ Jeffrey E. Smith

Jeffrey E. Smith, President and CEO

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act
of 1934

For the fiscal year ended December 31, 2008

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange
Act of 1934

For the transition period from _____ to _____

Commission File Number: 0-20914

OHIO VALLEY BANC CORP.

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(Exact name of registrant as specified in its charter)

Ohio

31-1359191

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

420 Third Avenue, Gallipolis, Ohio

45631

(Address of principal executive offices)

(ZIP Code)

Registrant's telephone number, including area code: 740-446-2631

Securities registered pursuant to Section 12(b) of the Act:

| | |
|----------------------------------|---|
| Title of each class | Name of each exchange on which registered |
| Common Shares, Without Par Value | The NASDAQ Stock Market LLC |
| ----- | (The NASDAQ Global Market) |
| | ----- |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 Smaller reporting company
 (Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (defined in Rule 12b-2 of the Act). YES NO

Based on the closing sales price of \$25.00 per share on June 30, 2008, the aggregate market value of the issuer's shares held by non-affiliates on such date was \$95,921,525. For this purpose, shares held by non-affiliates are all outstanding shares except those held by the directors and executive officers of the issuer and those held by The Ohio Valley Bank Company as trustee with respect to which the Bank has sole or shared voting or dispositive power.

The number of common shares of the registrant outstanding as of March 13,

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2009 was 3,983,009.

Documents Incorporated By Reference:

- (1) Portions of the 2008 Annual Report to Shareholders of Ohio Valley Banc Corp. (Exhibit 13) are incorporated by reference into Part I, Item 1 and Part II, Items 5, 6, 7, 7A and 8.
- (2) Portions of the Proxy Statement for the Annual Meeting of Shareholders to be held May 13, 2009 are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14.

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PART I

ITEM 1 - BUSINESS

Organizational History and Subsidiaries

Ohio Valley Banc Corp. ("Ohio Valley") is an Ohio corporation registered as a financial holding company pursuant to the Bank Holding Company Act of 1956, as amended ("BHC Act"). Ohio Valley was incorporated under the laws of the State of Ohio on January 8, 1992 and began conducting business on October 23, 1992. The principal executive offices of Ohio Valley are located at 420 Third Avenue, Gallipolis, Ohio 45631. Ohio Valley's common shares are listed on The NASDAQ Global Market under the symbol "OVBC". Ohio Valley has one banking subsidiary, The Ohio Valley Bank Company (the "Bank"). Ohio Valley also owns two nonbank subsidiaries, Loan Central, Inc. ("Loan Central") and Ohio Valley Financial Services Agency, LLC ("Ohio Valley Financial Services"), which engage in lending and insurance agency services, and two wholly-owned subsidiary trusts formed solely to issue trust preferred securities. Ohio Valley also owns a minority interest in an insurance company. Ohio Valley and its subsidiaries are collectively referred to as the "Company."

Interested readers can access Ohio Valley's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, through Ohio Valley's Internet website at www.ovbc.com (this uniform resource locator, or URL, is an inactive textual reference only and is not intended to incorporate the information contained on Ohio Valley's website into this Annual Report on Form 10-K). These reports can be accessed free of charge through a link to The NASDAQ Stock Market's website from Ohio Valley's website as soon as reasonably practicable after Ohio Valley electronically files such materials with, or furnishes them to, the Securities and Exchange Commission ("SEC").

Business of Ohio Valley

As a financial holding company registered under the BHC Act, Ohio Valley's primary business is community banking. As of December 31, 2008, Ohio Valley's consolidated assets approximated to \$781,108,000, and total shareholders' equity approximated to \$63,056,000.

Ohio Valley is also permitted to engage in certain non-banking activities under the provisions of the Gramm-Leach-Bliley Act ("GLB Act"), such as securities underwriting and dealing activities, insurance agency and underwriting activities and merchant banking/equity investment activities. The Company presently engages in insurance agency activities through Ohio Valley Financial Services and insurance underwriting activities through a minority interest in ProAlliance Corp. Management will consider opportunities to engage in additional nonbanking activities as they arise.

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Business of Bank Subsidiary

A substantial portion of Ohio Valley's revenue is derived from cash dividends paid by the Bank. The Bank presently has fifteen offices located in Ohio and West Virginia, all of which offer automatic teller machines (ATMs). Seven of these offices also offer drive-up services. The Bank accounted for substantially all of Ohio Valley's consolidated assets at December 31, 2008.

The Bank is primarily engaged in commercial and retail banking. The Bank is a full-service financial institution offering a blend of commercial, consumer and agricultural banking services within

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central and southeastern Ohio as well as western West Virginia. The banking services offered by the Bank include the acceptance of deposits in checking, savings, time and money market accounts; the making and servicing of personal, commercial, floor plan and student loans; and the making of construction and real estate loans. The Bank also offers individual retirement accounts, safe deposit boxes, wire transfers and other standard banking products and services. As part of its lending function, the Bank offers credit card services. The Bank's deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation ("FDIC"). In addition to originating loans, the Bank invests in U.S. government and agency obligations, interest-bearing deposits in other financial institutions, and other investments permitted by applicable law.

The Bank began offering trust services in 1981. The trust department acts as trustee under wills, trusts and profit sharing plans, as executor and administrator of estates, and as guardian for estates of minors and incompetents. In addition, the trust department performs a variety of investment and security services where the Bank acts as an agent on behalf of the client. Trust services are available to all customers of the Bank.

During 2007, the Bank began offering a platform to its customers for opening deposit accounts online, the fourth in the nation to offer this specific service. Bank customers may now conveniently establish new deposit accounts at their own home. In addition, the Bank offers an automated telephone banking system, OVB Line, which allows customers to access their personal account or business account information, make loan payments or fund transfers and obtain current rate information, all from a touch-tone telephone. The Bank also offers Internet banking to its customers, which allows customers to perform various transactions using a computer from any location as long as they have access to the Internet and a secure browser. Specifically, customers can check personal account balances, receive information about transactions within their accounts, make transfers between accounts, stop payment on a check, and reorder checks. Customers may also pay bills online and can make payments to virtually any business or individual. Furthermore, the Bank offers other financial management online services such as cash management and news updates related to repossession auctions, current rates and general bank news.

Business of Loan Central

Loan Central is engaged in consumer finance, offering smaller balance personal and mortgage loans to individuals with higher credit risk history. Loan Central's line of business also includes seasonal tax refund loan services. Loan Central presently has six offices all located within southeastern Ohio.

Business of Financial Services Subsidiaries

Ohio Valley Financial Services sells life insurance as agent. Ohio Valley Financial Services has been approved under the guidelines of the State of Ohio

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Department of Insurance.

Ohio Valley also holds a non-majority equity interest in ProAlliance Corp., an insurance company. ProAlliance Corp. is engaged primarily in specialty property and casualty insurance coverage and has been approved under the guidelines of the State of Ohio Department of Insurance.

Variable Interest Entities

Ohio Valley owns two special purpose entities, Ohio Valley Statutory Trust I and Ohio Valley Statutory Trust III. Together, these Trusts have issued an aggregate \$13,500,000 in trust preferred securities. Ohio Valley has issued a like amount of subordinated debentures to the Trusts in exchange for

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the proceeds of the issuance of the trust preferred securities. Ohio Valley used the proceeds to provide additional capital to the Bank to support growth. Further detail on Ohio Valley Statutory Trusts I and III is located in Ohio Valley's 2008 Annual Report to Shareholders under "Note I - Subordinated Debentures and Trust Preferred Securities," in the notes to the Company's consolidated financial statements for the fiscal year ended December 31, 2008.

Financial Information

Financial information regarding the Company as of December 31, 2008 and 2007 and results of operations for the past three fiscal years is contained in the Company's consolidated financial statements for the fiscal year ended December 31, 2008.

Lending Activities

The Company's loan portfolio decreased \$6,712,000 to finish at \$630,391,000 in 2008. The loan portfolio is comprised of commercial (commercial real estate and commercial and industrial), residential real estate and consumer loans, including credit card and home equity loans. Residential real estate loans increased \$2,210,000, or 0.9%, while commercial and consumer loans decreased \$8,230,000, or 3.3% and \$921,000, or 0.7%, respectively, as compared to 2007. Consolidated interest and fee revenue from loans accounted for 81.86%, 84.19%, and 83.28% of total consolidated revenues in 2008, 2007 and 2006, respectively. The Company believes that there is no significant concentration of loans to borrowers engaged in the same or similar industries and does not have any loans to foreign entities.

Residential Real Estate Loans

The Company's residential real estate loans consist primarily of one- to four-family residential mortgages and carry many of the same customer and industry risks as the commercial loan portfolio. Real estate loans to consumers are secured primarily by a first lien deed of trust with evidence of title in favor of the Bank. The Company also requires proof of hazard insurance, required at the time of closing, with the Bank or Loan Central named as the mortgagee and as loss payee. The Company generally requires the amount of a residential real estate loan be no more than 80% of the purchase price or the appraisal value of the real estate securing the loan, unless private mortgage insurance is obtained by the borrower for the percentage exceeding 80%. These loans generally range from one-year adjustable to thirty-year fixed-rate mortgages. The Company's market area for real estate lending is primarily located in southeastern Ohio and portions of western West Virginia. The Bank continues to sell a portion of its new fixed-rate real estate loan originations to the Federal Home Loan Mortgage Corporation ("Freddie Mac") to enhance customer service and loan pricing. Secondary market sales of these real estate loans, which have fixed

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rates with fifteen to thirty year terms, have assisted in meeting the consumer preference for long-term fixed-rate loans as well as minimized the Bank's exposure to interest rate risk.

Commercial Loans

The Company's commercial loan portfolio consists of loans to corporate borrowers primarily in small to mid-sized industrial and commercial companies that include service, retail and wholesale merchants. Collateral securing these loans includes equipment, inventory, stock, commercial real estate and rental property. Commercial loans are considered to have a higher level of risk compared to other types of loans (i.e., single-family residential mortgages, installment loans and credit card loans), although care is taken to minimize these risks. Numerous risk factors impact this portfolio, such as the economy, new technology, labor rates, cash flow, financial structure and asset quality. The payment experience on commercial loans is dependent on adequate cash flows from the business to service both interest and

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principal due. Thus, commercial loans may be more sensitive to adverse conditions in the economy generally or adverse conditions in a specific industry. The Company diversifies risk within this portfolio by closely monitoring industry concentrations and portfolios to ensure that it does not exceed established lending guidelines. Underwriting standards require a comprehensive credit analysis and independent evaluation of virtually all larger balance commercial loans by the Bank's loan committee prior to approval. New commercial loan originations greater than \$750,000 are reviewed and approved by the Executive Committee of the Bank's Board of Directors.

Consumer Loans

Consumer loans are secured by automobiles, mobile homes, recreational vehicles and other personal property. Personal loans and unsecured credit card receivables are also included as consumer loans. The Company makes installment credit available to customers in their primary market area of southeastern Ohio and portions of western West Virginia. Credit approval for consumer loans requires demonstration of sufficient income to repay principal and interest due, stability of employment, a positive credit record and sufficient collateral for secured loans. The Company monitors the risk associated with these types of loans by monitoring factors such as portfolio growth, lending policies and economic conditions. Underwriting standards are continually evaluated and modified based upon these factors. A qualified compliance officer is responsible for monitoring the performance of his or her respective consumer portfolio and updating loan personnel. The Company makes credit life insurance and health and accident insurance available to all qualified borrowers thus reducing their risk of loss when their income is terminated or interrupted. The Company reviews its respective consumer loan portfolios monthly to charge off loans which do not meet applicable standards. Credit card accounts are administered in accordance with the same standards as those applied to other consumer loans. Consumer loans generally involve more risk as to collectibility than mortgage loans because of the type and nature of collateral and, in certain instances, the absence of collateral. As a result, consumer lending collections are dependent upon the borrower's continued financial stability and are adversely affected by job loss, divorce or personal bankruptcy and by adverse economic conditions. Also included in the category of consumer loans are home equity loans. Home equity lines of credit are generally made as second mortgages and charged a variable interest rate. Home equity lines are written with ten-year terms but are reviewed annually.

Underwriting Standards

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The Company's underwriting guidelines and standards are updated periodically and are presented to the Board of Directors of the holding company for approval. The purpose of the standards and guidelines is to grant loans on a sound and collectible basis; to invest available funds in a safe, profitable manner; to serve the legitimate credit needs of the Company's primary market areas; and to ensure that all loan applicants receive fair and equal treatment in the lending process. It is the intent of the underwriting guidelines and standards to: minimize losses by carefully investigating the credit history of each applicant, verify the source of repayment and the ability of the applicant to repay, collateralize those loans in which collateral is deemed to be required, exercise care in the documentation of the application, review, approval, and origination process, and administer a comprehensive loan collection program. The above guidelines are adhered to and subject to the experience, background and personal judgment of the loan officer assigned to the loan application. A loan officer may grant, with justification, a loan with variances from the underwriting guidelines and standards. However, a loan officer may not exceed his or her respective lending authority without obtaining the prior, proper approval from a superior.

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Investment Activities

The Company's investment policy stresses the management of the investment securities portfolio, which includes both securities held-to-maturity and securities available-for-sale, to maximize the return over the long-term in a manner that is consistent with good banking practices and relative safety of principal. The Company's investment portfolio is comprised of a significant amount of mortgage-backed securities and U.S. government agency and sponsored entity securities. Revenues from interest and dividends on securities accounted for 6.87%, 6.70%, and 6.29% of total consolidated revenues in 2008, 2007 and 2006, respectively. The Company currently does not engage in trading account activity.

Funding Activities

Sources of funds for loan and investment activities include "core deposits." Core deposits include demand deposits, savings and NOW accounts, and certificates of deposit less than \$100,000. The Company will also utilize certificates of deposit from wholesale markets, when necessary, to support growth in assets. Borrowings have also been a significant source of funding. These include advances from the Federal Home Loan Bank, Federal Reserve Bank Notes and securities sold under agreements to repurchase. Repurchase agreements are financing arrangements with various customers that have overnight maturity terms. Further funding has come from two trust preferred securities, Ohio Valley Statutory Trust I and Ohio Valley Statutory Trust III, totaling \$13,500,000. Ohio Valley used the proceeds to provide additional capital to the Bank to support growth.

Competition

Competition among providers of financial products and services continues to increase, with consumers having the opportunity to select from a growing variety of traditional and nontraditional alternatives. As of December 31, 2008, there were 110 bank holding companies operating in the State of Ohio registered with the Federal Reserve, down from 120 bank holding companies at December 31, 2007. These holding companies control various banks throughout Ohio, which compete for business to expand market areas as well as acquire additional banks. The principal factors of competition for Ohio Valley's banking business are the rates of interest charged for loans, the rates of interest paid for deposits, the fees charged for services and the availability and quality of services. The market area for the Bank is concentrated primarily in the Gallia, Jackson, Pike

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and Franklin Counties of Ohio as well as the Mason, Kanawha and Cabell Counties of West Virginia. Some additional business originates from the surrounding Ohio counties of Meigs, Vinton, Lawrence, Scioto and Ross. Competition for deposits and loans comes primarily from local banks and savings associations, although some competition is also experienced from local credit unions and insurance companies.

Loan Central's market presence further strengthens Ohio Valley's ability to compete in the Gallia, Jackson and Pike Counties by serving a consumer base which may not meet the Bank's credit standards. Loan Central also operates in the Ohio counties of Lawrence and Scioto, which are outside the Bank's primary market area. Additionally, Ohio Valley Financial Services sells life insurance, which further strengthens the blend of services available to Ohio Valley's consumer base. The Company's business is not seasonal, nor is it dependent upon a single or small group of customers.

To continue the expansion of the Bank's market presence and further enhance customer service, the Bank began a phase of SuperBank branch openings in December 1996. From 1996 to 2001, the Bank opened eight SuperBank facilities within supermarkets and Wal-Mart stores. These branches currently

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service the market areas of Gallia, Meigs and Lawrence Counties of Ohio as well as Cabell County of West Virginia.

Historically, larger regional institutions, with substantially greater resources, have been generating a growing market presence. Yet, in recent years, the financial industry continues to consolidate, which affects competition by eliminating some regional and local institutions, while strengthening the acquiring companies. Many financial institutions are experiencing significant challenges as a result of the economic crisis, resulting in bank failures and significant intervention from the U.S. Government.

Overall, the Company believes it is able to compete effectively in both current and newer markets. There can be no assurance, however, that our ability to market products and services successfully or to obtain adequate yield on our loans will not be impacted by the nature of the competition that now exists or may later develop.

Supervision and Regulation

The following is a summary of certain statutes and regulations affecting Ohio Valley as well as the Bank and Loan Central. The summary is qualified in its entirety by reference to such statutes and regulations.

Regulation of Bank Holding Company

Ohio Valley is subject to the requirements of the BHC Act and to the reporting requirements of, and examination and regulation by, the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Federal Reserve Board also has extensive enforcement authority over bank holding companies, including, among other things, the ability to:

- o assess civil money penalties;
- o issue cease and desist or removal orders; and
- o require that a bank holding company divest subsidiaries (including its banking subsidiaries).

In general, the Federal Reserve Board may initiate enforcement action for

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violations of laws and regulations and unsafe or unsound practices.

Under Federal Reserve Board policy, a bank holding company is expected to serve as a source of financial strength to each subsidiary bank and to commit resources to support those subsidiary banks. Under this policy, the Federal Reserve Board may require a bank holding company to contribute additional capital to an undercapitalized subsidiary bank.

The BHC Act requires the prior approval of the Federal Reserve Board in any case where a bank holding company proposes to:

- o acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank that is not already majority-owned by it;

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- o acquire all or substantially all of the assets of another bank or bank holding company; or
- o merge or consolidate with any other bank holding company.

Transactions with Affiliates, Directors, Executive Officers and Shareholders

Section 23A and 23B of the Federal Reserve Act and Regulation W restrict transactions by banks and their subsidiaries with their affiliates. An affiliate of a bank is any company or entity which controls, is controlled by or is under common control with the bank.

Generally, Sections 23A and 23B and Regulation W:

- o limit the extent to which a bank or its subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10% of that bank's capital stock and surplus (i.e., tangible capital);
- o limit the extent to which a bank or its subsidiaries may engage in "covered transactions" with all affiliates to 20% of that bank's capital stock and surplus; and
- o require that all such transactions be on terms substantially the same, or at least as favorable to the bank subsidiary, as those provided to a non-affiliate.

The term "covered transaction" includes the making of loans to the affiliate, the purchase of assets from the affiliate, issuance of a guarantee on behalf of the affiliate, the purchase of securities issued by the affiliate, and other similar types of transactions.

A bank's authority to extend credit to executive officers, directors and greater than 10% shareholders, as well as entities such persons control, is subject to Sections 22(g) and 22(h) of the Federal Reserve Act and Regulation O promulgated thereunder by the Federal Reserve Board. Among other things, these loans must be made on terms substantially the same as those offered to unaffiliated individuals or be made as part of a benefit or compensation program and on terms widely available to employees, and must not involve a greater than normal risk of repayment. In addition, the amount of loans a bank may make to these persons is based, in part, on the bank's capital position, and specified approval procedures must be followed in making loans which exceed specified amounts.

Regulation of Ohio State Chartered Banks

As an Ohio state-chartered bank that is not a member of the Federal Reserve Bank, the Bank is supervised and regulated by the Ohio Division of Financial

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Institutions and the FDIC.

The Bank's deposits are insured up to applicable limits by the FDIC, and the Bank is subject to the applicable provisions of the Federal Deposit Insurance Act and the regulations of the FDIC.

Various requirements and restrictions under the laws of the United States and the State of Ohio and the State of West Virginia affect the operations of the Bank, including requirements to maintain reserves against deposits, restrictions on the nature and amount of loans that may be made and the interest that may be charged thereon, restrictions relating to investments and other activities, limitations on credit exposure to correspondent banks, limitations on activities based on capital and surplus, limitations on payment of dividends, and limitations on branching.

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Holding Company Activities

Ohio Valley became a financial holding company during 2000, permitting it to engage in activities beyond those permitted for traditional bank holding companies. In order to become a financial holding company, a bank holding company and all of its depository institutions must be well capitalized and well managed under federal banking regulations, and the depository institutions must have received a Community Investment Act rating of at least satisfactory.

Financial holding companies may engage in a wide variety of financial activities, including any activity that the Federal Reserve and the Treasury Department consider financial in nature or incidental to financial activities, and any activity that the Federal Reserve Board determines complementary to a financial activity and which does not pose a substantial safety and soundness risk. These activities include securities underwriting and dealing activities, insurance and underwriting activities and merchant banking/equity investment activities. Because it has authority to engage in a broad array of financial activities, a financial holding company may have several affiliates that are functionally regulated by financial regulators other than the Federal Reserve Board, such as the SEC and state insurance regulators.

Loan Central is supervised and regulated by the State of Ohio Department of Financial Institutions, Division of Consumer Finance. Ohio Valley's insurance business investments, Ohio Valley Financial Services and ProAlliance Corp., are both supervised and regulated by the State of Ohio Department of Insurance. The insurance laws and regulations applicable to insurance agencies, including Ohio Valley Financial Services, require education and licensing of individual agents and agencies, require reports and impose business conduct rules.

The GLB Act provides that if a subsidiary bank of a financial holding company fails to be both well capitalized and well managed, the financial holding company must enter into a written agreement with the Federal Reserve Board within 45 days to comply with all applicable capital and management requirements. Until the Federal Reserve Board determines that the bank is again well capitalized and well managed, the Federal Reserve Board may impose additional limitations or conditions on the conduct or activities of the financial holding company or any affiliate that the Federal Reserve Board finds to be appropriate or consistent with federal banking laws. If the financial holding company does not correct the capital or management deficiencies within 180 days, the financial holding company may be required to divest ownership or control of all banks, including state-chartered non-member banks and other well-capitalized institutions owned by the financial holding company. If an insured bank subsidiary fails to maintain a satisfactory rating under the Community Reinvestment Act, the financial holding company may not engage in activities permitted only to financial holding companies until such time as the

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bank receives a satisfactory rating.

Capital Requirements

The Federal Reserve Board has adopted risk-based capital guidelines for bank holding companies. The risk-based capital guidelines include both a definition of capital and a framework for calculating weighted risk assets by assigning assets and off-balance sheet items to broad risk categories. The minimum ratio of capital to risk weighted assets (including certain off-balance sheet items, such as standby letters of credit) to be considered adequately capitalized is 8%. At least 4.0 percentage points is to be comprised of common shareholders' equity (including retained earnings but excluding treasury stock), noncumulative perpetual preferred stock, a limited amount of cumulative perpetual preferred stock, and minority interests in equity accounts of consolidated subsidiaries, less goodwill and certain other intangible assets ("Tier 1 Capital"). The remainder ("Tier 2 Capital") may consist of certain amounts of hybrid capital instruments, mandatory convertible debt securities, subordinated debt,

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preferred stock not qualifying as Tier 1 Capital and a limited amount of allowance for loan and lease losses. The Federal Reserve Board also imposes a minimum leverage ratio (Tier 1 Capital to total assets) of 3% for bank holding companies that meet certain specified conditions, including no operational, financial or supervisory deficiencies, and including having the highest regulatory rating. The minimum leverage ratio is 100-200 basis points higher for other bank holding companies and state member banks based on their particular circumstances and risk profiles and those experiencing or anticipating significant growth.

State non-member banks, such as the Bank, are subject to similar capital requirements adopted by the FDIC. Ohio Valley and the Bank currently satisfy all applicable capital requirements. Failure to meet applicable capital guidelines could subject a banking institution to a variety of enforcement remedies available to federal and state regulatory authorities, including the termination of deposit insurance by the FDIC.

Federal banking regulators have established regulations governing prompt corrective action to resolve capital deficient banks. Under these regulations, institutions which become undercapitalized become subject to mandatory regulatory scrutiny and limitations, which increase as capital continues to decrease. Such institutions are also required to file capital plans with their primary federal regulator, and their holding companies must guarantee the capital shortfall up to 5% of the assets of the capital deficient institution at the time it becomes undercapitalized.

Limits on Dividends

The ability of a bank holding company to obtain funds for the payment of dividends and for other cash requirements is largely dependent on the amount of dividends that may be declared by its subsidiary banks and other subsidiaries. However, the Federal Reserve Board expects Ohio Valley to serve as a source of strength to the Bank, which may require it to retain capital for further investments in the Bank, rather than for dividends for shareholders of Ohio Valley. The Bank may not pay dividends to Ohio Valley if, after paying such dividends, it would fail to meet the required minimum levels under the risk-based capital guidelines and the minimum leverage ratio requirements. The Bank must have the approval of its regulatory authorities if a dividend in any year would cause the total dividends for that year to exceed the sum of its current year's net profits and retained net profits for the preceding two years, less required transfers to surplus. Payment of dividends by the Bank may be

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restricted at any time at the discretion of its regulatory authorities, if they deem such dividends to constitute an unsafe and/or unsound banking practice or if necessary to maintain adequate capital for the Bank. These provisions could have the effect of limiting Ohio Valley's ability to pay dividends on its outstanding common shares.

Deposit Insurance Assessments

The FDIC is an independent federal agency which insures deposits, up to prescribed statutory limits, of federally-insured banks and savings associations and safeguards the safety and soundness of the financial institution industry.

The deposits of the Bank are insured up to statutorily prescribed limits by the FDIC. Insurance premiums for insured institutions are determined based upon the member's capital level and supervisory rating provided to the FDIC by the bank's primary federal regulatory and other information the FDIC determines to be relevant to the risk posed to the deposit insurance fund. The assessment rate determined by considering such factors is then applied to the amount of the bank's

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deposits to determine the bank's insurance premium. An increase in the assessment rate could have a material adverse effect on the earnings of the bank.

Insurance of deposits may be terminated by the FDIC upon a finding that the insured institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition enacted or imposed by the bank's regulatory agency. Notice would be given to all depositors before the deposit insurance was terminated.

On December 16, 2008, the FDIC adopted a final rule increasing risk-based assessment rates uniformly by 7 basis points, on an annual basis, for the first quarter of 2009.

On February 27, 2009, the FDIC announced adoption of an interim final rule imposing a one-time special assessment of 20 basis points and a final rule adjusting the risk-based calculation used to determine the premiums to be paid by each insured institution. Management of the Company expects that the special assessment and the changes to the premium calculation will increase the Company's FDIC insurance expense for 2009 substantially over 2008. Additional special assessments and premium increases are possible, which could have a material adverse effect on the Company's net income.

Monetary Policy and Economic Conditions

The business of commercial banks is affected not only by general economic conditions, but also by the policies of various governmental regulatory authorities, including the Federal Reserve Board. The Federal Reserve Board regulates the money and credit conditions and interest rates in order to influence general economic conditions primarily through open market operations in U.S. Government securities, changes in the discount rate on bank borrowings and changes in reserve requirements against bank deposits. These policies and regulations significantly influence the amount of bank loans and deposits and the interest rates charged and paid thereon, and thus have an effect on earnings.

Patriot Act

The Uniting and Strengthening of America by Providing Appropriate Tools

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Required to Intercept and Obstruct Terrorist Act of 2001 (the "Patriot Act") gives the federal government new powers to address terrorist threats through enhanced domestic security measures, expanded surveillance powers, increased information sharing and broadened anti-money laundering requirements. Title III of the Patriot Act takes measures intended to encourage information sharing among bank regulatory agencies and law enforcement bodies. Further, certain provisions of Title III impose affirmative obligations on a broad range of financial institutions. Among other requirements, Title III and related regulations require regulated financial institutions to establish a program specifying procedures for obtaining identifying information from customers seeking to open new accounts and establish enhanced due diligence policies, procedures and controls designed to detect and report suspicious activity. The Company has established policies and procedures to comply with the requirements of the Patriot Act.

Employees

As of December 31, 2008, Ohio Valley and its subsidiaries had approximately 264 full-time equivalent employees and officers. Management considers its relationship with its employees and officers to be good.

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Other Information

Management anticipates no material effect upon the capital expenditures, earnings and competitive position of the Company by reason of any laws regulating or protecting the environment. Ohio Valley believes that the nature of the operations of its subsidiaries has little, if any, environmental impact. Ohio Valley, therefore, anticipates no material capital expenditures for environmental control facilities in its current fiscal year or for the foreseeable future.

The Bank and Loan Central may be required to make capital expenditures related to properties which they may acquire through foreclosure proceedings in the future. However, the amount of such capital expenditures, if any, is not currently determinable.

Neither Ohio Valley nor its subsidiaries have any material patents, trademarks, licenses, franchises or concessions. No material amounts have been spent on research activities, and no employees are engaged full-time in research activities.

Financial Information About Foreign and Domestic Operations and Export Sales

Ohio Valley's subsidiaries do not have any offices located in a foreign country, and they have no foreign assets, liabilities, or related income and expense.

Statistical Disclosure

The following section contains certain financial disclosures relating to Ohio Valley as required under the SEC's Industry Guide 3, "Statistical Disclosure by Bank Holding Companies," or a specific reference as to the location of the required disclosures in Ohio Valley's 2008 Annual Report to Shareholders, which are incorporated herein by reference.

I. DISTRIBUTION OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY; INTEREST RATES AND INTEREST DIFFERENTIAL

A. & B. The average balance sheet information and the related analysis of net interest earnings for the years ended December 31, 2008, 2007 and 2006 are

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incorporated herein by reference to the information appearing under the caption "Table I - Consolidated Average Balance Sheet & Analysis of Net Interest Income," within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

C. Tables setting forth the effect of volume and rate changes on interest income and expense for the years ended December 31, 2008 and 2007 is incorporated herein by reference to the information appearing under the caption "Table II - Rate Volume Analysis of Changes in Interest Income & Expense," within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

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II. INVESTMENT PORTFOLIO

A. Types of Securities - Total securities on the balance sheet were comprised of the following classifications at December 31:

| (dollars in thousands) | 2008 | 2007 | 2006 |
|--------------------------------------|-----------|-----------|-----------|
| | ---- | ---- | ---- |
| Securities Available-for-Sale | | | |
| U.S. Government sponsored | | | |
| entity securities..... | \$31,866 | \$ 39,447 | \$ 25,183 |
| Mortgage-backed securities..... | 43,474 | 38,616 | 45,084 |
| | ----- | ----- | ----- |
| Total securities available-for-sale | \$75,340 | \$ 78,063 | \$ 70,267 |
| | ===== | ===== | ===== |
| Securities Held-to-Maturity | | | |
| Obligations of states of the U.S. | | | |
| and political subdivisions..... | \$ 16,946 | \$ 15,933 | \$ 13,293 |
| Mortgage-backed securities..... | 40 | 48 | 57 |
| | ----- | ----- | ----- |
| Total securities held-to-maturity | \$ 16,986 | \$ 15,981 | \$ 13,350 |
| | ===== | ===== | ===== |

B. Information required by this item is incorporated herein by reference to the information appearing under the caption "Table III - Securities," within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

C. Excluding obligations of the U.S. Government and its agencies, no concentration of securities exists of any issuer that is greater than 10% of shareholders' equity of Ohio Valley.

III. LOAN PORTFOLIO

A. Types of Loans - Total loans on the balance sheet were comprised of the following classifications at December 31:

| (dollars in thousands) | 2008 | 2007 | 2006 | 2005 | 2004 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| | ---- | ---- | ---- | ---- | ---- |
| Residential real estate | \$252,693 | \$250,483 | \$238,549 | \$235,008 | \$227,234 |
| Commercial | 243,383 | 251,613 | 240,748 | 236,536 | 226,058 |
| Consumer | 126,911 | 127,832 | 139,961 | 145,815 | 146,965 |
| All other | 7,404 | 7,175 | 5,906 | 173 | 317 |
| | ----- | ----- | ----- | ----- | ----- |

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\$630,391 \$637,103 \$625,164 \$617,532 \$600,574
 ===== ===== ===== ===== =====

B. Maturities and Sensitivities of Loans to Changes in Interest Rates - Information required by this item is incorporated herein by reference to the information appearing under the caption "Table VI - Maturity and Repricing Data of Loans", within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

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C. 1. Risk Elements - Gross interest income that would have been recorded on loans that were classified as nonaccrual or troubled debt restructurings is estimated to be \$554,000 for the fiscal year ending December 31, 2008. The amount recorded on such loans was \$490,000. Additional information required by this item is incorporated herein by reference to the information appearing under the caption "Table V - Summary of Nonperforming and Past Due Loans," within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

2. Potential Problem Loans - At December 31, 2008, there were approximately \$1,404,000 of loans, which are not included in "Table V - Summary of Nonperforming and Past Due Loans" within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders, for which management has some doubt as to the borrower's ability to comply with the present repayment terms. These loans and their loss exposure have been considered in management's analysis of the adequacy of the allowance for loan losses.

3. Foreign Outstandings - There were no foreign outstandings at December 31, 2008, 2007 or 2006.

4. Loan Concentrations - As of December 31, 2008, there were no concentrations of loans greater than 10% of total loans which are not otherwise disclosed as a category of loans pursuant to Item III.A. above. Also refer to the Consolidated Financial Statements regarding concentrations of credit risk found within "Note A-Summary of Significant Accounting Policies" of the notes to the Company's consolidated financial statements for the fiscal year ended December 31, 2008, located in Ohio Valley's 2008 Annual Report to Shareholders which note is incorporated herein by reference.

5. No amount of loans that have been classified by regulatory examiners as loss, substandard, doubtful, or special mention have been excluded from the amounts disclosed as impaired, nonaccrual, past due 90 days or more, restructured, or potential problem loans.

D. Other Interest-Bearing Assets - As of December 31, 2008, there were no other interest-bearing assets that would be required to be disclosed under Item III.C. if such assets were loans.

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IV. SUMMARY OF LOAN LOSS EXPERIENCE

A. The following schedule presents an analysis of the allowance for loan losses for the fiscal years ended December 31:

| (dollars in thousands) | 2008 | 2007 | 2006 | 2005 | 2004 |
|------------------------|------|------|------|------|------|
| | ---- | ---- | ---- | ---- | ---- |

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| | | | | | |
|--|---------|---------|---------|---------|---------|
| Balance, beginning of year | \$6,737 | \$9,412 | \$7,133 | \$7,177 | \$7,593 |
| Loans charged off: | | | | | |
| Residential real estate | 225 | 422 | 432 | 349 | 823 |
| Commercial | 1,164 | 4,002 | 3,079 | 1,295 | 1,661 |
| Consumer | 2,140 | 1,617 | 2,120 | 2,263 | 2,267 |
| | ----- | ----- | ----- | ----- | ----- |
| Total loans charged off | 3,529 | 6,041 | 5,631 | 3,907 | 4,751 |
| Recoveries of loans: | | | | | |
| Residential real estate | 61 | 166 | 204 | 336 | 583 |
| Commercial | 95 | 248 | 946 | 912 | 556 |
| Consumer | 719 | 700 | 1,097 | 818 | 843 |
| | ----- | ----- | ----- | ----- | ----- |
| Total recoveries of loans | 875 | 1,114 | 2,247 | 2,066 | 1,982 |
| Net loan charge-offs | (2,654) | (4,927) | (3,384) | (1,841) | (2,769) |
| Provision charged to operations | 3,716 | 2,252 | 5,663 | 1,797 | 2,353 |
| | ----- | ----- | ----- | ----- | ----- |
| Balance, end of year | \$7,799 | \$6,737 | \$9,412 | \$7,133 | \$7,177 |
| | ===== | ===== | ===== | ===== | ===== |
| Ratio of net charge-offs to average loans outstanding | 1.24% | .78% | .54% | .31% | .47% |
| | ===== | ===== | ===== | ===== | ===== |
| Ratio of allowance for loan losses to non-performing assets | 78.25% | 171.77% | 61.54% | 154.36% | 142.46% |
| | ===== | ===== | ===== | ===== | ===== |

Discussion of factors that influenced management in determining the amount of additions charged to provision expense is incorporated herein by reference to the information appearing under the caption "Allowance for Loan Losses and Provision Expense" within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

B. Allocation of the Allowance for Loan Losses - Information required by this item is incorporated herein by reference to the information appearing under the caption "Table IV - Allocation of the Allowance for Loan Losses," within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

V. DEPOSITS

A. Deposit Summary - Information required by this item is incorporated herein by reference to the information appearing under the caption "Table I - Consolidated Average Balance Sheet & Analysis of Net Interest Income," within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

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C.&E. Foreign Deposits - There were no foreign deposits outstanding at December 31, 2008, 2007, or 2006.

D. Schedule of Maturities - The following table provides a summary of total time deposits by remaining maturities for the fiscal year ended December 31, 2008:

| (dollars in thousands) | 3 months | Over | Over | Over |
|------------------------|----------|-----------|-----------|-----------|
| | or less | 3 through | 6 through | 12 months |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|----------------------------|-----------|-----------|-----------|-----------|
| Certificates of deposit of | | | | |
| \$100,000 or greater | \$ 35,701 | \$ 12,372 | \$ 28,873 | \$ 32,753 |
| Other time deposits of | | | | |
| \$100,000 or greater | 3,151 | 1,595 | 4,310 | 5,737 |
| | ----- | ----- | ----- | ----- |
| Total time deposits of | | | | |
| \$100,000 or greater | \$ 38,852 | \$ 13,967 | \$ 33,183 | \$ 38,490 |
| | ===== | ===== | ===== | ===== |

VI. RETURN ON EQUITY AND ASSETS

Information required by this section is incorporated herein by reference to the information appearing under the caption "Table X - Key Ratios" within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

VII. SHORT-TERM BORROWINGS

The following schedule is a summary of securities sold under agreements to repurchase at December 31:

| (dollars in thousands) | 2008 | 2007 | 2006 |
|--|-----------|-----------|-----------|
| | ---- | ---- | ---- |
| Balance outstanding at period-end | \$ 24,070 | \$ 40,390 | \$ 22,556 |
| | ----- | ----- | ----- |
| Weighted average interest rate at period-end | .70% | 2.91% | 4.20% |
| | ----- | ----- | ----- |
| Average amount outstanding during year | \$ 28,040 | \$ 27,433 | \$ 22,692 |
| | ----- | ----- | ----- |
| Approximate weighted average interest rate | | | |
| during the year | 1.50% | 3.83% | 3.94% |
| | ----- | ----- | ----- |
| Maximum amount outstanding as of any | | | |
| month-end | \$ 35,309 | \$ 40,390 | \$ 28,312 |
| | ----- | ----- | ----- |

ITEM 1A - RISK FACTORS

Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this Annual Report on Form 10-K which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements specifically identified as forward-looking statements within this document. In addition, certain statements in future filings by Ohio Valley with the SEC, in press releases, and in oral and written statements made by or with the approval of Ohio Valley which are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Examples of forward-looking statements include: (i) projections of income or expense, earnings per share, the payment or non-payment of dividends, capital structure and other financial items; (ii) statements of plans and objectives of Ohio Valley or our management or Board of Directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying

such statements. Words such as "believes," "anticipates," "expects," "intends," "targeted," and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying those statements.

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The Private Securities Litigation Reform Act provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the forward-looking statements. We desire to take advantage of the "safe harbor" provisions of that Act.

Forward-looking statements involve risks and uncertainties. Actual results may differ materially from those predicted by the forward-looking statements because of various factors and possible events, including those factors identified below. There is also the risk that Ohio Valley's management or Board of Directors incorrectly analyzes these risks and forces, or that the strategies Ohio Valley develops to address them are unsuccessful.

Forward-looking statements speak only as of the date on which they are made, and, except as may be required by law, Ohio Valley undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made to reflect unanticipated events. All subsequent written and oral forward-looking statements attributable to Ohio Valley or any person acting on our behalf are qualified in their entirety by the following cautionary statements.

Difficult conditions in the financial markets may adversely affect our business and results of operations.

Our financial performance depends on the quality of loans in our portfolio. That quality may be adversely affected by several factors, including underwriting procedures, collateral quality or geographic or industry conditions, as well as the recent deterioration in the financial markets. Many lenders and institutional investors have reduced and, in some cases, ceased to provide funding to borrowers, including other financial institutions. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies and defaults, lack of consumer confidence, increased market volatility and widespread reduction of business activity. In addition, our credit risk may be increased when our collateral cannot be sold or is sold at prices not sufficient to recover the full amount of the loan balance. Deterioration in our ability to collect our loans receivable may adversely affect our profitability and financial condition.

Federal and state governments could adopt laws responsive to the current credit conditions that would adversely affect our ability to collect on loans.

Federal or state governments might adopt legislation or regulations reducing the amount that our customers are required to pay under existing loan contracts or limit our ability to foreclose on collateral.

In addition, legislation has been proposed to give judges the ability to adjust the principal and interest payments on mortgages.

FDIC insurance premiums may increase materially.

The FDIC insures deposits at FDIC insured financial institutions, including the Bank. The FDIC charges the insured financial institutions premiums to maintain the Deposit Insurance Fund at a certain level. Current economic conditions have increased bank failures and expectations for further failures, in which case the FDIC insures payments of deposits up to insured limits from the Deposit Insurance Fund. In

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December 2008, the FDIC issued a rule that increased premiums paid by insured institutions. In February 2009, the FDIC announced adoption of an interim final rule imposing a one-time special assessment of 20 basis points and a final rule adjusting the risk-based calculation used to determine the premiums to be paid by each insured institution. Increases in deposit insurance premiums could adversely affect our net income.

In addition, the FDIC has adopted the Temporary Liquidity Guarantee Program, pursuant to which it provides unlimited insurance on deposits in noninterest-bearing transaction accounts not otherwise covered by the existing deposit insurance limit of \$250,000. After the initial 30 days of coverage for all insured institutions choosing to participate, any institution wishing to participate will pay a 10 basis point surcharge on the insured deposits. The Company has chosen to participate. Such participation will increase our expenses and decrease net income.

Concern of customers over deposit insurance may cause a decrease in deposits at the Bank.

With recent increased concerns about bank failures, customers increasingly are concerned about the extent to which their deposits are insured by the FDIC. Customers may withdraw deposits from the Bank in an effort to ensure that the amount they have on deposit at the Bank is fully insured. Decreases in deposits may adversely affect our funding costs and net income.

Changes in interest rates could have a material adverse effect on our financial condition and results of operations.

Our earnings depend substantially on our interest rate spread, which is the difference between (i) the rates we earn on loans, securities and other earning assets and (ii) the interest rates we pay on deposits and other borrowings. These rates are highly sensitive to many factors beyond our control, including general economic conditions and the policies of various governmental and regulatory authorities. While we have taken measures intended to manage the risks of operating in a changing interest rate environment, there can be no assurance that such measures will be effective in avoiding undue interest rate risk. As market interest rates rise, we will have competitive pressures to increase the rates we pay on deposits, which will result in a decrease of our net interest income and could have a material adverse effect on our financial condition and results of operations.

Changes in economic and political conditions could adversely affect our earnings, as our borrowers' ability to repay loans and the value of the collateral securing our loans decline.

Our success depends, to a certain extent, upon economic and political conditions, local and national, as well as governmental monetary policies. Conditions such as inflation, recession, unemployment, changes in interest rates, money supply and other factors beyond our control may adversely affect our asset quality, deposit levels and loan demand and, therefore, our earnings. Because we have a significant amount of real estate loans, decreases in real estate values could adversely affect the value of property used as collateral. Adverse changes in the economy may also have a negative effect on the ability of our borrowers to make timely repayments of their loans, which would have an adverse impact on our earnings. In addition, substantially all of our loans are to individuals and businesses in Ohio and West Virginia. Consequently, any decline in the economy of this market area could have a material adverse effect on our financial condition and results of operations.

Recent developments in the residential mortgage and related markets and the

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economy may adversely affect our business

Recently, the residential mortgage market in the United States has been negatively impacted by several economic developments. Those developments include increasing interest rates and payments on adjustable-rate mortgages, decreasing housing values and increased credit standards for borrowers. As a result, delinquencies, foreclosures and losses with respect to residential construction and mortgage loans have increased and may continue to increase. Additionally, the lower housing prices and appraisal values may result in additional delinquencies and loan losses. While the residential real estate loans held in our portfolio are typically originated using conservative underwriting standards and do not include sub-prime loans, we do originate and hold fixed- and adjustable-rate loans and residential construction loans. If the residential loan market continues to deteriorate, especially in Ohio and our local markets, our financial condition and results of operation could be adversely affected.

We operate in an extremely competitive market, and our business will suffer if we are unable to compete effectively.

In our market area, we encounter significant competition from other commercial banks, savings and loan associations, credit unions, mortgage banking firms, consumer finance companies, securities brokerage firms, insurance companies, money market mutual funds and other financial institutions. The increasingly competitive environment is a result primarily of changes in regulation, changes in technology and product delivery systems and the accelerating pace of consolidation among financial service providers. Many of our competitors have substantially greater resources and lending limits than we do and may offer services that we do not or cannot provide. Our ability to maintain our history of strong financial performance and return on investment to shareholders will depend in part on our continued ability to compete successfully in our market area and on our ability to expand our scope of available financial services as needed to meet the needs and demands of our customers.

Unfavorable local economic conditions could significantly affect our profitability.

We currently have offices in Ohio and West Virginia. Consistent with our community banking philosophy, a majority of customers are located in and do business in that region, and we lend a substantial portion of our capital and resources to commercial and consumer borrowers in our local banking markets. Therefore, our local and regional economy has a direct impact on our ability to generate deposits to support loan growth, the demand for loans, the ability of borrowers to repay loans, the value of collateral securing our loans (particularly loans secured by real estate), and our ability to collect, liquidate and restructure problem loans. If the economies of our banking markets are adversely affected by a general economic downturn or by other specific events or trends, the resulting impact could have a direct adverse effect on our operating results. We are less able than larger financial institutions to spread risks of unfavorable local economic conditions across a large number of diversified economies.

Our small to medium-sized business target market may have fewer financial resources to weather a downturn in the economy.

We target our business development and marketing strategy primarily to serve the banking and financial services needs of small to medium-sized businesses. These small to medium-sized businesses generally have fewer financial resources in terms of capital or borrowing capacity than larger companies. If general economic conditions negatively impact our Ohio and West Virginia markets or the other geographic markets in which we operate, our results of operations and financial condition may be negatively affected.

If our actual loan losses exceed our allowance for loan losses, our net income will decrease.

Our loan customers may not repay their loans according to their terms, and the collateral securing the payment of these loans may be insufficient to pay any remaining loan balance. We may experience significant loan losses, which could have a material adverse effect on our operating results. In accordance with accounting principles generally accepted in the United States, we maintain an allowance for loan losses to provide for loan defaults and non-performance, which when combined, we refer to as the allowance for loan losses. Our allowance for loan losses may not be adequate to cover actual credit losses, and future provisions for credit losses could have a material adverse effect on our operating results. Our allowance for loan losses is based on prior experience, as well as an evaluation of the risks in the current portfolio. The amount of future losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates that may be beyond our control, and these losses may exceed current estimates. Federal regulatory agencies, as an integral part of their examination process, review our loans and allowance for loan losses. We cannot assure you that we will not further increase the allowance for loan losses or that regulators will not require us to increase this allowance. Either of these occurrences could have a material adverse effect on our financial condition and results of operations.

We depend upon the accuracy and completeness of information about customers and counterparties, which might be misleading.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information provided to us by customers and counterparties, including financial statements and other financial information. We may also rely on representations of customers and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit to a business, we may assume that the customer's audited financial statements conform with generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. We may also rely on the audit report covering those financial statements. Our financial condition and results of operations could be negatively impacted to the extent we rely on financial statements that do not comply with generally accepted accounting principles or that are materially misleading.

Our earnings are significantly affected by the fiscal and monetary policies of the U.S. Government and its agencies, sometimes adversely.

The policies of the Federal Reserve Board impact us significantly. The Federal Reserve Board regulates the supply of money and credit in the United States. Its policies directly and indirectly influence the rate of interest earned on loans and paid on borrowings and interest-bearing deposits and can also affect the value of financial instruments we hold. Those policies determine to a significant extent our cost of funds for lending and investing. Changes in those policies are beyond our control and are difficult to predict. Federal Reserve Board policies can also affect our borrowers, potentially increasing the risk that they may fail to repay their loans. For example, a tightening of the money supply by the Federal Reserve Board could reduce the demand for a borrower's products and services. This could adversely affect the borrower's earnings and ability to repay its loan, which could have a material adverse effect on our financial condition and results of operations.

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Legislative or regulatory changes or actions, or significant litigation, could adversely impact us or the businesses in which we are engaged.

The financial services industry is extensively regulated. We are subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of our operations. Laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance funds, and not to benefit our shareholders. The impact of any changes to laws and regulations or other actions by regulatory agencies may negatively impact us or our ability to increase the value of our business. Regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities, including the imposition of restrictions on the operation of an institution, the classification of assets by the institution and the adequacy of an institution's allowance for loan losses. Additionally, actions by regulatory agencies or significant litigation against us could cause us to devote significant time and resources to defending our business and may lead to penalties that materially affect us and our shareholders. Proposals to change the laws governing financial institutions are frequently raised in Congress and before bank regulatory authorities. It is impossible to predict the ultimate form any proposed legislation might take or how it might affect us. Future changes in the laws or regulations or their interpretation or enforcement could be materially adverse to our business and our shareholders.

If we foreclose on collateral property and own the underlying real estate, we may be subject to the increased costs associated with the ownership of real property, resulting in reduced revenues.

We may have to foreclose on collateral property to protect our investment and may thereafter own and operate such property, in which case we will be exposed to the risks inherent in the ownership of real estate. The amount that we, as a mortgagee, may realize after a default is dependent upon factors outside of our control, including, but not limited to: (i) general or local economic conditions; (ii) neighborhood values; (iii) interest rates; (iv) real estate tax rates; (v) operating expenses of the mortgaged properties; (vi) supply of and demand for rental units or properties; (vii) ability to obtain and maintain adequate occupancy of the properties; (viii) zoning laws; (ix) governmental rules, regulations and fiscal policies; and (x) acts of God. Certain expenditures associated with the ownership of real estate, principally real estate taxes and maintenance costs, may adversely affect the income from the real estate. Therefore, the cost of operating a real property may exceed the rental income earned from such property, and we may have to advance funds in order to protect our investment, or we may be required to dispose of the real property at a loss. The foregoing expenditures and costs could adversely affect our ability to generate revenues, resulting in reduced levels of profitability.

Environmental liability associated with commercial lending could have a material adverse effect on our business, financial condition and results of operations.

In the course of our business, we may acquire, through foreclosure, commercial properties securing loans that are in default. There is a risk that hazardous substances could be discovered on those properties. In this event, we could be required to remove the substances from and remediate the properties at our cost and expense. The cost of removal and environmental remediation could be substantial. We may not have adequate remedies against the owners of the properties or other responsible parties and could find it difficult or impossible to sell the affected properties. These events could have a material adverse effect on our financial condition and results of operation.

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Our business strategy includes growth plans. Our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

We intend to continue pursuing a profitable growth strategy. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in significant growth stages of development. We cannot assure you that we will be able to expand our market presence in our existing markets or successfully enter new markets or that any such expansion will not adversely affect our results of operations. Failure to manage our growth effectively could have a material adverse effect on our business, future prospects, financial condition or results of operations and could adversely affect our ability to successfully implement our business strategy. Also, if we grow more slowly than anticipated, our operating results could be materially adversely affected.

Our ability to grow successfully will depend on a variety of factors including the continued availability of desirable business opportunities, the competitive responses from other financial institutions in our market areas and our ability to manage our growth. While we believe we have the management resources and internal systems in place to successfully manage our future growth, there can be no assurance growth opportunities will be available or growth will be successfully managed.

Our ability to pay cash dividends is limited, and we may be unable to pay cash dividends in the future even if we would like to do so.

We are dependent primarily upon the earnings of our operating subsidiaries for funds to pay dividends on our common stock. The payment of dividends by us is also subject to certain regulatory restrictions. As a result, any payment of dividends in the future will be dependent, in large part, on our ability to satisfy these regulatory restrictions and our subsidiaries' earnings, capital requirements, financial condition and other factors. Although our financial earnings and financial condition have allowed us to declare and pay periodic cash dividends to our shareholders, there can be no assurance that our dividend policy or size of dividend distribution will continue in the future. Our failure to pay dividends on our common shares could have a material adverse effect on the market price of our common shares.

The loss of key members of our senior management team could adversely affect our business.

We believe that our success depends largely on the efforts and abilities of our senior management. Their experience and industry contacts significantly benefit us. In addition, our success depends in part upon senior management's ability to implement our business strategy. The competition for qualified personnel in the financial services industry is intense, and the loss of services of any of our senior executive officers or an inability to continue to attract, retain and motivate key personnel could adversely affect our business. We cannot assure you that we will be able to retain our existing key personnel or attract additional qualified personnel.

Loss of key employees may disrupt relationships with certain customers.

Our business is primarily relationship-driven in that many of our key employees have extensive customer relationships. Loss of a key employee with such customer relationships may lead to the loss of business if the customers were to follow that employee to a competitor. While we believe our relationships with our key producers is good, we cannot guarantee that all of our key personnel will remain with our organization. Loss of such key personnel, should they enter into an employment relationship with one of our competitors, could result in the loss of some of our customers.

Consumers may decide not to use banks to complete their financial transactions.

Technology and other changes are allowing parties to complete financial transactions that historically have involved banks at one or both ends of the transaction. For example, consumers can now pay bills and transfer funds directly without banks. The process of eliminating banks as intermediaries could result in the loss of fee income, as well as the loss of customer deposits and income generated from those deposits.

Management's accounting policies and methods are the basis of how we report our financial condition and results of operations, and these policies may require management to make estimates about matters that are inherently uncertain.

Management's accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Our management must exercise judgment in selecting and applying many of these accounting policies and methods in order to ensure that they comply with generally accepted accounting principles and reflect management's judgment as to the most appropriate manner in which to record and report our financial condition and results of operations. In some cases, management must select the accounting policy or method to apply from two or more alternatives, any of which might be reasonable under the circumstances yet might result in reporting materially different amounts than would have been reported under a different alternative.

Management has identified several accounting policies as being "critical" to the presentation of our financial condition and results of operations because they require management to make particularly subjective and/or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be reported under different conditions or using different assumptions. Because of the inherent uncertainty of estimates about these matters, no assurance can be given that the application of alternative policies or methods might not result in our reporting materially different amounts.

A limited trading market exists for our common shares, which could lead to price volatility.

Your ability to sell or purchase our common shares depends upon the existence of an active trading market for our common shares. Although our common shares are quoted on The NASDAQ Global Market, the volume of trades on any given day has been limited historically. As a result, you may be unable to sell or purchase our common shares at the volume, price and time that you desire. Additionally, a fair valuation of the purchase or sales price of our common shares also depends upon an active trading market, and thus the price you receive for a thinly-traded stock such as our common shares, may not reflect its true value. The limited trading market for our common shares may cause fluctuations in the market value of our common shares to be exaggerated, leading to price volatility in excess of that which would occur in a more active trading market.

Unauthorized disclosure of sensitive or confidential client or customer information, whether through a breach of our computer systems or otherwise, could severely harm our business.

As part of our business, we collect, process and retain sensitive and confidential client and customer information on behalf of our subsidiaries and other third parties. Despite the security measures we have in place, our facilities and systems, and those of our third party service providers, may be

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vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors, or other similar events. If information security is breached, information can be lost or misappropriated, resulting in financial loss or costs to us or damages to others.

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Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential customer information, whether by us or by our vendors, could severely damage our reputation, expose us to the risks of litigation and liability, disrupt our operations and have a material adverse effect on our business.

Our organizational documents may have the effect of discouraging a third party from acquiring us by means of a tender offer, proxy contest or otherwise.

Our articles of incorporation contain provisions that make it more difficult for a third party to gain control or acquire us without the consent of our board of directors. These provisions also could discourage proxy contests and may make it more difficult for dissident shareholders to elect representatives as directors and take other corporate actions. These provisions of our governing documents may have the effect of delaying, deferring or preventing a transaction or a change in control that might be in the best interests of our shareholders.

ITEM 1B - UNRESOLVED STAFF COMMENTS

Ohio Valley did not receive any written comments from the staff of the Securities and Exchange Commission regarding its periodic or current reports under the Securities Exchange Act of 1934 within 180 days before the fiscal year ended December 31, 2008.

ITEM 2 - PROPERTIES

Ohio Valley does not own or lease any real or personal property.

The principal executive offices of Ohio Valley and the Bank are located at 420 Third Avenue, Gallipolis, Ohio. The Bank owns six financial service centers located in Gallipolis (Gallia Co.), Jackson (Jackson Co.) and Waverly (Pike Co.) in Ohio and Milton (Cabell Co.) in West Virginia. The Bank leases eight additional financial service centers located in Gallipolis (Gallia Co.), Pomeroy (Meigs Co.), Columbus (Franklin Co.) and South Point (Lawrence Co.) in Ohio and Point Pleasant (Mason Co.), Huntington (Cabell Co.), and Milton (Cabell Co.) in West Virginia. The Bank also owns and operates twenty-five ATMs, including twelve off-site ATMs. Furthermore, the Bank owns a facility and leases two facilities in Gallipolis (Gallia Co.), Ohio which are used for additional office space. The Bank also owns two facilities in Gallipolis (Gallia Co.), Ohio and Point Pleasant (Mason Co.), West Virginia which are leased to third parties.

Loan Central conducts its consumer finance operations through six offices located in Gallipolis (Gallia Co.), Jackson (Jackson Co.), Waverly (Pike Co.), South Point and Ironton (Lawrence Co.), and Wheelersburg (Scioto Co.), all in Ohio. All of these facilities are leased by Loan Central, except for the Wheelersburg (Scioto Co.) facility. Loan Central leases a portion of its Wheelersburg (Scioto Co.) facility to a third party. Ohio Valley Financial Services also conducts business within Loan Central's Jackson (Jackson Co.) facility.

Management considers all of these properties to be satisfactory for the Company's current operations. The Bank, Loan Central and Ohio Valley Financial Services' leased facilities are all subject to commercially standard leasing

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arrangements.

Information concerning the value of the Company's owned and leased real property and a summary of future lease payments is contained in "Note E - Premises and Equipment" of the notes to the

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Company's consolidated financial statements for the fiscal year ended December 31, 2008, located in Ohio Valley's 2008 Annual Report to Shareholders.

ITEM 3 - LEGAL PROCEEDINGS

There are no material pending legal proceedings against Ohio Valley or any of its subsidiaries, other than ordinary, routine litigation incidental to their respective businesses.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There was no matter submitted during the fourth quarter of 2008 to a vote of security holders, by solicitation of proxies or otherwise.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The information required under this Item 5 by Items 201(a) through (c) of SEC Regulation S-K is incorporated herein by reference to the information presented under the captions "Summary of Common Stock Data" and "Performance Graph" located in Ohio Valley's 2008 Annual Report to Shareholders and "Note P - Regulatory Matters" of the notes to the Company's consolidated financial statements for the fiscal year ended December 31, 2008 located in Ohio Valley's 2008 Annual Report to Shareholders.

Ohio Valley did not sell any of its equity securities without registration during its 2008 fiscal year.

The following table provides information on Ohio Valley's purchases of its common shares during the three fiscal months ended December 31, 2008:

| Period | Total Number of Common Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) |
|---|---|------------------------------------|---|
| ----- | ----- | ----- | ----- |
| October 1 through October 31, 2008 | --- | --- | --- |
| November 1 through November 30, 2008 | --- | --- | --- |
| December 1 through December 31, 2008 | --- | --- | --- |
| TOTAL | ----- | ----- | ----- |
| | ===== | ===== | ===== |

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(1) On January 15, 2008, Ohio Valley's Board of Directors announced its plan to repurchase up to 175,000 of its common shares between February 16, 2008 and February 15, 2009.

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ITEM 6 - SELECTED FINANCIAL DATA

The information required under this Item 6 by Item 301 of SEC Regulation S-K is incorporated herein by reference to the information presented under the caption "Selected Financial Data" located in Ohio Valley's 2008 Annual Report to Shareholders.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required under this Item 7 by Item 303 of SEC Regulation S-K with respect to Ohio Valley's interest rate risk is incorporated herein by reference to the information presented under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to interest rate risk, exchange rate risk, equity price risk and commodity price risk. Ohio Valley does not maintain a trading account for any class of financial instruments, and is not currently subject to foreign currency exchange rate risk, equity price risk or commodity price risk. Ohio Valley's market risk is composed primarily of interest rate risk.

The information required under this Item 7A by Item 305 of SEC Regulation S-K is incorporated herein by reference to the information presented under the captions "Interest Rate Sensitivity and Liquidity" and "Interest Rate Sensitivity -- Table VIII" found within "Management's Discussion and Analysis of Financial Condition and Results of Operations" located in Ohio Valley's 2008 Annual Report to Shareholders.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Ohio Valley's consolidated financial statements and related notes are listed below and incorporated herein by reference to Ohio Valley's 2008 Annual Report to Shareholders. The supplementary data "Consolidated Quarterly Financial Information (unaudited)" and the "Report of Independent Registered Public Accounting Firm on Financial Statements" located in Ohio Valley's 2008 Annual Report to Shareholders is also incorporated herein by reference.

Consolidated Statements of Condition as of December 31, 2008 and 2007
Consolidated Statements of Income for the years ended December 31, 2008, 2007 and 2006
Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2008, 2007 and 2006
Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007 and 2006
Notes to the Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm on Financial Statements

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

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ITEM 9A - CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

With the participation of the President and Chief Executive Officer (the principal executive officer) and the Vice President and Chief Financial Officer (the principal financial officer) of Ohio Valley, Ohio Valley's management has evaluated the effectiveness of Ohio Valley's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Annual Report on Form 10-K.

Based on that evaluation, Ohio Valley's President and Chief Executive Officer and Vice President and Chief Financial Officer have concluded that:

- o information required to be disclosed by Ohio Valley in this Annual Report on Form 10-K would be accumulated and communicated to Ohio Valley's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure;
- o information required to be disclosed by Ohio Valley in this Annual Report on Form 10-K would be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and
- o Ohio Valley's disclosure controls and procedures are effective as of the end of the period covered by this Annual Report on Form 10-K to ensure that material information relating to Ohio Valley and its consolidated subsidiaries is made known to them, particularly during the period for which the periodic reports of Ohio Valley, including this Annual Report on Form 10-K, are being prepared.

Management's Report on Internal Control Over Financial Reporting

"Management's Report on Internal Control Over Financial Reporting" located in Ohio Valley's 2008 Annual Report to Shareholders is incorporated into this Item 9A by reference.

Report of Registered Public Accounting Firm

The "Report of Independent Registered Public Accounting Firm" located in Ohio Valley's 2008 Annual Report to Shareholders is incorporated into this Item 9A by reference.

Changes In Internal Control Over Financial Reporting

There were no changes in Ohio Valley's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during Ohio Valley's fiscal quarter ended December 31, 2008, that have materially affected, or are reasonably likely to materially affect, Ohio Valley's internal control over financial reporting.

ITEM 9B - OTHER INFORMATION

None.

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PART III

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required under this Item 10 by Items 401, 405, 406 and 407 (c)(3), (d)(4) and (d)(5) of SEC Regulation S-K is incorporated herein by reference to the information presented in Ohio Valley's definitive proxy statement relating to the annual meeting of shareholders of Ohio Valley to be held on May 13, 2009 (the "2009 Proxy Statement"), under the captions "Election of Directors", "Section 16(a) Beneficial Ownership Reporting Compliance" and "Compensation of Executive Officers and Directors" of the 2009 Proxy Statement.

The Board of Directors of Ohio Valley has adopted a Code of Ethics covering the directors, officers and employees of Ohio Valley and its affiliates, including, without limitation, the principal executive officer, the principal financial officer and the principal accounting officer of Ohio Valley. Interested persons may obtain copies of the Code of Ethics without charge by writing to Ohio Valley Banc Corp., Attention: Larry E. Miller, Secretary, P.O. Box 240, Gallipolis, Ohio 45631.

ITEM 11 - EXECUTIVE COMPENSATION

The information required under this Item 11 by Item 402 of SEC Regulation S-K is incorporated herein by reference to the information presented under the captions "Compensation of Executive Officers and Directors" and "Compensation Committee Interlocks and Insider Participation" of the 2009 Proxy Statement.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required under this Item 12 by Item 403 of SEC Regulation S-K is incorporated herein by reference to the information presented under the caption "Ownership of Certain Beneficial Owners and Management" of the 2009 Proxy Statement.

Ohio Valley does not maintain any equity compensation plans requiring disclosure pursuant to Item 201(d) of SEC Regulation S-K.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this Item 13 by Item 404 and Item 407(a) of SEC Regulation S-K is incorporated herein by reference to the information presented under the captions "Certain Relationships and Related Transactions" and "Proxy Item 1: Election of Directors" of the 2009 Proxy Statement.

ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this Item 14 by Item 9(e) of Schedule 14A is incorporated herein by reference to the information presented under the captions "Pre-Approval of Services Performed by Independent Registered Public Accounting Firm" and "Services Rendered by the Independent Registered Public Accounting Firm" of the 2009 Proxy Statement.

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PART IV

ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A. (1) Financial Statements

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The following consolidated financial statements of Ohio Valley appear in the 2008 Annual Report to Shareholders, Exhibit 13, and are specifically incorporated herein by reference under Item 8 of this Form 10-K:

Consolidated Statements of Condition as of December 31, 2008 and 2007
Consolidated Statements of Income for the years ended December 31, 2008, 2007 and 2006
Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2008, 2007 and 2006
Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007 and 2006
Notes to the Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm on Financial Statements

(2) Financial Statement Schedules

Financial statement schedules are omitted as they are not required or are not applicable, or the required information is included in the financial statements.

(3) Exhibits

Reference is made to the Exhibit Index beginning on page 32 of this Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Ohio Valley has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OHIO VALLEY BANC CORP.

Date: March 13, 2009

By: /s/Jeffrey E. Smith

Jeffrey E. Smith
President and Chief
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 13, 2009 by the following persons on behalf of Ohio Valley and in the capacities indicated.

| Name ---- | Capacity ----- |
|--|---|
| /s/Jeffrey E. Smith ----- Jeffrey E. Smith | President, Chief Executive Officer and Director (principal executive officer) |
| /s/Scott W. Shockey ----- Scott W. Shockey | Vice President and Chief Financial Officer (principal financial officer and principal accounting officer) |
| /s/Lannes C. Williamson ----- Lannes C. Williamson | Director |
| /s/Anna P. Barnitz ----- Anna P. Barnitz | Director |

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| | |
|--|----------|
| /s/David W. Thomas ----- David W. Thomas | Director |
| /s/Robert H. Eastman ----- Robert H. Eastman | Director |
| /s/Brent A. Saunders ----- Brent A. Saunders | Director |
| /s/Steven B. Chapman ----- Steven B. Chapman | Director |
| /s/Thomas E. Wiseman ----- Thomas E. Wiseman | Director |
| /s/Harold A. Howe ----- Harold A. Howe | Director |
| /s/Robert E. Daniel ----- Robert E. Daniel | Director |
| /s/Roger D. Williams ----- Roger D. Williams | Director |

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EXHIBIT INDEX

The following exhibits are included in this Form 10-K or are incorporated by reference as noted in the following table:

| Exhibit Number | Exhibit Description |
|----------------|--|
| 3(a) | Amended Articles of Incorporation of Ohio Valley (reflects amendments through April 7, 1999) [for SEC reporting compliance only - not filed with the Ohio Secretary of State]: Incorporated herein by reference to Exhibit Exhibit 3(a) to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2007 (SEC File No. 0-20914). |
| 3(b) | Code of Regulations of Ohio Valley: Incorporated herein by reference to Exhibit 3(b) to Ohio Valley's current report on Form 8-K (SEC File No. 0-20914) filed November 6, 1992. |
| 4 | Agreement to furnish instruments and agreements defining rights of holders of long-term debt: Filed herewith. |
| 10.1 | The Ohio Valley Bank Company Executive Group Life Split Dollar Plan agreement, dated April 29, 2003, between Jeffrey E. Smith and The Ohio Valley Bank |

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Company: Incorporated herein by reference to Exhibit 10.1 to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2006 (SEC File No. 0-20914).

- 10.2 Schedule A to Exhibit 10.1 identifying other identical Executive Group Life Split Dollar agreements between The Ohio Valley Bank Company and certain executive officers of Ohio Valley Banc Corp.: Incorporated herein by reference to Exhibit 10.2 to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2006 (SEC File No. 0-20914).
- 10.3 The Ohio Valley Bank Company Director Retirement agreement, dated December 28, 2007, between Jeffrey E. Smith and The Ohio Valley Bank Company: Incorporated herein by reference to Exhibit 10.3 to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2007 (SEC File No. 0-20914).
- 10.4 Schedule A to Exhibit 10.3 identifying other identical Director Retirement agreements between The Ohio Valley Bank Company and directors of Ohio Valley Banc Corp.: Filed herewith.

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| Exhibit Number | Exhibit Description |
|----------------|--|
| 10.5 | The Ohio Valley Bank Company Salary Continuation agreement, dated January 12, 2004, between Jeffrey E. Smith and The Ohio Valley Bank Company: Incorporated herein by reference to Exhibit 10.5 to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2007 (SEC File No. 0-20914). |
| 10.6(a) | The Ohio Valley Bank Company Director Deferred Fee agreement, dated December 28, 2007, between Anna P. Barnitz and The Ohio Valley Bank Company: Incorporated herein by reference to Exhibit 10.6 (a) to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2007 (SEC File No. 0-20914). |
| 10.6(b) | The Ohio Valley Bank Company Executive Deferred Compensation agreement, dated December 28, 2007, between Jeffrey E. Smith and The Ohio Valley Bank Company: Incorporated herein by reference to Exhibit 10.6(b) to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2007 (SEC File No. 0-20914). |
| 10.7(a) | Schedule A to Exhibit 10.6(a) identifying other identical Director Deferred Fee agreements between The Ohio Valley Bank Company and directors of Ohio Valley Banc Corp.: Filed herewith. |
| 10.7(b) | Schedule A to Exhibit 10.6(b) identifying other |

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identical Executive Deferred Compensation agreements between The Ohio Valley Bank Company and executive officers of Ohio Valley Banc Corp.: Incorporated herein by reference to Exhibit 10.7 (b) to Ohio Valley's Annual Report on Form 10-K for fiscal year ending December 31, 2007 (SEC File No. 0-20914).

- 10.8 Summary of Compensation for Directors and Named Executive Officers of Ohio Valley Banc Corp.: Filed herewith.
- 10.9 Summary of Bonus Program of Ohio Valley Banc Corp.: Filed herewith.
- 11 Statement regarding computation of per share earnings (included in Note A of the Notes to the Consolidated Financial Statements of this Annual Report on Form 10-K.)
- 13 Ohio Valley's Annual Report to Shareholders for the fiscal year ended December 31, 2008: Filed herewith. (Not deemed filed except for portions thereof specifically incorporated by reference into this Annual Report on Form 10-K.)
- 20 Proxy Statement for 2009 Annual Meeting of Shareholders: Incorporated herein by reference to the registrant's definitive proxy statement for the 2009 Annual Meeting of Shareholders to be filed.

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| Exhibit Number | Exhibit Description |
|----------------|---|
| 21 | Subsidiaries of Ohio Valley: Filed herewith |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer): Filed herewith. |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification (Principal Financial Officer): Filed herewith. |
| 32 | Section 1350 Certifications (Principal Executive Officer and Principal Accounting Officer): Filed herewith. |