

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

OHIO VALLEY BANC CORP
Form DEF 14A
March 26, 2001

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

- Filed by the Registrant [X]
- Filed by a Party other than the Registrant []
- Check the appropriate box:
- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

OHIO VALLEY BANC CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required
- [] \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.
- [] \$500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- [] Fee paid previously with preliminary materials.
- [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:_____

(2) Form, Schedule or Registration Statement No.:_____

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

(3) Filing Party:_____

(4) Date Filed:_____

ANNUAL MEETING OF SHAREHOLDERS
Wednesday, April 11, 2001

TO OUR SHAREHOLDERS:

We take pleasure in inviting you to our Annual Meeting of Shareholders, which will be held on Wednesday, April 11, 2001, at 5:00 p.m., Eastern Daylight Time, at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio.

The Annual Meeting will be held for the purpose of electing Directors and transacting such other business as may properly be brought before it. At the meeting, we shall also report to you on our operations during the past year and plans for the future.

The close of business on March 14, 2001, has been fixed as the record date for determination of shareholders entitled to notice of the Annual Meeting and to vote at the Annual Meeting or any adjournment thereof.

The formal notice of Annual Meeting, the Proxy Statement and a proxy card are enclosed. After reading the Proxy Statement, will you please promptly fill in, sign and return to us the enclosed proxy card in the envelope provided. In lieu of returning the enclosed proxy card, you may vote by either visiting the proxyvote.com web site or calling the toll-free number on the proxy card. Polls will close promptly at 5:00 p.m. on the day of the Annual Meeting, April 11, 2001. We urge you to vote to insure that your shares are represented.

Last year, more than 81% of the Company's shares were represented in person or by proxy at the Annual Meeting. The Company appreciates this interest on your part.

We hope to see many of you in person at the Annual Meeting. There will be a social hour beginning at 4:00 p.m. Hors D'oeuvres and beverages will be served, and we hope you will take this opportunity to become acquainted with the officers and Directors of your Company.

Sincerely,

James L. Dailey
Chairman of the Board

Jeffrey E. Smith
President and Chief Executive Officer

Dated: March 21, 2001

OHIO VALLEY BANC CORP.

P.O. BOX 240

GALLIPOLIS, OHIO 45631

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

OHIO VALLEY BANC CORP.
P.O. Box 240
Gallipolis, Ohio 45631

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
Wednesday, April 11, 2001
5:00 p.m.

Gallipolis, Ohio
March 21, 2001

To the Shareholders of
Ohio Valley Banc Corp.

Notice is hereby given that the Annual Meeting of Shareholders of Ohio Valley Banc Corp. (the "Company") will be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, the 11th day of April, 2001, at 5:00 p.m., Eastern Daylight Time, for the following purposes:

1. To elect three Directors of the Company to serve for three-year terms until the 2004 Annual Meeting of Shareholders and until their successors are elected and qualified.
2. To transact such other business as may properly come before the meeting or any adjournment(s) thereof.

Holders of common shares of the Company of record at the close of business on March 14, 2001, will be entitled to vote at the meeting. If you attend the Annual Meeting and desire to revoke your proxy, you may do so and vote in person. Attendance at the Annual Meeting will not, in and of itself, constitute revocation of a proxy.

BY ORDER OF THE BOARD OF DIRECTORS

James L. Dailey
Chairman of the Board

Jeffrey E. Smith
President and Chief Executive Officer

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

1

OHIO VALLEY BANC CORP.
P.O. Box 240
Gallipolis, Ohio 45631

March 21, 2001

PROXY STATEMENT

This Proxy Statement is first being mailed on or about March 21, 2001, to all shareholders of record at the close of business on March 14, 2001, regarding the Annual Meeting of Shareholders of Ohio Valley Banc Corp. (the "Company") to be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, April 11, 2001, at 5:00 p.m., Eastern Daylight Time (the "Annual Meeting").

Proxy Solicitation

A proxy for use at the Annual Meeting accompanies this Proxy Statement and is solicited by the Board of Directors of the Company. A shareholder of the Company may use his proxy if he is unable to attend the Annual Meeting in person or wishes to have his common shares voted by proxy even if he does attend the Annual Meeting. Without affecting any vote previously taken, any shareholder executing a proxy may revoke it at any time before it is voted by (1) filing with the Secretary of the Company, at the address of the Company set forth on the cover page of this Proxy Statement, written notice of such revocation; (2) executing a later-dated proxy which is received by the Company prior to the Annual Meeting; or (3) attending the Annual Meeting and giving notice of such revocation in person. Attendance at the Annual Meeting will not, in and of itself, constitute revocation of a proxy.

The cost of this solicitation will be borne by the Company. Although the solicitation of proxies will be made primarily by mail, proxies may also be solicited by some of the Company's Directors, officers, and regular employees who may communicate with shareholders by further mailings, by telephone or by personal contact to request the return of the proxies.

The Annual Report of the Company for the fiscal year ended December 31, 2000, including financial statements, is enclosed with this Proxy Statement.

Voting Securities and Principal Holders Thereof

Only shareholders of record at the close of business on March 14, 2001, are entitled to vote at the Annual Meeting. As of February 12, 2001, the Company had 3,482,282 outstanding common shares, without par value ("Common Shares"). Each Common Share entitles the holder thereof to one vote on each matter submitted to the shareholders at the Annual Meeting. Additional Common Shares, which are currently authorized but not issued, may be issued by the Company prior to March 14, 2001, for a variety of purposes, including an issue pursuant to the voluntary purchase provisions of the Company's Dividend Reinvestment Plan. These additional Common Shares which may be issued after February 12, 2001, but prior to March 14, 2001, are entitled to the same voting rights as referenced above.

Principal Shareholder of the Company

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

The following table indicates the only holder known by the Company to be the beneficial owner of more than five percent (5%) of the outstanding Common Shares of the Company.

2

Name and Address	No. of Common Shares and Nature of Beneficial Ownership	Percent of Class (1)
------------------	--	-------------------------

Morris E. Haskins 1 Vine Street Gallipolis, Ohio 45631	234,212 (2)	6.73%
--	-------------	-------

(1) The percent of class is based upon 3,482,282 Common Shares outstanding as of February 12, 2001.

(2) Based on information contained in a schedule 13G filing with the Securities and Exchange Commission, dated February 27, 2001, Morris E. Haskins beneficially owns 234,212 Common Shares. That filing shows Mr. Haskins has sole voting and investment power over 234,212 Common Shares.

The following table indicates, as of February 12, 2001, the number and percentage of outstanding Common Shares of the Company beneficially owned by each Director of the Company, by each nominee for election to the Board of Directors, and by all Directors and Executive Officers of the Company as a group.

Name and Address	No. of Common Shares and Nature of Beneficial Ownership*	Percent of Class
------------------	---	---------------------

Phil A. Bowman 20 Robin Hill Jackson, Ohio 45640	35,669	1.02%
--	--------	-------

W. Lowell Call 399 Maple Drive Gallipolis, Ohio 45631	14,637	.42%
---	--------	------

Steven B. Chapman 544 Second Avenue Gallipolis, Ohio 45631	1,139	.03%
--	-------	------

James L. Dailey 445 Third Avenue Gallipolis, Ohio 45631	24,711	.71%
---	--------	------

Robert H. Eastman 4551 State Route 588 Gallipolis, Ohio 45631	56,772	1.63%
---	--------	-------

Merrill L. Evans 2362 East Bethel Church Road Gallipolis, Ohio 45631	50,001	1.44%
--	--------	-------

Jeffrey E. Smith** 20 Cedar Street Gallipolis, Ohio 45631	14,288	.41%
---	--------	------

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

3

Lannes C. Williamson 2764 U S 35 South Southside, West Virginia 25187	2,195	.06%
Thomas E. Wiseman 619 Fourth Avenue Gallipolis, Ohio 45631	9,941	.29%
All Directors and Executive Officers as a Group (11 persons)	219,333	6.30%

* Included are Common Shares owned by each Director, each nominee, each Executive Officer and, in certain instances, by his spouse and minor children. Also included in the Common Shares listed for Messrs. Smith and Dailey are Common Shares allocated to each individual in the Company's Employee Stock Ownership Plan.

** Executive Officer of the Company and/or The Ohio Valley Bank Company (the "Bank").

PROXY ITEM 1: ELECTION OF DIRECTORS

The Company's Board of Directors consists of nine (9) members divided into three (3) classes. The terms of office of three (3) Directors of one (1) class expire at the Annual Meeting. Directors elected at the Annual Meeting shall serve a three (3) year term until the 2004 Annual Meeting of Shareholders and until their respective successors are elected and qualified. The individuals named as proxies in the enclosed proxy card intend to vote the Common Shares represented by the proxies received under this solicitation for the nominees named below who have been designated by the Board of Directors, unless otherwise instructed on the proxy card.

The Board of Directors of the Bank has followed a policy that a Director of the Bank shall retire at the Annual Meeting of Shareholders following the calendar year in which the Director attains the age of 70. The policy does not apply to any member of the Board of the Bank who was a member of the Board on December 2, 1980, the date of the adoption of this policy, except for Merrill Evans, who has specifically requested that this policy apply to his tenure on the Board of the Bank. In observance of this policy, a Director of the Company will not stand for re-election as a Director of the Company following the completion of the term during which he attains the age of 70.

Article Two of the Company's Code of Regulations prescribes the method for a shareholder to nominate a candidate for election to the Board of Directors. Nominations, other than those made by or on behalf of the existing Board of Directors of the Company, must be made in writing and must be delivered or mailed to the President of the Company not less than 14 days, nor more than 50 days, prior to any meeting of shareholders called for the election of Directors. Such notification must contain the following information:

- a. name and address of each proposed nominee;
- b. principal occupation of each proposed nominee;
- c. total number of shares of capital stock of the Company that will be voted for each proposed nominee;
- d. name and residence address of the notifying shareholder; and

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

e. number of shares of capital stock of the Company owned by the notifying shareholder.

As of the date of this Proxy Statement, no persons have been so nominated for election at this Annual Meeting.

4

The table below sets forth information concerning the age, principal occupation and employment and business experience of each nominee for election as Director and each Director who will continue to serve after the Annual Meeting.

If for any reason, any nominee named below should not be a candidate for election at the time of the Annual Meeting, the proxies may be voted for a substitute nominee in the discretion of those persons designated by the Board to serve as proxies. The Company's Management has no reason to believe that any nominee will be unavailable. The three (3) nominees receiving the greatest number of votes will be elected. Common Shares represented by the enclosed proxy card will be voted FOR the election of the board of directors' nominees named below unless authority to vote for one or more nominees is withheld. Shareholders may withhold authority to vote for the entire slate as nominated or one or more nominees. Common Shares as to which the authority to vote is withheld will not be counted toward the election of Directors or toward the election of the individual nominees specified on the form of proxy.

Name	Age	Principal Occupation*	Director of the Bank Since	Director of the Company Since
----	---	-----	-----	-----

NOMINEES FOR ELECTION FOR TERMS EXPIRING IN 2004

Steven B. Chapman**	54	Certified Public Accountant (Public Accounting Practice; Real Estate Holding & Management)	1999	2001
Robert H. Eastman***	60	President of Ohio Valley Supermarkets, Inc. (Retail Grocery Stores)	1986	1992
Jeffrey E. Smith	51	President and Chief Executive Officer of the Company and the Bank	1986	1992

The Board of Directors recommends that shareholders vote FOR the election of the above nominees.

DIRECTORS WITH TERMS EXPIRING IN 2002

Phil A. Bowman**	55	Mining Consultant and Developer	1997	1999
W. Lowell Call**/**	64	Vice President, Sausage Production, Bob Evans Farms, Inc. (Restaurant and Food Production Industry)	1986	1992

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

James L. Dailey	66	Chairman of the Board of the Company and the Bank	1970	1992
-----------------	----	---	------	------

5

DIRECTORS WITH TERMS EXPIRING IN 2003

Merrill L. Evans	68	Real Estate Developer, Farmer and President, Evans Enterprises, Inc.	1979	1992
Lannes C. Williamson**	56	President, L. Williamson Pallets, Inc. (Sawmill; Pallet Manufacturing; and Wood Processing)	1997	2000
Thomas E. Wiseman***	42	President, The Wiseman Agency, Inc. (Insurance and Financial Services)	1992	1992

* Each of the Directors has held the respective position with the Company or the other companies listed for a period of at least five years.

** Member of the Audit Committee of the Company. The Committee is also charged by Ohio law with responsibility for the Bank's audit. The Committee met twelve (12) times during 2000. The Bank's annual audit is reviewed by the entire Board of Directors. Neither the Board of the Company nor the Bank has a standing Nominating Committee, or a committee performing similar functions.

*** Member of the Compensation Committee of the Company. The Compensation Committee establishes the compensation of Executive Officers of the Bank. This Committee met six (6) times during 2000.

During the past year, the Board of Directors of the Company met eleven (11) times. Each of the Directors attended more than 75% of the aggregate of the total number of Board meetings and the total number of meetings held by Board committees on which he served during the year.

Remuneration of Executive Officers

The following table shows, for the three fiscal years ended December 31, 2000, compensation paid by the Company for services in all capacities to the following executive officers of the Company who earned salary and bonus in excess of \$100,000.

SUMMARY COMPENSATION TABLE

Annual Compensation

Name and Principal Position	Year	Salary (1) (\$)	Bonus (2) (\$)	All Other Compensation (\$)
James L. Dailey Chairman of the Board of the Company and the Bank	2000	\$105,077	\$ 81,628	\$ 14,008 (3)
	1999	100,244	93,819	11,297
	1998	95,638	104,592	11,627

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

Jeffrey E. Smith	2000	\$ 96,994	\$ 81,304	\$ 13,026 (4)
President and	1999	94,572	87,028	10,528
Chief Executive	1998	83,054	96,992	10,988
Officer of the Company and the Bank				

6

- (1) "Salary" includes Director's fees received by Messrs. Dailey and Smith in the amount of \$2,400 per year during each of 2000, 1999 and 1998 fiscal years.

- (2) "Bonus" includes Director's Bonus received by Messrs. Dailey and Smith during each of 2000, 1999 and 1998 fiscal years in the amounts of \$12,977, \$14,499 and \$15,933, respectively. Messrs. Dailey and Smith have chosen to defer a portion of their bonus under the Company's deferred compensation plan for Directors and Executive Officers implemented in 1996.

- (3) Includes \$2,733 allocated to Mr. Dailey pursuant to Company contributions and reallocated forfeitures under the Ohio Valley Banc Corp. Profit Sharing Plan; \$1,771 allocated to Mr. Dailey pursuant to Company contributions and reallocated forfeitures under the 401-K plan which is provided for under the Ohio Valley Banc Corp. Profit Sharing Plan; \$8,148 allocated to Mr. Dailey pursuant to Company contributions and reallocated forfeitures under the Ohio Valley Banc Corp. Employee Stock Ownership Plan; and \$1,356 premium paid by the Company for a life insurance policy on the life of Mr. Dailey, pursuant to the terms of the Company's group life insurance contracts.

- (4) Includes \$2,733 allocated to Mr. Smith pursuant to Company contributions and reallocated forfeitures under the Ohio Valley Banc Corp. Profit Sharing Plan; \$1,771 allocated to Mr. Smith pursuant to Company contributions and reallocated forfeitures under the 401-K plan which is provided for under the Ohio Valley Banc Corp. Profit Sharing Plan; \$8,148 allocated to Mr. Smith pursuant to Company contributions and reallocated forfeitures under the Ohio Valley Banc Corp. Employee Stock Ownership Plan and \$374 of premium paid by the Company for a life insurance policy on the life of Mr. Smith, pursuant to the terms of the Company's group life insurance contracts.

Compensation of Directors

No member of the Board of Directors of the Company received remuneration in 2000 for his services as such. All of the Directors of the Company serve as Directors of the Bank. In 2000, 1999 and 1998, each individual who was not a salaried officer of the Bank received \$300 per month for his service as a member of the Board of Directors of the Bank. Directors who were employees of a subsidiary of the Company received \$200 per month for their services. The Bank Board met thirteen (13) times in 2000. In addition, it is the practice of the Bank to pay a bonus to its Directors based upon the performance of the Bank. In 2000, each active Director of the Bank received a bonus of \$12,977. For 1999, each active Director of the Bank received a bonus of \$14,499. For 1998, each active Director of the Bank received a bonus of \$15,933. The bonus figures were pro-rated for time served for new Directors of the Bank and specifically includes amounts participating Directors may have chosen to defer under the Company's deferred compensation plan for Directors and Executive Officers implemented in 1996. Each active member of the Executive Committee received an additional \$35,569 in 2000, \$37,453 in 1999 and \$39,229 in 1998 for their service as members of the Executive Committee of the Board of Directors of

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

the Bank, which met fifty (50) times in 2000, fifty-two (52) times in 1999 and fifty-two (52) times in 1998. This figure was pro-rated for time served for new members. Executive Committee members who are employees of the Bank receive no compensation for serving on the Executive Committee. The Company maintains a life insurance policy with a death benefit of two times annual Director fees reduced by 35% at age 65 and reduced by 50% at age 70.

7

In December 1996, life insurance contracts were purchased by the Company. The Company is the owner of the contracts. One of the purposes of these contracts was to replace a current group life insurance program for Executive Officers and implement a deferred compensation plan for Directors and Executive Officers in 1996. Participants in the deferred compensation plan are eligible to receive distribution of their contributions, plus accrued interest earned at no greater than market rate on reinvestment of the contributions, upon reaching age 70, provided that, if a participant dies before reaching age 70 and the participant qualifies, distribution will be made to the participant's designated beneficiary in an amount equal to what the Director would have accumulated if the participant had reached age 70 and had continued to make contributions to the plan. The cost of providing the benefits to the participants will be offset by the earnings on the life insurance contracts.

Report of the Compensation Committee of the Board of Directors
on Executive Compensation

This Report and the graph set forth on page 10 shall not be incorporated by reference into any filings of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate future filings.

Decision-Making Process. The Executive Officers of the Company receive no compensation from the Company. Instead, they are paid by the Bank for services rendered in their capacity as Executive Officers of the Company and the Bank. On April 12, 2000, the Board of Directors of the Company re-elected the following non-employee Directors to the Compensation Committee:

Thomas E. Wiseman, Chairman
W. Lowell Call
Robert H. Eastman

In 1993, the Bank engaged Crowe, Chizek and Company LLP, the Company's and the Bank's independent auditors, to construct a comprehensive wage and salary administration plan for the Bank to be used for all its employees.

The Compensation Committee evaluated the ability of James L. Dailey and Jeffrey E. Smith to achieve or exceed the expected requirements of their respective jobs based on their specific job content questionnaires. From this evaluation, a performance rating on each individual was developed. The Compensation Committee met with Messrs. Dailey and Smith six (6) times during 2000 to review their performance and the goals established for each.

In 1993 and again in 1996, a marketplace range was developed by Crowe, Chizek and Company LLP for all jobs at the Bank including those of Messrs.

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

Dailey and Smith. These ranges were revised in 2000 using the Crowe Chizek Bank Compensation Survey and the 2000 Ohio Bankers Association Compensation Survey. The performance rating of Messrs. Dailey and Smith and their position in the marketplace range were used to determine their respective bonuses for 2000, 1999 and 1998 and their 2001, 2000 and 1999 salaries. Messrs. Dailey and Smith received salary increases in 2000, as indicated in the Summary Compensation Table on page 5 of this Proxy Statement.

8

Philosophy and CEO Compensation. The compensation philosophy of the Company and the Bank is that compensation of its Executive Officers and others should be directly and materially linked to corporate operating performance. To achieve this correlation, executive compensation is heavily weighted toward bonuses paid on the basis of corporate performance. It is a historical fact, therefore, that in years when the Bank has performed well, its officers have received greater compensation and in less profitable years, the officers' pay has been negatively impacted to a substantial degree. The cash compensation program for Executive Officers consists of two elements, a base salary component and a bonus component. The bonus component consists of two bonus pools, one for all Directors and one for all officers and employees. An Executive Officer, if a Director, may be eligible to participate in the Directors' pool as well as the officers' pool.

The objectives of the bonus component are to (i) motivate Executive Officers and all others and to reward such persons for the accomplishment of annual objectives of the Company and the Bank, (ii) reinforce a strong performance orientation with differentiation and variability in individual awards based on contribution to annual and long-range business results and (iii) provide a fully competitive compensation package which will attract, reward, and retain individuals of the highest quality.

The decision-making process and compensation philosophy of the Company and the Bank were considered by the Compensation Committee when determining 2000 compensation for James L. Dailey, Chairman, and Jeffrey E. Smith, President and Chief Executive Officer, of the Company and the Bank. The Compensation Committee believes that the compensation earned by Messrs. Dailey and Smith in 2000 was fair and reasonable when compared with executive compensation levels in the banking industry as reported in the marketplace range developed. Mr. Dailey ranked in the middle one-third and Mr. Smith ranked in the upper one-third of the total compensation marketplace range for their respective grades.

Submitted by:
Compensation Committee Members

Thomas E. Wiseman, Chairman
W. Lowell Call
Robert H. Eastman

Report of the Audit Committee of the Board of Directors

Audit Committee. The Audit Committee met twelve (12) times in 2000. The Audit Committee recommends the appointment of the Company's independent accountants, reviews and approves the audit plan and fee estimate of the independent public accountants, appraises the effectiveness of the internal and

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

external audit efforts, evaluates the adequacy and effectiveness of the Company's accounting policies and financial and accounting management, supervises the Company's internal auditor, and reviews and approves the annual financial statements. Members of the Audit Committee are Phil A. Bowman, W. Lowell Call, Steven B. Chapman and Lannes C. Williamson. The Company's Board adopted a written charter for the Audit Committee on May 16, 2000. A copy of the charter is included with this proxy statement as Appendix A.

9

Audit Committee Independence. In the opinion of the Company's Board, Directors Bowman, Call, Chapman, and Williamson do not have relationships with the Company that have or will in the future interfere with their exercise of independent judgment in carrying out their responsibilities as Directors and as members of the Audit Committee. None of them is or has for the past three years been an employee of the Company, and no immediate family members of any of them is or has for the past three years been an Executive Officer of the Company. Each member of the Audit Committee qualifies as "independent" under the rules of the NASDAQ Stock Market.

Audit Committee Report. The Audit Committee has submitted the following report for inclusion in this proxy statement:

The Audit Committee has reviewed and discussed with management the audited financial statements of the Company for the year ended December 31, 2000. The Audit Committee has also discussed with Crowe, Chizek and Company LLP, independent accountants, the matters required to be discussed by Statement on Auditing Standards No. 61 (having to do with accounting methods used in the financial statements). The Audit Committee has received the written disclosures and a letter from Crowe Chizek required by Independence Standards Board Standard No. 1 (having to do with matters that could affect the auditor's independence), and has discussed with Crowe Chizek the independent auditor's independence from the Company. Based on this, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

Submitted by:
Audit Committee Members

Steven B. Chapman, CPA; Chairman
Phil A. Bowman
W. Lowell Call
Lannes C. Williamson

This report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such act.

Other Transactions with Management

The Company through its subsidiary, the Bank, has had and expects to have in the future banking transactions in the ordinary course of the Bank's business with some of the Directors, officers and principal stockholders of the Company and entities with which they are associated. All loans and commitments to loan included in such transactions were made on substantially the same terms,

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

including interest rates and collateral on loans and repayment terms, as those prevailing at the time for comparable transactions with other persons and, in the opinion of the Management of the Company, each such loan and commitment to loan did not involve more than a normal risk of uncollectibility or present other unfavorable features. The aggregate amount of loans to officers and Directors of the Company, entities in which such officers and Directors have an interest, and affiliates and other associates of officers and Directors was \$12,444,521 at December 31, 2000. As of the date hereof, all of such loans were performing loans.

The Wiseman Agency, Inc., a corporation which is principally owned or controlled by Director Thomas E. Wiseman and his family, and the Company each own 50% of the outstanding membership interests of Ohio Valley Financial Services Agency, LLC, an insurance agency. Neither the Company nor The Wiseman Agency, Inc. received any income from Ohio Valley Financial Services Agency, LLC during the past year.

10

Performance Graph

The following graph sets forth a comparison of five year cumulative total returns among the Company's Common Shares (indicated "OVBC" on the Performance Graph), the S & P 500 Index (indicated "S & P" on the Performance Graph), and SNL Securities SNL \$500 Million-\$1 Billion Bank Asset-Size Index (indicated "SNL" on the Performance Graph) for the fiscal years indicated. Keefe, Bruyette & Woods, Inc. announced in January 2000 that due to "...dramatic consolidation...in the industry..." the firm would no longer publish the "KBW 50 Index-Midwest". Consequently, the Company has chosen the SNL index referenced above to replace the KBW index beginning in fiscal year 2000. Information reflected on the graph assumes an investment of \$100 on December 31, 1995 in each of the Common Shares of the Company, the S & P 500 Index, and the SNL \$500M-\$1B Bank Asset Size Index. Cumulative total return assumes reinvestment of dividends. The SNL \$500M-\$1B Bank Index represents stock performance of ninety-five (95) of the nation's banks located throughout the United States with total assets between \$500 Million and \$1 Billion as selected by SNL Securities of Charlottesville, Virginia. The Company is included as one of the 95 banks in the SNL Index.

INDEX OF TOTAL RETURNS
OVBC, S&P 500 and SNL \$500M-\$1B
1995-2000

	Q4 95 -----	Q4 96 -----	Q4 97 -----	Q4 98 -----	Q4 99 -----	Q4 00 -----
OVBC	\$100	\$126	\$178	\$308	\$317	\$244
S&P 500	\$100	\$123	\$164	\$211	\$255	\$232
SNL \$500M-\$1B	\$100	\$125	\$203	\$200	\$185	\$177

[Insert Graph Here]

Information Concerning Independent Certified Public Accountant

Independent Auditors for the Year Ending December 31, 2001. The Company's independent auditor for the fiscal year ended December 31, 2000 was Crowe, Chizek and Company LLP. The Board has retained Crowe Chizek to be the Company's independent auditor for the fiscal year ending December 31, 2001. A representative of Crowe Chizek is expected to be present at the annual meeting.

Audit Fees. The aggregate fees billed or estimated to be billed for professional services rendered by Crowe Chizek for the audit of the Company's annual financial statements for the year ended December 31, 2000 and for Crowe Chizek's review of the financial statements included in the Company's Form 10-Q for the quarters ended March 31, 2000, June 30, 2000, and September 30, 2000 and Form 10-K for the year ended December 31, 2000 are \$67,500.

Financial Information Systems Design and Implementation Fees. In 2000 Crowe Chizek performed no services and therefore billed no fees relating to operating or supervising the operation of the Company's information systems or local area network or for designing or implementing the Company's financial information management systems.

All Other Fees. The aggregate fees billed for other services rendered to the Company by Crowe Chizek in 2000 were \$24,065.

Auditor Independence. The Audit Committee of the Board believes that the non-audit services by Crowe Chizek are compatible with maintaining the auditor's independence.

Annual Report - Form 10-K

The Company will provide without charge to any shareholder of record on March 14, 2001, on the written request of any such shareholder, a copy of the

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

Company's Annual Report on Form 10-K, including Financial Statements and Schedules thereto, required to be filed under the Securities Exchange Act of 1934, as amended, for the Company's fiscal year ended December 31, 2000. Such written request should be directed to E. Richard Mahan, Secretary, Ohio Valley Banc Corp., P.O. Box 240, Gallipolis, Ohio 45631, telephone number 1-740-446-2631.

Proxy Statement Proposals

Each year, the Board of Directors submits its nominations for election of Directors at the Annual Meeting of Shareholders. Other proposals may be submitted by the Board of Directors or shareholders for inclusion in the Proxy Statement for action at the Annual Meeting. Any proposal submitted by a shareholder for inclusion in the Proxy Statement for the 2002 Annual Meeting, presently scheduled for April 10, 2002, must be received by the Company on or before November 21, 2001. If a shareholder intends to present a proposal at the 2002 Annual Meeting, but has not sought the inclusion of such proposal in the Company's proxy materials, such proposal must be received by the Company prior to February 24, 2002, or the Company's management proxies for the 2002 Annual Meeting will be entitled to use their discretionary voting authority should such proposal then be raised, without any discussion of the matter in the Company's proxy materials.

12

Reports to be Presented at the Meeting

There will be presented at the meeting the Company's Annual Report for the year ended December 31, 2000, containing financial statements for such year and the signed opinion of Crowe, Chizek and Company LLP, independent certified public accountant, with respect to such financial statements. The Annual Report is not to be regarded as proxy soliciting material, and the Company's management does not intend to ask, suggest or solicit any action from the shareholders with respect to such Annual Report.

Other Matters

The only business which the Company's management intends to present at the Annual Meeting consists of the matters set forth in this Proxy Statement. The Company's management knows of no other matters to be brought before the Annual Meeting by any other person or group.

If any other matters should properly come before the Annual Meeting, the proxy holders will vote thereon in their discretion.

All duly executed proxies received will be voted.

You are requested to vote by either visiting the proxyvote.com Web Site; calling the toll-free number on the proxy card; or signing and dating the enclosed proxy and mailing it promptly in the enclosed envelope. If you later desire to vote in person or to change or withdraw your vote, you may revoke your proxy either by written notice to the Company, to the attention of James L. Dailey, Chairman, or in person at the Annual Meeting (without affecting any vote previously taken). Polls will close promptly at 5:00 p.m. on the day of the Annual Meeting, April 11, 2001.

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

BY ORDER OF THE BOARD OF DIRECTORS

/s/James L. Dailey
James L. Dailey
Chairman of the Board

/s/Jeffrey E. Smith
Jeffrey E. Smith
President and Chief Executive Officer

13

Appendix A

OHIO VALLEY BANC CORP.

AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee shall provide assistance to the corporate directors in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the corporation, and the quality and integrity of the financial reports of the Corporation. The Audit Committee's primary duties and responsibilities are to:

- o Serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control.
- o Review and appraise the audit efforts of the Corporation's independent accountants and internal auditing department.
- o Provide an open avenue of communication among the independent accountants, financial and senior management, the internal auditing department, and the Board of Directors.

II. COMPOSITION

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors, and free from any relationship that, in the opinion of the Board would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

practices, and at least one member of the Committee shall have accounting or related financial management expertise as determined by the Board of Directors. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Committee Chairman shall also be elected by the full Board.

III. MEETINGS

The Committee shall normally meet on a periodic basis, or more frequently as circumstances dictate. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The Audit Committee's Chair will discuss financial reporting issues with the independent accountants and management quarterly.

14

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter periodically, at least annually, as conditions dictate.
2. Review the organization's annual financial statements and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent accountants.
3. Review the regular internal reports to management prepared by the internal auditing department and management's response.
4. Review with financial management and independent accountants on the 10-Q. The Chair of the Committee may represent the entire Committee for purposes of this review.
5. Maintain minutes of Audit Committee meetings and activities.

Independent Accountants

6. Recommend to the Board of Directors the selection of the independent accountants, considering independence and effectiveness and approve the fees and other compensation to be paid to the independent accountants. On an annual basis, the Committee should review and discuss with the accountants all significant relationships the accountants have with the Corporation to determine the accountant's independence.
7. Evaluate the performance of the independent accountants and make

Edgar Filing: OHIO VALLEY BANC CORP - Form DEF 14A

recommendations to the Board of Directors regarding the appointment or termination of the independent accountants.

Ethical and Legal Compliance

- 8. Review activities, organizational structure, and qualifications of the internal audit department.
- 9. The Audit Committee shall have the power to conduct or authorize the investigations into any matters within the Committee's scope of responsibilities. They shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- 10. Perform any other activities consistent with this Charter, the Corporation's By-laws, and governing law, as the Committee or the Board deems necessary or appropriate.

15

PROXY

OHIO VALLEY BANC CORP.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

The undersigned hereby appoints James L. Dailey, Jeffrey E. Smith, and E. Richard Mahan, and each of them with full power of substitution to each, the true and lawful attorneys and proxies of the undersigned to vote all of the Common Shares which the undersigned is entitled to vote at the Annual Meeting of Shareholders of Ohio Valley Banc Corp., to be held at the Morris and Dorothy Haskins Ariel Theatre, 426 Second Avenue, Gallipolis, Ohio, on Wednesday, April 11, 2001 at 5:00 p.m., Eastern Daylight Time, and at any adjournment(s) thereof, for the purposes stated on the reverse side.

The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Shareholders, dated March 21, 2001, and the Proxy Statement furnished therewith. Any proxy heretofore given to vote the Common Shares covered herein is hereby revoked.

Comments:

(THIS PROXY CONTINUES AND MUST BE SIGNED ON THE REVERSE SIDE)

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED

OHIO VALLEY BANC CORP.

1. ELECTION OF DIRECTORS:	VOTE FOR	WITHHOLD VOTE	VOTE FOR ALL EXCEPT	
01) STEVEN B. CHAPMAN	ALL			To withhold authority to vote, mark "For All Except" and write the nominee's number on the line below.
02) ROBERT H. EASTMAN				
03) JEFFREY E. SMITH	[]	[]	[]	

2. To transact such other business as may properly come before the meeting or any adjournment(s) thereof; with all powers the undersigned would possess if personally present, giving unto said attorneys and proxies, or substitutes, full power and authority to do whatsoever in their opinion may be necessary or proper to be done in the exercise of the power hereby conferred, including the right to vote for any adjournment, hereby ratifying all that said attorneys and proxies, or substitutes, may lawfully do or cause to be done by virtue hereof.

A majority of said attorneys and proxies, or substitutes, who shall be present and shall act at the meeting (or if only one should be present and act, then that one) shall have and exercise all the powers of said attorneys and proxies hereunder.

UNLESS INSTRUCTIONS TO THE CONTRARY ARE GIVEN, THE COMMON SHARES REPRESENTED BY THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF THE PERSONS NAMED AS NOMINEES IN THE ACCOMPANYING PROXY STATEMENT.

NOTE: Please fill in, sign, and return this proxy in the enclosed envelope. When signing as Attorney, Executor, Administrator, Trustee, or Guardian, please give full title as such. If signer is a corporation, please sign the full corporate name by authorized officer. Joint Owners should sign individually.

Shareholder sign name here exactly as it is stenciled hereon.

For address changes and/or comments, please check this box and write them on the back where indicated. []

If you plan on attending the meeting, please check the box to the right. []

Signature Date

Signature (Joint Owners) Date