

Village Bank & Trust Financial Corp.

Form 10-Q

May 14, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

xQUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

oTRANSITION REPORT UNDER SECTION 13 OR 15(d)

OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number: 0-50765

VILLAGE BANK AND TRUST FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of
incorporation or organization)

16-1694602

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

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15521 Midlothian Turnpike, Midlothian, Virginia
Address of principal executive offices)

23113
(Zip code)

804-897-3900
(Registrant's telephone number, including area code)

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

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

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

Large Accelerated Filer
Non-Accelerated Filer (Do not check if smaller reporting company)

Accelerated Filer
Smaller Reporting Company

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

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

4,230,590 shares of common stock, \$4.00 par value, outstanding as of May 8, 2009

Village Bank and Trust Financial Corp.

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PART I - FINANCIAL INFORMATION**ITEM 1 FINANCIAL STATEMENTS**
Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Balance Sheets
March 31, 2009 (Unaudited) and December 31, 2008

	March 31, 2009 (Unaudited)	December 31, 2008
Assets		
Cash and due from banks	\$ 13,414,337	\$ 13,107,245
Federal funds sold	11,382,190	13,493,584
Investment securities available for sale	25,806,650	24,300,962
Loans held for sale	9,531,878	4,325,746
Loans		
Outstanding	472,981,216	470,918,182
Allowance for loan losses	(6,848,682)	(6,059,272)
Deferred fees	(206,422)	(195,896)
	465,926,112	464,663,014
Premises and equipment, net	27,975,269	28,173,518
Accrued interest receivable	3,266,111	3,499,793
Goodwill	7,422,141	7,422,141
Real estate owned	3,967,225	2,932,100
Bank owned life insurance	5,158,567	5,099,022
Other assets	5,791,987	5,390,868
	\$ 579,642,467	\$ 572,407,993
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	482,439,183	466,232,043
Trust preferred securities	8,764,000	8,764,000
Federal home loan bank advances	25,000,000	25,000,000
Other borrowings	15,090,100	23,962,898
Accrued interest payable	925,330	1,014,534
Other liabilities	1,447,898	1,271,944
Total liabilities	533,666,511	526,245,419
Stockholders' equity		
Preferred stock, \$1 par value - 1,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$4 par value - 10,000,000 shares authorized; 4,230,590 shares issued and outstanding at March 31, 2009	-	-
4,229,372 shares issued and outstanding at December 31, 2008	16,922,360	16,917,488
Additional paid-in capital	25,777,637	25,737,048
Accumulated other comprehensive income (loss)	(102,691)	54,250
Retained earnings	3,378,650	3,453,788
Total stockholders' equity	45,975,956	46,162,574
	\$ 579,642,467	\$ 572,407,993

See accompanying notes to consolidated financial statements.

Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Income Statements

Three Months Ended March 31, 2009
(Unaudited)

	Three Months Ended March 31, 2009	2008
Interest income		
Loans	\$ 8,009,697	\$ 6,508,558
Investment securities	336,458	143,318
Federal funds sold	7,273	106,835
Total interest income	8,353,428	6,758,711
Interest expense		
Deposits	4,003,456	3,695,243
Borrowed funds	443,306	277,929
Total interest expense	4,446,762	3,973,172
Net interest income	3,906,666	2,785,539
Provision for loan losses	1,100,000	249,324
Net interest income after provision for loan losses	2,806,666	2,536,215
Noninterest income		
Service charges and fees	373,119	207,125
Gain on sale of loans	943,116	426,517
Rental Income	41,671	-
Other	98,480	124,749
Total noninterest income	1,456,386	758,391
Noninterest expense		
Salaries and benefits	2,464,614	1,846,522
Occupancy	444,044	252,603
Equipment	255,618	173,275
Supplies	125,825	96,427
Professional and outside services	435,641	341,088
Advertising and marketing	71,495	48,861
Other operating expense	579,662	394,423
Total noninterest expense	4,376,899	3,153,199
Net income (loss) before income taxes	(113,847)	141,407
Income tax expense (benefit)	(38,709)	48,078
Net income (loss)	\$ (75,138)	\$ 93,329
Earnings per share, basic	\$ (0.02)	\$ 0.04
Earnings per share, diluted	\$ (0.02)	\$ 0.04

See accompanying notes to consolidated financial statements

Village Bank and Trust Financial Corp. and Subsidiary

Consolidated Statements of Stockholders' Equity
Three Months Ended March 31, 2009 and 2008
Unaudited)

	Common Stock Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (loss)	Total
Balance, December 31, 2008	4,229,372	\$ 16,917,488	\$ 25,737,048	\$ 3,453,788	\$ 54,250	\$ 46,162,574
Issuance of common stock	1,218	4,872	(4,872)	-	-	-
Stock based compensation			45,461			45,461
Minimum pension adjustment (net of income taxes of \$729)					2,145	,145
Net loss	-	-	-	(75,138)	-	(75,138)
Change in unrealized gain (loss) on securities available for sale (net of income taxes of \$54,089)	-	-	-	-	(159,086)	(159,086)
Total comprehensive income (loss)	-	-	-	-	-	(232,079)
Balance, March 31, 2009	4,230,590	\$ 16,922,360	\$ 25,777,637	\$ 3,378,650	\$ (102,691)	\$ 45,975,956
Balance, December 31, 2007	2,575,985	\$ 10,303,940	\$ 13,726,269	\$ 2,985,697	\$ (122,607)	\$ 26,893,299
Issuance of common stock	3,740	14,960	10,040	-	-	25,000
Stock based compensation			19,412			19,412
Minimum pension adjustment (net of income taxes of \$729)					2,145	2,145
Net income	-	-	-			