

Village Bank & Trust Financial Corp.

Form 10-Q

August 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 June 30, 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

16-1694602

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(State or other jurisdiction of
incorporation or organization)

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

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 **X** No **O**.

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 **O** No **O**

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

Accelerated Filer **O**
Smaller Reporting Company **X**

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

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

4,230,628 shares of common stock, \$4.00 par value, outstanding as of August 4, 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
June 30, 2009 (Unaudited) and December 31, 2008**

	June 30, 2009 (Unaudited)	December 31, 2008
Assets		
Cash and due from banks	\$ 14,233,867	\$ 13,107,245
Federal funds sold	16,201,871	13,493,584
Investment securities available for sale	20,406,023	24,300,962
Loans held for sale	19,520,283	4,325,746
Loans		
Outstanding	480,245,383	470,918,182
Allowance for loan losses	(9,617,886)	(6,059,272)
Deferred fees	(92,140)	(195,896)
	470,535,357	464,663,014
Premises and equipment, net	27,759,795	28,173,518
Accrued interest receivable	3,156,115	3,499,793
Goodwill	7,422,141	7,422,141
Other real estate owned	4,625,967	2,932,100
Bank owned life insurance	5,140,781	5,099,022
Other assets	5,576,869	5,390,868
	\$ 594,579,069	\$ 572,407,993
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 483,663,351	\$ 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	16,432,991	23,962,898
Accrued interest payable	822,577	1,014,534
Other liabilities	1,014,430	1,271,944
Total liabilities	535,697,349	526,245,419
Stockholders' equity		
Preferred stock, \$4 par value, \$1,000 liquidation preference, 1,000,000 shares authorized, 14,738 shares issued and outstanding	58,952	-
Common stock, \$4 par value - 10,000,000 shares authorized; 4,230,628 shares issued and outstanding at June 30, 2009 4,229,372 shares issued and outstanding at December 31, 2008	16,922,512	16,917,488
Additional paid-in capital	40,498,332	25,737,048
Retained earnings	1,449,751	3,453,788
Warrant	732,479	-
Discount on preferred stock	(708,660)	-

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Accumulated other comprehensive income (loss)	(71,646)	54,250
Total stockholders' equity	58,881,720	46,162,574
	\$ 594,579,069	\$ 572,407,993

See accompanying notes to consolidated financial statements.