

Village Bank & Trust Financial Corp.  
Form 10-Q  
August 14, 2008  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

  

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**FORM 10-Q**

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2008**

**TRANSITION REPORT UNDER SECTION 13 OR 15(d)  
OF THE EXCHANGE ACT**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

  

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**Commission file number: 0-50765**

**VILLAGE BANK AND TRUST FINANCIAL CORP.**

(Exact name of small business issuer as specified in its charter)

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**Virginia**

(State or other jurisdiction of  
incorporation or organization)

**16-1694602**

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

**1231 Alverser Drive, P.O. Box 330, Midlothian, Virginia 23113**

(Address of principal executive offices)

**804-897-3900**

(Issuer's telephone number)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition 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.

2,622,263 shares of common stock, \$4.00 par value, outstanding as of August 6, 2008.

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**Village Bank and Trust Financial Corp.**

**Form 10-Q**

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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, 2008 (Unaudited) and December 31, 2007**

	June 30, 2008 (Unaudited)	December 31, 2007
<b>Assets</b>		
Cash and due from banks	\$ 7,967,266	\$ 5,752,332
Federal funds sold	4,550,468	16,362,672
Investment securities available for sale	5,243,350	13,711,399
Loans held for sale	4,516,574	3,489,886
Loans		
Outstandings	343,707,463	327,775,829
Allowance for loan losses	(3,499,776)	(3,469,273)
Deferred fees	(307,784)	(432,816)
	339,899,903	323,873,740
Premises and equipment, net	24,779,246	19,162,054
Accrued interest receivable	2,764,992	2,752,755
Goodwill	689,108	689,108
Other assets	11,026,057	7,470,053
	\$ 401,436,964	\$ 393,263,999
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits	\$ 325,682,691	\$ 339,297,258
Trust preferred securities	8,764,000	8,764,000
FHLB advances	25,000,000	12,000,000
Other borrowings	12,647,252	3,972,569
Accrued interest payable	548,943	587,980
Other liabilities	1,223,924	1,748,893
Total liabilities	373,866,810	366,370,700
<b>Stockholders' equity</b>		
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 2,622,263 shares issued and outstanding at June 30, 2008, 2,575,985 shares issued and outstanding at December 31, 2007	10,489,052	10,303,940
Additional paid-in capital	14,025,460	13,726,269
Accumulated other comprehensive income (loss)	(202,229)	(122,607)
Retained earnings		