

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

MILLENNIUM BANKSHARES CORP

CIK: **1158678** | IRS No.: **541920520** | State of Incorporation: **VA**
Type: **8-K** | Act: **34** | File No.: **000-49611** | Film No.: **05791576**
SIC: **6021** National commercial banks

Mailing Address
1601 WASHINGTON PLAZA
RESTON VA 20190

Business Address
1601 WASHINGTON PLAZA
RESTON VA 20190

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **April 26, 2005**

MILLENNIUM BANKSHARES CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

0-49611
(Commission
File Number)

54-1920520
(I.R.S. Employer
Identification No.)

1601 Washington Plaza
Reston, Virginia
(Address of principal executive offices)

20190
(Zip Code)

Registrant's telephone number, including area code: **(703) 464-0100**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On April 26, 2005, the Registrant issued a press release reporting its financial results for the period ended March 31, 2005. A copy of the press release is being furnished as an exhibit to this report and is incorporated by reference into this Item 2.02.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The following exhibit is being furnished pursuant to Item 2.02 above.

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press Release issued April 26, 2005
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MILLENNIUM BANKSHARES CORPORATION
(Registrant)

Date: April 29, 2005

By: /s/ Carroll C. Markley
Carroll C. Markley
Chairman and Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued April 26, 2005.



Carroll C. Markley, Chairman & CEO
Millennium Bankshares Corporation
Phone: 703-467-3477
Fax: 703-464-7974
ir@mbankshares.com

FOR IMMEDIATE RELEASE:

**MILLENNIUM BANKSHARES CORPORATION ANNOUNCES
RECORD FIRST QUARTER 2005 RESULTS**

Reston, VA - April 25, 2005 - Millennium Bankshares Corporation (Millennium) (Nasdaq: MBVA) is pleased to report that first quarter operations resulted in net income growth of \$685,000, a 225 % increase compared to net income of \$211,000 for the same quarter of 2004.

The record first quarter earnings improvement resulted from an improved management of our balance sheet. Both basic and diluted earnings per share for the first quarter were \$.08, a 30.0% and 54.3 % rise compared to \$.06 basic and \$.05 diluted for the same period in 2004.

Total assets for the quarter ended March 31, 2005 reached \$425.5 million as compared to \$371.8 million at December 31, 2004. This represents an increase of \$53.7 million over the first quarter last year and 14 % increase over year-end 2004. Return on average assets for the three months ended March 31, 2005 was .70%.

Total loans, net of fees, for the quarter ended March 31, 2005 were \$288 million compared to \$276 million at December 31, 2004. This 4.4 % increase includes \$37 million in held for sale mortgage loans, an \$8 million (27.7%) increase from \$29 million the same period last year.

The risk profile of our loan portfolio has remained stable and our credit quality continues to be strong overall as evidenced by net charge-offs to average loans of .002 % for the three months ended March 31, 2005, compared to 0.02% for the same period of 2004. Loans past due ninety days or greater as of March 30, 2005 were \$1.0 million and Millennium Bank owns no other real estate or repossessed assets. These loans are in workout with no significant losses expected.

New Promotions for Millennium High Carb Savings and Money Market accounts as well as Millennium 55 Checking helped total deposits rise by \$37.9 million (13.5%) since December 31, 2004. In addition, we have increased our use of the Federal Home Loan Bank of Atlanta to fund loans and continue growth while matching terms of loans to the terms of the borrowings.

Total interest income for the first three months of 2005 was \$5.5 million compared to \$4.1 million for the same period of 2004. The \$1.3 million increase represents a 33% improvement. This increase is primarily attributed to the rise in interest rates and the growth in the loan and investment portfolio.

Non-interest income improved an astounding 289% from the first quarter 2004 compared to 2005, from \$677,000 to \$2.6 million. This increase resulted from increased income on the volume of commercial loans and management's implementation of tighter controls on operations. In



addition, fees and gains on sale of mortgages and Small Business Administration loans increased to \$1.9 million for the first three months of 2005 as compared to \$528,000 million for the same period of 2004. Gains on the sale of Mortgages account for the majority of this increase.

Non-interest expenses increased \$1.8 million from the first quarter 2004 to first quarter 2005. This increase includes salary and benefit cost increases of \$1.2 million, which was primarily due to increased commissions in mortgage lending, a direct correlation to the increase in the non-interest income. In addition, there was additional staffing to non-mortgage lending areas such as commercial and retail loan officers to assure continued loan quality and controls.

Carroll C. Markley, Chairman and CEO of Millennium Bankshares Corporation stated, "We are very pleased with our solid net income growth as well as the progression we have made with bringing in new deposits and loans to the bank. 2005 is already off to a tremendous start, and new initiatives now underway should help bring continued successes throughout the year. We appreciate all of the hard work and dedication our team has given and look forward to providing continued services to our customers and shareholders in the future."

Forward-Looking Statements

This news release contains comments or information that constitute forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Actual results may differ materially from the results expressed in forward-looking statements. Factors that might cause such a difference include changes in interest rates and interest rate relationships; demand for products and services; the degree of competition by traditional and non-traditional competitors; changes in banking regulation; changes in tax laws; changes in prices, levies, and assessments; the impact of technological advances; governmental and regulatory policy changes; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; changes in the national and local economy; and other factors, including risk factors, referred to from time to time in filings made by Millennium Bankshares with the Securities and Exchange Commission. Millennium Bankshares undertakes no obligation to update or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

Contacts:

Carroll C. Markley, Chairman & CEO
Jean Houpert, VP & Controller
Millennium Bankshares Corporation
Phone: 703-464-1969
Fax: 703-464-7974
ir@mbankshares.com

This news release contains comments or information and that more information on Millennium Bankshares Corporation, including financial highlights as of March 30, 2005 can be found online at <http://www.mbankshares.com> or obtained by phoning Millennium at 703-467-3477.

Millennium Bankshares Corporation
Consolidated Statements of Income

(In thousands, except per share data)	Three Months Ended	
	3/31/05	3/31/04
	(Unaudited)	(Unaudited)
INTEREST INCOME		
Interest and fees on loans	\$4,010	\$3,335
Interest on securities available for sale	1,481	797
Federal funds sold	16	10
Total interest income	5,507	4,142
INTEREST EXPENSE		
Interest on deposits	1,984	1,503
Other borrowed funds	406	170
Total interest expense	2,390	1,673
Net interest income	3,117	2,469
Provision for loan and lease losses	97	0
Net interest income after provision for loan and lease losses	3,020	2,469
NON INTEREST INCOME		
Service charges on deposit accounts	68	55
Fees and Gains on sale of HFS loans	2,448	528
Net gain on sale of securities	0	10
Other income	119	84
Total non interest income	2,635	677
NON INTEREST EXPENSE		
Salaries and benefits	2,767	1,585
Occupancy, furniture and equipment	708	569
Other expense	1,140	673
Total non interest expense	4,615	2,827
Income before federal income tax	1,040	319
Federal income tax expense	355	108
Net income	\$685	\$211
Basic earnings per share	\$0.08	\$0.06
Diluted earnings per share	\$0.08	\$0.05
Average shares outstanding	8,783,697	3,642,978
Average diluted shares outstanding	8,880,677	4,390,598

Millennium Bankshares Corporation
 First Quarter 2005 Results

Millennium Bankshares Corporation
 Consolidated Balance Sheets

(In thousands)	March 31, 2005 <hr/> (Unaudited)	December 31 2004 <hr/> (Unaudited)
ASSETS		
Cash and due from banks	\$6,041	\$2,974
Federal funds sold	4,951	55
Securities available for sale	118,280	86,219
Loans Receivable		
Loans held for sale	37,463	29,337
Loans, net of discount	254,081	249,844
Allowance for loan and lease losses	(3,004)	(2,925)
Total loans, net of allowance	288,540	276,256
Premises and equipment, net	2,360	2,467
Other assets	5,324	3,887
Total assets	<u>\$425,496</u>	<u>\$371,858</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	\$29,430	\$22,924
Interest-bearing	289,378	257,909
Total deposits	318,808	280,833
Federal funds purchased and repurchase agreements	11,781	7,066
Federal Home Loan Bank advances	36,500	26,500
Subordinated debentures	8,000	8,000
Accrued expenses and other liabilities	3,579	2,348
Total liabilities	378,668	324,747
SHAREHOLDERS' EQUITY		
Common stock	47,986	47,958
Retained earnings	518	(167)
Accumulated other comprehensive income	(1,676)	(680)
Total shareholders' equity	46,828	47,111
Total liabilities and shareholders' equity	<u>\$425,496</u>	<u>\$371,858</u>