

FIRST MID ILLINOIS BANCSHARES INC  
Form 10-Q  
August 05, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

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

Commission file number 0-13368

FIRST MID-ILLINOIS BANCSHARES, INC.  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

37-1103704  
(I.R.S. employer identification no.)

1515 Charleston Avenue,  
Mattoon, Illinois  
(Address of principal executive offices)

61938  
(Zip code)

(217) 234-7454  
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 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, 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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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(Do not check if a smaller reporting  
company)

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

As of August 4, 2009, 6,142,404 common shares, \$4.00 par value, were outstanding.

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## PART I

## ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets	(Unaudited)	
(In thousands, except share data)	June 30 2009	December 31, 2008
<b>Assets</b>		
Cash and due from banks:		
Non-interest bearing	\$ 23,259	\$ 17,756
Interest bearing	70,636	30,587
Federal funds sold	60,000	38,300
Cash and cash equivalents	153,895	86,643
Investment securities:		
Available-for-sale, at fair value	254,069	169,476
Held-to-maturity, at amortized cost (estimated fair value of \$470 and \$610 at June 30, 2009 and December 31, 2008, respectively)	459	599
Loans held for sale	1,550	537
Loans	690,699	741,401
Less allowance for loan losses	(8,573)	(7,587)
Net loans	682,126	733,814
Interest receivable	6,370	7,161
Other real estate owned	1,859	2,388
Premises and equipment, net	15,462	14,985
Goodwill, net	17,363	17,363
Intangible assets, net	3,184	3,562
Other assets	13,967	13,172
<b>Total assets</b>	<b>\$ 1,150,304</b>	<b>\$ 1,049,700</b>
<b>Liabilities and Stockholders' Equity</b>		
Deposits:		
Non-interest bearing	\$ 118,114	\$ 119,986
Interest bearing	788,739	686,368
Total deposits	906,853	806,354
Securities sold under agreements to repurchase	67,761	80,708
Interest payable	2,019	1,616
FHLB borrowings	37,750	37,750
Other borrowings	-	13,000
Junior subordinated debentures	20,620	20,620
Other liabilities	7,190	6,874
<b>Total liabilities</b>	<b>1,042,193</b>	<b>966,922</b>
Stockholders' Equity		
Convertible preferred stock, no par value; authorized 1,000,000; issued 4,527 shares in 2009	22,635	-
Common stock, \$4 par value; authorized 18,000,000 shares; issued 7,328,123 shares in 2009 and 7,254,117 shares in 2008	29,312	29,017
Additional paid-in capital	26,402	25,289
Retained earnings	60,317	58,059
Deferred compensation	2,848	2,787
Accumulated other comprehensive loss	(63)	(416)

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Less treasury stock at cost, 1,185,719 shares in 2009		
and 1,121,273 shares in 2008	(33,340)	(31,958)
Total stockholders' equity	108,111	82,778
Total liabilities and stockholders' equity	\$ 1,150,304	\$ 1,049,700

See accompanying notes to unaudited condensed consolidated financial statements.

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## Condensed Consolidated Statements of Income (unaudited)

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
<b>Interest income:</b>				
Interest and fees on loans	\$ 10,543	\$ 11,944	\$ 21,406	\$ 24,298
Interest on investment securities	2,285	2,121	4,369	4,243
Interest on federal funds sold	22	93	35	251
Interest on deposits with other financial institutions	56	126	60	279
Total interest income	12,906	14,284	25,870	29,071
<b>Interest expense:</b>				
Interest on deposits	3,703	4,326	7,276	9,176
Interest on securities sold under agreements to repurchase				