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

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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO	O SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934	O SECTION 13 OR 13(d) OF THE
For the quarterly period ended June 30, 2009	
Or	
[ ] TRANSITION REPORT PURSUANT TO	
SECURITIES EXCHANGE ACT OF 1934	obletion is on is (d) of this
For the transition period from	to
1 or <b>u.c</b> crunoruon porrou nom	_ ~
Commission file n	umber 0-13368
FIRST MID-ILLINOIS E	BANCSHARES, INC.
(Exact name of Registrant a	
(Enact name of registrant a	s specified in its charter)
Delaware	37-1103704
(State or other jurisdiction of	(I.R.S. employer identification no.)
incorporation or organization)	,
1	
1515 Charleston Avenue,	
Mattoon, Illinois	61938
(Address of principal executive offices)	(Zip code)
(217) 234	
(Registrant's telephone num	ber, including area code)
	· (1) 1
the Securities Exchange Act of 1934 during the	at (1) has filed all reports required to be filed by Section 13 or 15(d) of the preceding 12 months (or for such shorter period that the Registrant been subject to such filing requirements for the past 90 days. Yes
every Interactive Data File required to be sub-	at has submitted electronically and posted on its corporate website, if any, mitted and posted pursuant to Rule 405 of Regulation S-T (Section 12 months (or for such shorter period that the registrant was required to
•	at is a large accelerated filer, an accelerated filer, non-accelerated filer, or ons of "large accelerated filer," "accelerated filer" and "smaller reporting at (Check one):
Large accelerated filer [ ]	Accelerated filer [X]
Non-accelerated filer [ ]	Smaller reporting company [ ]

(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.

# PART I

IEM 1. FINANCIAL STATEMENTS   (Unaudited)     Condensed Consolidated Balance Sheets   (Unaudited)     (In thousands, except share data)   June 3   31,     Assets   300   2008     Cash and due from banks:     Non-interest bearing   70,636   30,587     Federal funds sold   60,000   38,300     Cash and cash equivalents   153,895   169,476     Investment securities:   153,895   169,476     Available-for-sale, at fair value   450,600   169,476     Held-to-maturity, at amortized cost (estimated fair value of \$470 and   515,805   537     Loans   60,009   741,401   539     Less allowance for loan losses   68,216   37,838     Net loans   682,126   37,838     Interest receivable   63,70   7,161     Other racl estate owned   1,859   3,838     Premises and equipment, net   15,40   3,838     Other racl estate owned   1,859   3,838     Total assets   1,150   3,75				
Condensed Consolidated Balance Sheets   (Unaudited)     (In thousands, except share data)   Jour 30     Assets   2008     Cash and due from banks:   23,259     Non-interest bearing   70,36   30,857     Interest bearing   70,06   38,00     Cash and cash equivalets   153,89   86,00     Investment securities:   80,00   16,00   38,00     Available-for-sale, at fair value   34,00   16,00   38,00     Held-to-maturity, attamortized cost (estimated fair value of \$470 and   45,99   59,90     Loans allow 30,2009 and December 31,2008, respectively)   45,99   59,99     Loans led for sale   15,50   50,99     Loans allowance for loan losses   68,21   73,814     Net loans   682,12   73,814     Interest receivable   16,50   74,161     Other all estate owned   1,85   2,88     Fremises and equipment, net   15,46   14,88     Other assets   13,96   13,17     Totia assets   13,00   18,10	ITEM 1 FINANCIAL STATEMENTS			
In thousands, except share data)   June 30   31, 32   32   32   32   32   32   32   33		Œ	naudited)	
In thousands, except share data)   June 30   31     Assets   Assets     Cash and due from banks:   Security 15     Interest bearing   70.05   30.587     Eederal funds sold   60.000   30.587     Cash and cash equivalents   153.895   86.643     Investment securities:   254.006   76.706   76.706     Available-for-sale, at fair value   35.000   75.000   76.000<	Condensed Consonauce Bulance Sheets	(0)	ilauarica)	December
Assets   2008   2008     Cash and due from banks:	(In thousands, except share data)		June 30	
Assets     Cash and due from banks:   \$23,259   \$17,75     Interest bearing   70,636   30,587     Federal funds sold   60,000   33,087     Cash and cash equivalents   153,895   86,643     Investment securities:   35,800   169,476     Available-for-sale, at fair value   35,000   169,476     Held-to-maturity, at amortized cost (estimated fair value of \$470 and Self of Junus 30, 2009 and December 31, 2008, respectively)   459   599     Loans   69,059   74,401   593     Loans led for sale   1,559   597     Loans allowance for loan losses   88,573   7,587     Net loans   682,126   373,814     Interest receivable   6,370   7,161     Other asset somed   1,859   2,388     Fremises and equipment, net   15,462   14,985     Goodwill, net   17,363   13,732     Intargable assets, net   3,184   3,562     Other assets   31,967   13,172     Total assets   1,150,304   \$1,993	(III tilousulus, except share data)			
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:   2   54,649   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 led for sale   1,550   537   1,550   537     Loans   690,699   741,401   1   1,550   537     Loans   690,699   741,401   1   2,533   1,550   537     Loans   690,699   741,401   1   3,533   1,550   33,814   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,610   1,710   1,610   1,710   1,610   1,710   1,610   1,710   1,610   1,710   1,710   1,710	Assets		2007	2000
Interest bearing   70,636   30,587   Federal funds sold   60,000   38,300   153,895   86,643   Investment securities:	Cash and due from banks:			
Interest bearing   70,636   30,587   Federal funds sold   60,000   38,300   153,895   Rederal funds sold   60,000   38,300   153,895   86,643   Investment securities:   254,069   169,476   Held-to-maturity, at amortized cost (estimated fair value of \$470 and   1,550   537   1,500   1	Non-interest bearing	\$	23,259	\$ 17,756
Federal funds sold   60,000   38,300     Cash and cash equivalents   153,895   86,648     Investment securities:   36,000   163,895   86,648     Investment securities:   254,009   169,476     Held-to-maturity, at amortized cost (estimated fair value of \$470 and \$500 and 100 and December 31,2008, respectively)   459   599     Loans   690,69   741,401   507   75,871     Loans   682,12   75,871   75,871   76,101   76,871   76,871   76,871   76,871   76,871   76,120   76,871   76,121	<u> </u>		70,636	30,587
Cash and cash equivalents   153,895   86,643     Investment securities:   Available for-sale, at fair value   254,069   169,476     Available for-sale, at fair value   254,069   169,476     Held-to-maturity, at amortized cost (estimated fair value of \$470 and   459   599     Soft of at June 30, 2009 and December 31, 2008, respectively)   459   599     Loans held for sale   690,699   741,401     Less allowance for loan losses   682,723   7.587,108     Net loans   682,723   7.33,814     Interest receivable   6,370   7.161     Other real estate owned   1,859   2,388     Premises and equipment, net   15,495   2,388     Premises and equipment, net   17,363   17,363   17,363     Intagible assets, net   3,184   3,562   18,317   18,317   18,317   18,317   19,317   13,172   12,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13,172   13				
Investment securities:   Available-for-sale, at fair value   169,476     Held-to-maturity, at amortized cost (estimated fair value of \$470 and \$510 at June 30, 2009 and December 31, 2008, respectively)   459   599     Loans held for sale   690,699   741,401     Less allowance for loan losses   (8,573)   (7,887)     Net loans   682,126   733,814     Interest receivable   682,126   733,814     Interest receivable   1,859   2,388     Other real estate owned   1,859   2,388     Fremises and equipment, net   15,462   14,985     Goodwill, net   17,363   17,363     Intangible assets, net   313,67   13,172     Other assets   13,967   13,172     Total assets   \$1,150,304   \$1,049,700     Liabilities   \$1,859   86,858     Total deposits   \$96,853   866,368     Interest bearing   \$18,114   \$119,986     Interest bearing   \$1,859   86,368     Total deposits   \$96,853   866,368     Securities sold under agre	Cash and cash equivalents		-	
Held-to-maturity, at amortized cost (estimated fair value of \$470 and \$610 at June 30, 2009 and December 31, 2008, respectively)	•			
Held-to-maturity, at amortized cost (estimated fair value of \$470 and \$610 at June 30, 2009 and December 31, 2008, respectively)	Available-for-sale, at fair value		254,069	169,476
8610 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   15,462   14,985     Goodwill, net   17,363   17,363     Intangible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   1,150,304   \$1,049,700     Liabilities and Stockholders' Equity   1   1,19,986     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   2,02   20,20     Other liabilities   7,190   6,874     Total liabilities				
Loans held for sale   1,550   537     Loans   690,699   741,401     Less allowance for loan losses   (8,77)   7,587     Net loans   682,126   733,814     Interest receivable   6,370   7,161     Other real estate owned   1,859   2,388     Fremises and equipment, net   15,462   14,985     Goodwill, net   13,363   17,363     Intangible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   115,040   1,049,700     Liabilities and Stockholders' Equity   15,040   1,049,700     Liabilities and Stockholders' Equity   18,114   119,986     Interest bearing   788,739   686,368     Total deposits   906,853   806,358     Securities sold under agreements to repurchase   67,61   80,798     Interest payable   2,019   1,616     FHILB borrowings   37,750   37,550     Other borrowings   37,50   36,762     Other liabilities <td>•</td> <td></td> <td>459</td> <td>599</td>	•		459	599
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   1,889   2,388     Premises and equipment, net   15,462   14,985     Goodwill, net   17,363   17,363     Intagible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   1,50,000   10,000     Liabilities and Stockholders' Equity   5   1,50,000   10,000     Poposits:   78,730   868,368   18,899   18,899   18,819   866,368   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,999   18,998   18,999   18,998   18,999   18,998   18,999   18,988   18,999   18,998   18,999   18,988   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998 <td></td> <td></td> <td></td> <td></td>				
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   1,889   2,388     Premises and equipment, net   15,462   14,985     Goodwill, net   17,363   17,363     Intagible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   1,50,000   10,000     Liabilities and Stockholders' Equity   5   1,50,000   10,000     Poposits:   78,730   868,368   18,899   18,899   18,819   866,368   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,999   18,998   18,999   18,998   18,999   18,998   18,999   18,988   18,999   18,998   18,999   18,988   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998   18,998 <td>Loans</td> <td></td> <td></td> <td></td>	Loans			
Net loans   682,126   733,814     Interest receivable   6,370   7,161     Other real estate owned   1,859   2,388     Fremises 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     Total assets   115,030   1,049,700     Liabilities and Stockholders' Equity   18,150,304   1,049,700     Deposits:   18,150,304   1,19,86     Non-interest bearing   18,18,114   119,986     Interest bearing   788,739   686,368     Total deposits   906,853   806,354     Securities sold under agreements to repurchase   67,761   80,785     Interest payable   2,019   1,616     FHLB borrowings   37,550   37,750     Other borrowings   -   13,000     Junior subordinated debentures   20,620   20,620     Other liabilities   7,190   6,874     Total liabilities	Less allowance for loan losses			
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     Total assets   \$1,150,304   \$1,049,700     Liabilities and Stockholders' Equity   ****     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   67,761   80,708     Interest payable   7,100   37,750     Other borrowings   3,750   37,750     Other borrowings   -   13,000     Junior subordinated debentures   20,620   20,620     Other liabilities   7,190   6,874     Total liabilities   1,042,19	Net loans			
Other real estate owned   1,859   2,388     Premises and equipment, net   15,462   14,985     Goodwill, net   17,363   17,363     Intagible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   1,150,304   \$1,049,700     Liabilities and Stockholders' Equity   ****   ****     Deposits:   ****	Interest receivable			
Premises and equipment, net   15,462   14,985     Goodwill, net   17,363   17,363     Intagible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   1,150,304   \$1,049,700     Liabilities and Stockholders' Equity   ****     Deposits:     Non-interest bearing   \$118,114   \$119,986     Interest bearing   788,739   686,368     Total deposits   906,853   806,358     Securities sold under agreements to repurchase   67,761   80,708     Interest payable   2,019   1,616     FHLB borrowings   37,750   37,550     Other borrowings   37,750   37,550     Other liabilities   20,620   20,620     Other liabilities   1,042,193   96,922     Stockholders' Equity   2   2,235   -     Convertible preferred stock, no par value; authorized 1,000,000; stares; issued 4,527 shares in 2009   22,635   -     Common stock, 84 par value; authorized 18,000,000 shares; issued 7,328,123 shares in 2009 and 7,254,117 sh	Other real estate owned			·
Goodwill, net   17,363   17,363     Intangible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   \$1,150,304   \$1,049,700     Liabilities and Stockholders' Equity   Total assets     Deposits:   Total deposits   \$118,114   \$119,986     Interest bearing   \$18,739   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   20,620   20,620     Other liabilities   7,190   6,874     Total liabilities   7,190   6,874     Total liabilities   7,190   6,874     Total liabilities   7,190   6,874     Total liabilities   2,263   -     Convertible preferred stock, no par value; authorized 1,000,000;   22,635   -     Essued 4,527 shares in 2009   22,635   - <td></td> <td></td> <td></td> <td></td>				
Intangible assets, net   3,184   3,562     Other assets   13,967   13,172     Total assets   \$1,150,304   \$1,049,700     Liabilities and Stockholders' Equity     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   3,750   37,750     Other borrowings   2,062   20,620     Other liabilities   7,190   6,874     Total liabilities   7,190   6,874     Total liabilities   7,190   6,874     Total liabilities   1,042,193   966,922     Stockholders' Equity   22,635   -     Convertible preferred stock, no par value; authorized 1,000,000;   22,635   -     issued 4,527 shares in 2009   22,635   -     Common stock, \$4 par value; authorized 18,000,000 shares;			-	
Other assets   13,967   13,172     Total assets   \$ 1,150,304   \$ 1,049,700     Liabilities and Stockholders' Equity   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     Total liabilities   7,190   6,874     Total liabilities   1,042,193   966,922     Stockholders' Equity   22,635   -     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				
Total assets   \$ 1,50,304   \$ 1,049,700     Liabilities and Stockholders' Equity     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     Total liabilities   7,190   6,874     Total liabilities   1,042,193   966,922     Stockholders' Equity   2   22,635   -     Commertible 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			-	•
Liabilities and Stockholders' Equity   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   Total liabilities 7,190 6,874   Total liabilities 1,042,193 966,922   Stockholders' Equity 2 25,263 -   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	Total assets	\$ 1		\$
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     Total liabilities   1,042,193   966,922     Stockholders' Equity   22,635   -     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	Liabilities and Stockholders' Equity			
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     Total liabilities   1,042,193   966,922     Stockholders' Equity   2   22,635   -     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				
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     Total liabilities   1,042,193   966,922     Stockholders' Equity   22,635   -     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	*	\$	118,114	\$ 119,986
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     Total liabilities   1,042,193   966,922     Stockholders' Equity   2   2,635   -     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			788,739	
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     Total liabilities   1,042,193   966,922     Stockholders' Equity   2   2,635   -     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	•		906,853	
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   Total liabilities 1,042,193 966,922   Stockholders' Equity 2 500   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	•		67,761	80,708
FHLB borrowings 37,750 37,750   Other borrowings - 13,000   Junior subordinated debentures 20,620 20,620   Other liabilities 7,190 6,874   Total liabilities 1,042,193 966,922   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	•		2,019	
Junior subordinated debentures 20,620 20,620   Other liabilities 7,190 6,874   Total liabilities 1,042,193 966,922   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			37,750	37,750
Junior subordinated debentures 20,620 20,620   Other liabilities 7,190 6,874   Total liabilities 1,042,193 966,922   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			_	
Total liabilities 1,042,193 966,922   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	•		20,620	
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	Other liabilities		7,190	
Convertible preferred stock, no par value; authorized 1,000,000; 22,635 -   issued 4,527 shares in 2009 22,635 -   Common stock, \$4 par value; authorized 18,000,000 shares; 29,312 29,017   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	Total liabilities	]	1,042,193	966,922
Convertible preferred stock, no par value; authorized 1,000,000; 22,635 -   issued 4,527 shares in 2009 22,635 -   Common stock, \$4 par value; authorized 18,000,000 shares; 29,312 29,017   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	Stockholders' Equity			
Common stock, \$4 par value; authorized 18,000,000 shares; 29,312 29,017   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				
Common stock, \$4 par value; authorized 18,000,000 shares; 29,312 29,017   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	issued 4,527 shares in 2009		22,635	_
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	Common stock, \$4 par value; authorized 18,000,000 shares;			
Additional paid-in capital 26,402 25,289   Retained earnings 60,317 58,059   Deferred compensation 2,848 2,787	•		29,312	29,017
Retained earnings   60,317   58,059     Deferred compensation   2,848   2,787				
Deferred compensation 2,848 2,787				
•				
	•		(63)	

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.

### Condensed Consolidated Statements of Income (unaudited)

(In thousands, except per share data)

(in thousands, except per share data)								
	Three months ended June			S	Six months ended June			
	30,			30,				
		2009		2008		2009		2008
Interest income:								
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
Interest expense:								
Interest on deposits		3,703		4,326		7,276		9,176
Interest on securities sold under agreements to repurchase								