

FIRST MID ILLINOIS BANCSHARES INC
Form 10-Q
August 07, 2007

**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, 2007

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

As of August 7, 2007, 6,373,495 common shares, \$4.00 par value, were outstanding.

PART I

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands, except share data)	June 30, 2007	December 31, 2006
Assets		
Cash and due from banks:		
Non-interest bearing	\$ 18,964	\$ 20,266
Interest bearing	270	200
Federal funds sold	100	1,370
Cash and cash equivalents	19,334	21,836
Investment securities:		
Available-for-sale, at fair value	185,366	184,266
Held-to-maturity, at amortized cost (estimated fair value of \$1,212 and \$1,346 at June 30, 2007 and December 31, 2006, respectively)	1,198	1,323
Loans held for sale	1,817	2,234
Loans	729,986	721,334
Less allowance for loan losses	(6,158)	(5,876)
Net loans	723,828	715,458
Interest receivable	6,731	8,417
Premises and equipment, net	15,904	16,293
Goodwill, net	17,363	17,363
Intangible assets, net	4,715	5,148
Other assets	9,240	8,221
Total assets	\$ 985,496	\$ 980,559
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest bearing	\$ 110,415	\$ 121,405
Interest bearing	655,759	649,190
Total deposits	766,174	770,595
Securities sold under agreements to repurchase	45,520	66,693
Interest payable	2,507	2,445
Other borrowings	68,000	37,800
Junior subordinated debentures	20,620	20,620
Other liabilities	5,508	6,620
Total liabilities	908,329	904,773
Stockholders' Equity		
Common stock, \$4 par value; authorized 18,000,000 shares;		
issued 7,120,368 shares in 2007 and 8,552,886 shares in 2006	28,481	22,808
Additional paid-in capital	23,045	21,261
Retained earnings	45,931	68,625
Deferred compensation	2,496	2,629
Accumulated other comprehensive income (loss)	(900)	19
Less treasury stock at cost, 746,874 shares in 2007		

and 2,121,269 shares in 2006		(21,886)		(39,556)
Total stockholders' equity		77,167		75,786
Total liabilities and stockholders' equity	\$	985,496	\$	980,559

See accompanying notes to unaudited condensed consolidated financial statements.

**Condensed Consolidated Statements
of Income (unaudited)**

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Interest income:				
Interest and fees on loans	\$ 12,422	\$ 11,514	\$ 24,594	\$ 21,800
Interest on investment securities	2,212	2,031	4,481	3,584
Interest on federal funds sold	62	88	143	105
Interest on deposits with other financial institutions	4	18	8	21
Total interest income	14,700	13,651	29,226	25,510
Interest expense:				
Interest on deposits	5,402	4,381	10,692	7,830
Interest on securities sold under agreements to repurchase	592	530	1,169	1,011
Interest on other borrowings	658	671	1,245	1,270