

FIRST MID ILLINOIS BANCSHARES INC
Form 10-Q
May 05, 2011

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 March 31, 2011

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

(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 May 5, 2011, 6,059,527 common shares, \$4.00 par value, were outstanding.

PART I

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets	(Unaudited)	
(In thousands, except share data)	March 31, 2011	December 31, 2010
Assets		
Cash and due from banks:		
Non-interest bearing	\$25,537	\$21,008
Interest bearing	112,275	130,485
Federal funds sold	80,000	80,000
Cash and cash equivalents	217,812	231,493
Certificates of deposit investments	10,000	10,000
Investment securities:		
Available-for-sale, at fair value	387,196	342,816
Held-to-maturity, at amortized cost (estimated fair value of \$53 at March 31, 2011 and December 31, 2010)	50	50
Loans held for sale	562	114
Loans	794,535	804,467
Less allowance for loan losses	(10,651)	(10,393)
Net loans	783,884	794,074
Interest receivable	5,711	6,390
Other real estate owned	5,926	6,127
Premises and equipment, net	28,331	28,544
Goodwill, net	25,753	25,753
Intangible assets, net	4,782	5,068
Other assets	17,836	17,816
Total assets	\$1,487,843	\$1,468,245
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest bearing	\$198,745	\$183,932
Interest bearing	1,017,620	1,028,778
Total deposits	1,216,365	1,212,710
Securities sold under agreements to repurchase	94,670	94,057
Interest payable	632	701
FHLB borrowings	19,750	22,750
Junior subordinated debentures	20,620	20,620
Other liabilities	6,897	5,142
Total liabilities	1,358,934	1,355,980
Stockholders' Equity		
Convertible preferred stock, no par value; authorized 1,000,000 shares; issued 7,679 shares in 2011 and 4,927 shares in 2010	38,395	24,635
Common stock, \$4 par value; authorized 18,000,000 shares; issued 7,496,801 shares in 2011 and 7,477,132 shares in 2010	29,987	29,909
Additional paid-in capital	28,528	28,223
Retained earnings	68,494	66,356
Deferred compensation	2,885	2,929
Accumulated other comprehensive loss	(1,321)	(2,066)

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Less treasury stock at cost, 1,439,143 shares in 2011		
and 1,418,456 shares in 2010	(38,059)	(37,721)
Total stockholders' equity	128,909	112,265
Total liabilities and stockholders' equity	\$1,487,843	\$1,468,245

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 March 31,	
	2011	2010
Interest income:		
Interest and fees on loans	\$11,463	\$9,914
Interest on investment securities	2,444	2,235
Interest on certificates of deposit investments	21	30
Interest on federal funds sold	24	16
Interest on deposits with other financial institutions	77	15
Total interest income	14,029	12,210
Interest expense:		
Interest on deposits	1,819	2,186
Interest on securities sold under agreements to repurchase	33	30
Interest on FHLB borrowings	211	343
Interest on subordinated debentures	261	260
Total interest expense	2,324	2,819
Net interest income	11,705	9,391
Provision for loan losses	940	760
Net interest income after provision for loan losses	10,765	8,631
Other income:		
Trust revenues	781	624
Brokerage commissions	155	129
Insurance commissions	608	644
Service charges	1,096	1,076
Securities gains, net		