

MAIN STREET TRUST INC
Form 10-Q
May 09, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 2007

Commission File Number: **0-30031**

MAIN STREET TRUST, INC.

(Exact name of Registrant as specified in its charter)

Illinois

(State or other jurisdiction
of incorporation or organization)

37-1338484

(I.R.S. Employer Identification
Number)

100 West University, Champaign, Illinois

(Address of principal executive offices)

61820

(Zip Code)

(217) 351-6500

(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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

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Yes No

Indicate the number of shares outstanding of the registrant's common stock, as of May 2, 2007:

Main Street Trust, Inc. Common Stock	10,039,138
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****MAIN STREET TRUST, INC. AND SUBSIDIARIES****Consolidated Balance Sheets****March 31, 2007 and December 31, 2006****(Unaudited, in thousands, except share data)**

	March 31, 2007	December 31, 2006
ASSETS		
Cash and due from banks	\$ 45,764	\$ 48,608
Federal funds sold and interest bearing deposits	3,066	12,777
Cash and cash equivalents	48,830	61,385
Investments in debt and equity securities:		
Available-for-sale, at fair value	320,137	318,575
Held-to-maturity, at cost (fair value of \$61,871 and \$69,037 at March 31, 2007 and December 31, 2006, respectively)	62,458	69,893
Non-marketable equity securities	13,847	14,227
Total investments in debt and equity securities	396,442	402,695
Loans, net of allowance for loan losses of \$13,731 and \$14,437 at March 31, 2007 and December 31, 2006, respectively	995,353	987,485
Mortgage loans held for sale	1,690	1,116
Premises and equipment	23,655	22,447
Goodwill	20,736	20,736
Core deposit intangibles	3,481	3,698
Accrued interest receivable	11,674	9,663
Other assets	27,178	27,376
Total assets	\$ 1,529,039	\$ 1,536,601
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 215,226	\$ 225,325
Interest bearing	1,027,549	1,008,162
Total deposits	1,242,775	1,233,487
Federal funds purchased and repurchase agreements	95,056	108,323
Federal Home Loan Bank advances and other borrowings	18,023	24,477
Accrued interest payable	4,849	5,187
Other liabilities	14,829	14,772
Total liabilities	1,375,532	1,386,246
Commitments and financial instruments (See Note 6)		
Shareholders' equity:		
Preferred stock, no par value; 2,000,000 shares authorized		
Common stock, \$0.01 par value; 15,000,000 shares authorized; 11,219,319 shares issued	112	112
Paid in capital	56,294	56,089
Retained earnings	131,693	129,539
Accumulated other comprehensive loss	(842)	(1,155)
	187,257	184,585
Less: treasury stock, at cost, 1,180,181 and 1,196,950 shares at March 31, 2007 and December 31, 2006, respectively	(33,750)	(34,230)

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Total shareholders equity	153,507	150,355
Total liabilities and shareholders equity	\$ 1,529,039	\$ 1,536,601

See accompanying notes to unaudited consolidated financial statements.

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MAIN STREET TRUST, INC. AND SUBSIDIARIES

Consolidated Statements of Income

For the Three Months Ended March 31, 2007 and 2006

(Unaudited, in thousands, except share data)

	2007	2006
Interest income:		
Loans and fees on loans	\$ 18,004	\$ 16,795
Investments in debt and equity securities		
Taxable	4,362	4,106
Tax-exempt	241	330
Federal funds sold and interest bearing deposits	248	297
Total interest income	22,855	21,528
Interest expense:		
Deposits	9,262	7,418
Federal funds purchased and repurchase agreements	1,293	1,151
Federal Home Loan Bank advances and other borrowings	287	681
Total interest expense	10,842	9,250