

FIRST MID ILLINOIS BANCSHARES INC

Form 425

January 12, 2018

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Date: January 12, 2018
To: All First Bank and First Mid Employees
From: Matt Carr, President & CLO, First Bank
Mike Taylor, COO, First Mid
Subject: Merger and Integration Update

As we begin the New Year, we thought it would be helpful to give you an update on our plans to combine our companies. Following our announcement on December 11, 2017, Joe Dively, CEO, First Mid, and some members of the First Mid team, visited several First Bank locations to make introductions and share our enthusiasm about the merger. For those of you who were able to attend, we hope you learned some things about First Mid and also got some of your initial questions answered. We'd like to provide some additional details to convey next steps during this time of transition.

In January and February, you will start to see some interaction between team members of our banks, as we begin to understand roles and responsibilities, processes and systems of each department. As you can understand, this will take time and we appreciate your patience in reaching each individual person.

The timing of the transaction closing is largely driven by regulatory approvals; therefore, we will not know the exact date until we get closer to completion, but we anticipate it will be sometime in the second quarter. The merger of the banks and converting of accounts from First Bank to First Mid is scheduled through First Mid's core banking system provider (Fiserv). We presently expect the conversion to happen in August along with the name change to First Mid. As we get closer to these dates, a conversion team will be formed and a plan put in place to smoothly convert accounts and communicate changes to our customers. We expect to have First Bank employees join the conversion team sometime in March.

In the meantime, while we still operate as two banks, please continue doing what we do best, which is taking care of customers. We're excited about the opportunities that lie ahead and are eager to work together to join our companies into one.

If First Bank employees have questions, please continue to direct them to Matt Carr at mcarr@firstbanktrust.com. We may not have all the answers yet, but we'll share what we can until more decisions can be made and communicated.

Thank you.

Forward Looking Statements

This document may contain certain forward-looking statements about First Mid-Illinois Bancshares, Inc. (“First Mid”) and First BancTrust Corporation (“First Bank”), such as discussions of First Mid’s and First Bank’s pricing and fee trends, credit quality and outlook, liquidity, new business results, expansion plans, anticipated expenses and planned schedules. First Mid and First Bank intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of First Mid and First Bank, are identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” or similar expressions. Actual results could differ materially from the results indicated by these statements because the realization of those results is subject to many risks and uncertainties, including, among other things, the possibility that any of the anticipated benefits of the proposed transactions between First Mid and First Bank will not be realized or will not be realized within the expected time period; the risk that integration of the operations of First Bank with First Mid will be materially delayed or will be more costly or difficult than expected; the inability to complete the proposed transactions due to the failure to obtain the required stockholder approval; the failure to satisfy other conditions to completion of the proposed transactions, including receipt of required regulatory and other approvals; the failure of the proposed transactions to close for any other reason; the effect of the announcement of the transaction on customer relationships and operating results; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; changes in interest rates; general economic conditions and those in the market areas of First Mid and First Bank; legislative/regulatory changes; monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board; the quality or composition of First Mid’s and First Bank’s loan or investment portfolios and the valuation of those investment portfolios; demand for loan products; deposit flows; competition, demand for financial services in the market areas of First Mid and First Bank; and accounting principles, policies and guidelines. Additional information concerning First Mid, including additional factors and risks that could materially affect First Mid’s financial results, are included in First Mid’s filings with the Securities and Exchange Commission (the “SEC”), including its Annual Reports on Form 10-K. Forward-looking statements speak only as of the date they are made. Except as required under the federal securities laws or the rules and regulations of the SEC, we do not undertake any obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise.

Important Information about the Merger and Additional Information

First Mid will file a registration statement on Form S-4 with the SEC in connection with the proposed transaction. The registration statement will include a proxy statement of First Bank that also constitutes a prospectus of First Mid, which will be sent to the stockholders of First Bank. Investors in First Bank are urged to read the proxy statement/prospectus, which will contain important information, including detailed risk factors, when it becomes available. The proxy statement/prospectus and other documents which will be filed by First Mid with the SEC will be available free of charge at the SEC’s website, www.sec.gov, or by directing a request when such a filing is made to First Mid-Illinois Bancshares, P.O. Box 499, Mattoon, IL 61938, Attention: Investor Relations; or to First BancTrust Corporation, 114 West Church Street, Champaign, IL 61824, Attention: Investor Relations. A final proxy statement/prospectus will be mailed to the stockholders of First Bank.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Participants in the Solicitation

First Mid and First Bank, and certain of their respective directors, executive officers and other members of management and employees are participants in the solicitation of proxies in connection with the proposed transactions. Information about the directors and executive officers of First Mid is set forth in the proxy statement for

its 2017 annual meeting of stockholders, which was filed with the SEC on March 14, 2017. Information about the directors and executive officers of First Bank is set forth in its proxy statement for its 2017 annual meeting of stockholders, which is available on its website. These documents can be obtained free of charge from the sources provided above. Investors may obtain additional information regarding the interests of such participants in the proposed transactions by reading the proxy statement/prospectus for such proposed transactions when it becomes available.