

First BancTrust Corporation
Condensed Consolidated Balance Sheets

	June 30, 2014 (unaudited)	December 31, 2013
Assets		
Cash and due from banks	\$ 5,809,139	\$ 6,916,022
Interest-bearing deposits	2,818,329	5,773,392
Federal Funds Sold	879,520	878,416
Cash and cash equivalents	9,506,988	13,567,830
Interest-bearing time deposits in banks	1,245,000	1,245,000
Available-for-sale securities	59,511,315	56,131,609
Held-to-maturity securities (fair value of \$590,111 and \$631,937)	485,574	601,052
Loans held for sale, net of unrealized loss	834,082	0
Loans, net of allowance for loan losses of \$4,162,378 and \$3,929,691	317,381,879	305,829,361
Premises and equipment	11,903,704	11,826,838
Federal Home Loan Bank stock	2,610,490	2,610,490
Foreclosed assets held for sale, net	62,231	992,292
Interest receivable	2,168,948	2,517,410
Deferred income taxes	2,295,488	2,481,306
Loan servicing rights, net of valuation allowance of \$0	417,142	476,737
Cash surrender value of life insurance	7,608,753	7,477,090
Goodwill	541,474	541,474
Core deposit intangibles	114,959	149,340
Other assets	965,984	897,248
	<u>417,654,011</u>	<u>407,345,077</u>
Total assets	\$ <u>417,654,011</u>	\$ <u>407,345,077</u>
Liabilities and Stockholders' Equity		
Deposits		
Demand	\$ 34,162,879	\$ 35,182,131
Savings, NOW and money market	137,650,313	130,652,513
Time	153,373,407	157,715,936
Brokered time	7,574,997	3,372,080
Total deposits	332,761,596	326,922,660
Federal funds purchased	2,000,000	-
Federal Home Loan Bank advances	34,000,000	34,000,000
Junior subordinated debentures	6,186,000	6,186,000
Pass through payments received on loans sold	228,446	81,111
Advances from borrowers for taxes and insurance	783,200	381,148
Interest payable	242,824	285,184
Other	2,772,071	2,771,753
Total liabilities	378,974,137	370,627,856
Stockholders' Equity		
Preferred stock, \$.01 par value; 1,000,000 shares authorized and unissued	-	-
Common stock, \$.01 par value; authorized 5,000,000 shares; Issued and outstanding - 2,114,761 and 2,114,761 shares	21,664	21,664
Additional paid-in capital	6,282,944	6,282,944
Retained earnings	32,629,673	31,230,160
Accumulated other comprehensive income	(254,407)	(817,547)
Total stockholders' equity	38,679,874	36,717,221
	<u>417,654,011</u>	<u>407,345,077</u>
Total liabilities and stockholders' equity	\$ <u>417,654,011</u>	\$ <u>407,345,077</u>

First BancTrust Corporation
Condensed Consolidated Statements of Income
(unaudited)

Six months Ended June 30	2014	2013
Interest and Dividend Income		
Loans		
Taxable	\$ 7,590,712	\$ 7,487,907
Tax exempt	18,863	20,449
Securities		
Taxable	482,463	415,258
Tax exempt	169,086	155,298
Deposits with financial institutions and other	23,659	23,706
Total interest and dividend income	<u>8,284,783</u>	<u>8,102,618</u>
Interest Expense		
Deposits	773,880	794,632
Federal Home Loan Bank advances and other debt	710,365	743,797
Total interest expense	<u>1,484,245</u>	<u>1,538,429</u>
Net Interest Income	6,800,538	6,564,189
Provision for loan losses	<u>392,550</u>	<u>679,000</u>
Net Interest Income After Provision for Loan Losses	<u>6,407,988</u>	<u>5,885,189</u>
Noninterest Income		
Customer service fees	390,715	417,743
Other service charges and fees	662,183	632,616
Net gains on loan sales	195,301	390,207
Net loan servicing fees	200,718	197,902
Brokerage fees	11,713	13,397
Abstract and title fees	168,148	240,757
Increase in cash surrender value of life insurance	131,663	137,140
Other	110,461	145,293
Total noninterest income	<u>1,870,902</u>	<u>2,175,055</u>
Noninterest Expense		
Salaries and employee benefits	3,248,833	3,161,765
Net occupancy expense	447,871	432,936
Equipment expense	447,242	442,665
Data processing fees	427,636	407,111
Professional fees	176,191	197,169
Foreclosed assets expense, net	35,889	75,340
Marketing expense	175,504	164,283
Printing and office supplies	57,022	72,791
Amortization of loan servicing rights	117,388	128,571
FDIC Insurance	127,538	134,099
Other expenses	642,790	643,219
Total noninterest expense	<u>5,903,904</u>	<u>5,859,949</u>
Income Before Income Tax	\$ 2,374,986	\$ 2,200,295
Income tax expense	<u>845,488</u>	<u>763,177</u>
Net Income Available to Common Stockholders	<u>\$ 1,529,498</u>	<u>\$ 1,437,118</u>
Basic Earnings Per Share	<u>\$ 0.72</u>	<u>\$ 0.69</u>
Diluted Earnings Per Share	<u>\$ 0.72</u>	<u>\$ 0.68</u>

First BancTrust Corporation
Condensed Consolidated Statements of Income
(unaudited)

Three months Ended June 30	2014	2013
Interest and Dividend Income		
Loans		
Taxable	\$ 3,850,893	\$ 3,749,489
Tax exempt	9,331	10,127
Securities		
Taxable	244,446	212,935
Tax exempt	86,699	78,705
Deposits with financial institutions and other	11,623	12,217
Total interest and dividend income	<u>4,202,992</u>	<u>4,063,473</u>
Interest Expense		
Deposits	388,732	382,338
Federal Home Loan Bank advances and other debt	357,144	370,575
Total interest expense	<u>745,876</u>	<u>752,913</u>
Net Interest Income	3,457,116	3,310,560
Provision for loan losses	199,500	299,500
Net Interest Income After Provision for Loan Losses	<u>3,257,616</u>	<u>3,011,060</u>
Noninterest Income		
Customer service fees	207,378	223,985
Other service charges and fees	353,755	324,631
Net gains on loan sales	119,332	176,344
Net loan servicing fees	100,250	99,446
Brokerage fees	5,747	8,449
Abstract and title fees	101,162	142,611
Increase in cash surrender value of life insurance	66,173	69,021
Other	55,318	74,282
Total noninterest income	<u>1,009,115</u>	<u>1,118,769</u>
Noninterest Expense		
Salaries and employee benefits	1,642,637	1,595,359
Net occupancy expense	222,854	212,687
Equipment expense	238,493	224,400
Data processing fees	216,286	211,945
Professional fees	81,259	107,296
Foreclosed assets expense, net	40,692	26,261
Marketing expense	90,954	82,431
Printing and office supplies	30,543	35,924
Amortization of loan servicing rights	56,354	64,653
FDIC Insurance	63,510	66,517
Other expenses	336,408	352,794
Total noninterest expense	<u>3,019,990</u>	<u>2,980,267</u>
Income Before Income Tax	\$ 1,246,741	\$ 1,149,562
Income tax expense	438,958	401,628
Net Income Available to Common Stockholders	<u>\$ 807,783</u>	<u>\$ 747,934</u>
Basic Earnings Per Share	<u>\$ 0.38</u>	<u>\$ 0.36</u>
Diluted Earnings Per Share	<u>\$ 0.38</u>	<u>\$ 0.36</u>

First BancTrust Corporation
Condensed Consolidated Statements of Cash Flows
(unaudited)

Six months ended June 30	2014	2013
Operating Activities		
Net income	\$ 1,529,498	\$ 1,640,803
Items not requiring (providing) cash		
Depreciation and amortization	422,100	425,308
Provision for loan losses	392,550	679,000
Loss (gain) on foreclosed assets, net	(14,901)	14,732
Gain on disposition of premises and equipment	-	(16,000)
Amortization of premiums and discounts on securities, net	126,427	356,216
Amortization of loan servicing rights	117,388	128,571
Deferred income taxes	(194,325)	(250,323)
Amortization of intangible assets	34,381	41,026
Net gain on loan sales	(195,302)	(390,207)
Loans originated for sale	(7,482,365)	(13,687,876)
Proceeds from sales of loans originated for sale	6,785,792	14,121,102
Changes in		
Interest receivable	348,462	307,524
Cash surrender value of life insurance	(131,663)	(137,139)
Other assets	(68,736)	812,224
Interest payable	(42,360)	(41,534)
Other liabilities	318	84,708
Net cash provided by operating activities	<u>1,627,264</u>	<u>4,088,135</u>
Investing Activities		
Purchases of available-for-sale securities	(6,491,026)	(12,464,315)
Proceeds from maturities of available-for-sale securities	3,928,123	5,984,187
Proceeds from maturities of held-to-maturity securities	115,531	340,202
Net change in loans	(12,009,768)	(5,140,926)
Proceeds from sales of foreclosed assets	1,009,662	1,549,801
Purchases of premises and equipment	(498,966)	(352,434)
Proceeds from disposal of premises and equipment	-	16,000
Net cash provided (used) by investing activities	<u>(13,946,444)</u>	<u>(10,067,485)</u>

Financing Activities

Net increase in demand deposits, money market, NOW and savings accounts	\$ 5,978,548	\$ 6,593,971
Net decrease in time and brokered time deposits	(139,612)	(6,969,925)
Net change in short-term borrowings	-	1,800,000
Net change in federal funds purchased	2,000,000	-
Net change in pass through payments received on loans sold	147,335	(41,217)
Net change in advances from borrowers for taxes and insurance	402,052	152,171
Dividends paid on common stock	(129,985)	(85,782)
Proceeds from stock options exercised	-	14,717
	<u>8,258,338</u>	<u>1,463,935</u>
Net cash provided by financing activities		
	<u>8,258,338</u>	<u>1,463,935</u>
Decrease in Cash and Cash Equivalents	(4,060,842)	(4,515,415)
Cash and Cash Equivalents, Beginning of Period	<u>13,567,830</u>	<u>15,729,649</u>
Cash and Cash Equivalents, End of Period	<u>\$ 9,506,988</u>	<u>\$ 11,214,234</u>

Supplemental Cash Flows Information

Interest paid	\$ 1,526,605	\$ 1,579,963
Income taxes paid (net of refunds)	\$ 975,000	\$ 633,915
Real estate and other property acquired in settlement of loans	\$ 64,700	\$ 449,295