

First BancTrust Corporation
Condensed Consolidated Statements of Income
(unaudited)

Six months Ended June 30	2016	2015
Interest and Dividend Income		
Loans		
Taxable	\$ 8,135,690	\$ 7,834,708
Tax exempt	15,508	17,217
Securities		
Taxable	439,523	433,008
Tax exempt	206,489	198,679
Deposits with financial institutions and other	54,709	31,575
Total interest and dividend income	<u>8,851,919</u>	<u>8,515,187</u>
Interest Expense		
Deposits	1,004,996	847,241
Federal Home Loan Bank advances and other debt	664,732	730,769
Total interest expense	<u>1,669,728</u>	<u>1,578,010</u>
Net Interest Income	7,182,191	6,937,177
Provision for loan losses	<u>240,000</u>	<u>240,000</u>
Net Interest Income After Provision for Loan Losses	<u>6,942,191</u>	<u>6,697,177</u>
Noninterest Income		
Customer service fees	230,356	276,582
Other service charges and fees	675,135	685,070
Net gains on loan sales	402,271	341,209
Net loan servicing fees	232,787	204,054
Brokerage fees	9,337	12,585
Abstract and title fees	229,016	200,318
Increase in cash surrender value of life insurance	134,925	132,578
Other	165,846	183,307
Total noninterest income	<u>2,079,673</u>	<u>2,035,703</u>
Noninterest Expense		
Salaries and employee benefits	3,613,503	3,527,756
Net occupancy expense	512,220	512,296
Equipment expense	497,985	497,972
Data processing fees	632,938	587,780
Professional fees	181,264	189,992
Foreclosed assets expense, net	1,211	14,149
Marketing expense	178,237	228,932
Printing and office supplies	63,207	73,210
Amortization of loan servicing rights	100,399	104,511
FDIC Insurance	122,953	126,424
Other expenses	709,394	663,287
Total noninterest expense	<u>6,613,311</u>	<u>6,526,309</u>
Income Before Income Tax	\$ 2,408,553	\$ 2,206,571
Income tax expense	<u>853,274</u>	<u>762,123</u>
Net Income Available to Common Stockholders	<u>\$ 1,555,279</u>	<u>\$ 1,444,448</u>
Basic Earnings Per Share	<u>\$ 0.76</u>	<u>\$ 0.69</u>
Diluted Earnings Per Share	<u>\$ 0.76</u>	<u>\$ 0.69</u>

First BancTrust Corporation
Condensed Consolidated Statements of Income
(unaudited)

Three months Ended June 30	2016	2015
Interest and Dividend Income		
Loans		
Taxable	\$ 4,066,520	\$ 3,965,750
Tax exempt	7,645	8,504
Securities		
Taxable	216,073	223,163
Tax exempt	99,644	105,364
Deposits with financial institutions and other	28,522	13,263
Total interest and dividend income	<u>4,418,404</u>	<u>4,316,044</u>
Interest Expense		
Deposits	502,597	427,088
Federal Home Loan Bank advances and other debt	292,807	367,975
Total interest expense	<u>795,404</u>	<u>795,063</u>
Net Interest Income	3,623,000	3,520,981
Provision for loan losses	<u>120,000</u>	<u>120,000</u>
Net Interest Income After Provision for Loan Losses	<u>3,503,000</u>	<u>3,400,981</u>
Noninterest Income		
Customer service fees	118,641	138,422
Other service charges and fees	359,241	346,988
Net gains on loan sales	245,947	176,522
Net loan servicing fees	115,832	105,399
Brokerage fees	4,598	5,422
Abstract and title fees	114,087	101,674
Increase in cash surrender value of life insurance	67,094	66,644
Other	91,992	94,762
Total noninterest income	<u>1,117,432</u>	<u>1,035,833</u>
Noninterest Expense		
Salaries and employee benefits	1,790,056	1,772,632
Net occupancy expense	252,746	254,529
Equipment expense	246,633	256,219
Data processing fees	314,501	308,859
Professional fees	83,522	100,009
Foreclosed assets expense, net	(671)	(531)
Marketing expense	79,172	107,616
Printing and office supplies	34,553	37,116
Amortization of loan servicing rights	49,853	51,393
FDIC Insurance	58,179	63,558
Other expenses	364,394	336,073
Total noninterest expense	<u>3,272,938</u>	<u>3,287,473</u>
Income Before Income Tax	\$ 1,347,494	\$ 1,149,341
Income tax expense	<u>483,504</u>	<u>401,319</u>
Net Income Available to Common Stockholders	<u>\$ 863,990</u>	<u>\$ 748,022</u>
Basic Earnings Per Share	<u>\$ 0.42</u>	<u>\$ 0.36</u>
Diluted Earnings Per Share	<u>\$ 0.42</u>	<u>\$ 0.36</u>

First BancTrust Corporation
Condensed Consolidated Balance Sheets

	June 30 2016 (unaudited)	December 31, 2015
Assets		
Cash and due from banks	\$ 3,955,898	\$ 3,952,823
Interest-bearing deposits	10,664,518	8,090,590
Federal Funds Sold	333,537	381,033
Cash and cash equivalents	14,953,953	12,424,446
Interest-bearing time deposits in banks	1,245,000	1,245,000
Available-for-sale securities	59,762,902	58,621,816
Held-to-maturity securities (fair value of \$164,377 and \$242,028)	160,459	235,038
Loans held for sale	377,500	463,445
Loans, net of allowance for loan losses of \$4,632,897 and \$4,549,590	341,583,710	348,567,981
Premises and equipment	11,414,265	11,210,998
Federal Home Loan Bank stock	2,610,490	2,610,490
Foreclosed assets held for sale, net	311,930	232,730
Interest receivable	2,129,348	2,526,318
Deferred income taxes	1,912,600	2,186,321
Loan servicing rights	386,438	382,139
Cash surrender value of life insurance	8,147,484	8,012,560
Goodwill	541,474	541,474
Core deposit intangibles	14,539	31,985
Other assets	750,209	1,006,088
	<u>446,302,301</u>	<u>450,298,829</u>
Total assets	\$ <u>446,302,301</u>	\$ <u>450,298,829</u>
Liabilities and Stockholders' Equity		
Deposits		
Demand	\$ 37,437,305	\$ 35,421,888
Savings, NOW and money market	138,860,912	140,478,375
Time	166,808,386	175,194,148
Brokered time	12,437,769	8,370,735
Total deposits	355,544,372	359,465,146
Short-term borrowings	-	2,000,000
Federal Home Loan Bank advances	36,000,000	36,000,000
Junior subordinated debentures	6,186,000	6,186,000
Advances from borrowers for taxes and insurance	1,019,096	386,166
Interest payable	296,989	350,335
Other liabilities	3,579,370	3,154,035
Total liabilities	402,625,827	407,541,682
Stockholders' Equity		
Common stock, \$.01 par value; authorized 5,000,000 shares; 2,114,761 shares Issued; 2,030,116 and 2,085,116 shares outstanding	21,664	21,664
Additional paid-in capital	6,282,944	6,282,944
Retained earnings	38,235,298	36,974,268
Accumulated other comprehensive income (loss)	557,901	(34,726)
Treasury stock, at cost - 84,645 and 29,645 shares	(1,421,333)	(487,003)
Total stockholders' equity	43,676,474	42,757,147
	<u>446,302,301</u>	<u>450,298,829</u>
Total liabilities and stockholders' equity	\$ <u>446,302,301</u>	\$ <u>450,298,829</u>

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

Six months ended June 30	2016	2015
Operating Activities		
Net income	\$ 1,555,279	\$ 1,444,448
Items not requiring (providing) cash		
Depreciation and amortization	501,167	488,056
Provision for loan losses	240,000	240,000
Loss (gain) on foreclosed assets, net	2,009	(6,048)
Other than temporary impairment on foreclosed assets	3,200	13,500
Gain on disposition of premises and equipment	-	(12,700)
Amortization of premiums and discounts on securities, net	201,242	224,360
Amortization of loan servicing rights	100,400	104,513
Deferred income taxes	(107,005)	(34,149)
Amortization of intangible assets	17,446	24,298
Net gain on loan sales	(402,271)	(341,209)
Loans originated for sale	(13,453,421)	(11,458,643)
Proceeds from sales of loans originated for sale	13,836,938	11,802,670
Changes in		
Interest receivable	396,970	377,339
Cash surrender value of life insurance	(134,924)	(132,578)
Other assets	255,879	(168,332)
Interest payable	(53,346)	(20,926)
Other liabilities	425,335	85,080
Net cash provided by operating activities	<u>3,384,898</u>	<u>2,629,679</u>
Investing Activities		
Purchases of available-for-sale securities	(6,082,766)	(13,779,151)
Proceeds from maturities of available-for-sale securities	5,713,785	9,095,133
Proceeds from maturities of held-to-maturity securities	74,585	81,213
Net change in loans	6,613,596	(9,030,776)
Proceeds from sales of foreclosed assets	46,266	101,325
Purchases of premises and equipment	(704,434)	(291,419)
Proceeds from disposal of premises and equipment	-	12,700
Net cash provided (used) by investing activities	<u>5,661,032</u>	<u>(13,810,975)</u>

Financing Activities

Net increase in demand deposits, money market, NOW and savings accounts	\$ 397,954	\$ (1,322,814)
Net decrease in time and brokered time deposits	(4,318,728)	620,717
Net change in federal funds purchased	(2,000,000)	2,000,000
Proceeds from Federal Home Bank advances	19,000,000	2,000,000
Repayment of Federal Home Loan Bank advances	(19,000,000)	(2,000,000)
Net change in pass through payments received on loans sold	-	3,274
Net change in advances from borrowers for taxes and insurance	632,930	118,210
Dividends paid on common stock	(294,249)	(214,950)
Purchase of treasury stock	(934,330)	(487,003)
	<u>(6,516,423)</u>	<u>717,434</u>
Net cash provided (used) by financing activities		
	<u>(6,516,423)</u>	<u>717,434</u>
Increase in Cash and Cash Equivalents	2,529,507	(10,463,862)
Cash and Cash Equivalents, Beginning of Period	<u>12,424,446</u>	<u>21,152,186</u>
Cash and Cash Equivalents, End of Period	<u><u>\$ 14,953,953</u></u>	<u><u>\$ 10,688,324</u></u>

Supplemental Cash Flows Information

Interest paid	\$ 1,723,074	\$ 1,598,936
Income taxes paid (net of refunds)	\$ 693,166	\$ 960,000
Real estate and other property acquired in settlement of loans	\$ 130,675	\$ 54,569