

FIRST MID ILLINOIS BANCSHARES INC

Form S-4/A

July 08, 2016

As filed with the Securities and Exchange Commission on July 8, 2016 .

Registration No. -333-212000

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Amendment No. 1  
to  
Form S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

First Mid-Illinois Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Delaware 6021 37-1103704

(State or other jurisdiction of (Primary Standard Industrial (I.R.S. Employer  
incorporation or organization) Classification Code Number) Identification Number)

1421 Charleston Avenue

Mattoon, Illinois 61938

Telephone: (217) 234-7454

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Joseph R. Dively

Chairman, President and Chief Executive Officer

1421 Charleston Avenue

Mattoon, Illinois 61938

Telephone: (217) 258-0415

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration

statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a 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 " (Do not check if a smaller reporting company) Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not offer or sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY COPY-SUBJECT TO COMPLETION, DATED JULY 8, 2016

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PROXY STATEMENT OF FIRST CLOVER LEAF FINANCIAL CORP.

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PROXY STATEMENT AND PROSPECTUS OF FIRST MID-ILLINOIS BANCSHARES, INC.

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Merger Proposal-Your Vote Is Important

DEAR FIRST CLOVER LEAF FINANCIAL CORP. AND FIRST MID-ILLINOIS BANCSHARES, INC.  
STOCKHOLDERS:

On April 26, 2016, First Clover Leaf Financial Corp. (which we refer to as “First Clover Leaf”) and First Mid-Illinois Bancshares, Inc. (which we refer to as “First Mid”) entered into an Agreement and Plan of Merger (which, as amended by the First Amendment to Agreement and Plan of Merger entered into as of June 6, 2016, we refer to as the “merger agreement”) pursuant to which First Mid has agreed to acquire First Clover Leaf through the merger of First Clover Leaf with and into First Mid (which we refer to as the “merger”). First Mid will be the surviving company in the merger. In the proposed merger, each issued and outstanding share of First Clover Leaf common stock will be converted into and become the right to receive, at the election of each stockholder, either (a) \$12.87 or (b) 0.495 shares of validly issued, fully paid and nonassessable shares of First Mid common stock, par value \$4.00 per share, together with cash in lieu of fractional shares. The merger consideration is subject to potential adjustment in three circumstances. First, if the closing consolidated balance sheet delivered by First Clover Leaf to First Mid as of the last day of the month preceding the closing date of the merger, or as of three business days prior to the closing date of the merger if such date is more than three business days following the last day of the preceding month, reflects consolidated stockholders’ equity less than \$80,700,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, (i) the cash consideration will be reduced by \$0.0075 per share and (ii) the exchange ratio shall be reduced by 0.00025. As of March 31, 2016, First Clover Leaf’s consolidated stockholder’s equity as computed in accordance with generally accepted accounting principles (“GAAP”) was \$81,498,496. Second, if at any time during the ten business day period starting on the twelfth business day immediately preceding the effective time of the merger, the average closing price of a share of First Mid common stock is less than \$21.30 and decreases by more than 20% in relation to the NASDAQ Bank Index, First Clover Leaf will have the right to terminate the merger agreement unless First Mid elects to increase the exchange ratio pursuant to the formula described in the section of this joint proxy statement/prospectus entitled “The Merger Agreement-Merger Consideration.” Third, if, prior to the effective time, the number of shares of First Mid common stock are changed into a different number of shares or a different class of shares pursuant to any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or if a stock dividend thereof shall be declared with a record date within such period, an appropriate and proportionate adjustment shall be made to the exchange ratio so as to provide the holders of First Clover Leaf common stock with the same economic effect as contemplated by the merger agreement prior to such event.

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Elections are subject to proration so that no more than 25% of the number of shares of First Clover Leaf common stock outstanding immediately prior to effective time will be exchanged for cash and no more than 75% of the number of shares of First Clover Leaf common stock outstanding immediately prior to effective time will be exchanged for First Mid common stock.

Upon the effectiveness of the merger, each share of issued and outstanding First Clover Leaf common stock shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist. Each certificate formerly representing any share of First Clover Leaf common stock and each uncertificated share registered to a holder on the stock transfer books of First Clover Leaf shall thereafter represent only the right to receive the merger consideration described above and herein.

Based on the number of shares of First Clover Leaf common stock outstanding as of April 26, 2016 and First Mid's \$25.27 common stock closing price on April 26, 2016, the date of the merger agreement, and assuming no adjustments to the merger consideration, First Clover Leaf stockholders will receive a total aggregate merger consideration of approximately \$88,267,056, made up of approximately \$22,541,429 in cash and \$65,725,627 in First Mid common stock, subject to receipt of cash in respect of fractional shares.

Upon closing of the merger, assuming no adjustment in the number of shares of First Mid common stock to be issued in the merger pursuant to the terms of the merger agreement, the former stockholders of First Clover Leaf will own approximately [ ]% of First Mid's issued and outstanding common stock.

First Mid's common stock currently trades on the NASDAQ Global Market under the symbol "FMBH." First Clover Leaf's common stock currently trades on the NASDAQ Capital Market under the symbol "FCLF." On [ ], 2016, the latest practicable date before the printing of this joint proxy statement/prospectus, the closing price of First Mid common stock was \$[ ] per share. The shares of First Mid common stock issued pursuant to the merger will be registered under the Securities Act of 1933, as amended (which we refer to as the "Securities Act"), and will trade on the NASDAQ Global Market.

We cannot complete the merger unless we obtain the necessary governmental approvals and unless the stockholders of both companies approve the merger agreement and the transactions contemplated therein. Each of us is asking our stockholders to consider and vote on this merger proposal at our respective company's special meeting of stockholders.

The places, dates and times of the stockholders' meetings are as follows:

For stockholders of First Clover Leaf: For stockholders of First Mid:

[ ] [ ]

This joint proxy statement/prospectus contains a more complete description of the stockholders' meetings and the terms of the merger. We urge you to review this entire document carefully. You may also obtain information about First Clover Leaf and First Mid from documents that each has filed with the Securities and Exchange Commission (which we refer to as the "SEC").

The boards of directors of First Clover Leaf and First Mid recommend that the First Clover Leaf and First Mid stockholders, respectively, vote "FOR" approval of the merger agreement and the transactions contemplated therein and "FOR" the other matters to be considered at the special meeting.

Your vote is important, regardless of the number of shares that you own. Whether or not you plan to attend your company's meeting, please take the time to vote by following the voting instructions included in the enclosed proxy card. Submitting a proxy now will not prevent you from being able to vote in person at your company's special meeting. If you do not vote your shares as instructed in the enclosed proxy card, or if you do not instruct your broker how to vote any shares held for you in "street name," the effect will be a vote against the merger and the transactions contemplated therein.



You should read this entire joint proxy statement/prospectus carefully because it contains important information about the merger. In particular, you should read carefully the information under the section entitled “Risk Factors” beginning on page 27.

Thank you for your cooperation and continued support.

Sincerely,

P. David Kuhl  
President and Chief Executive Officer  
First Clover Leaf Financial Corp.

Joseph R. Dively  
Chairman, President and Chief Executive  
Officer  
First Mid-Illinois Bancshares, Inc.

Neither the SEC nor any state securities regulatory body has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation (the “FDIC”) or any other governmental agency.

This joint proxy statement/prospectus is dated [ ], 2016, and is first being mailed to First Clover Leaf’s and First Mid’s stockholders on or about [ ], 2016.

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FIRST CLOVER LEAF FINANCIAL CORP.  
6814 Goshen Road  
Edwardsville, Illinois 62025  
(618) 656-6122

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Notice of Special Meeting of Stockholders

Date: [ ], 2016  
Time: [ ], local time  
Place: [ ]

Dear First Clover Leaf Stockholders:

NOTICE IS HEREBY GIVEN that First Clover Leaf Financial Corp. ("First Clover Leaf") will hold a special meeting of stockholders on [ ], 2016 at [ ], local time, at [ ]. The purpose of the meeting is to consider and vote on the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of April 26, 2016, between First Clover Leaf and First Mid-Illinois Bancshares, Inc. ("First Mid"), as amended, pursuant to which First Clover Leaf will merge with and into First Mid, and the transactions contemplated therein;

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of First Clover Leaf may receive in connection with the merger proposal pursuant to existing agreements or arrangements with First Clover Leaf (which we refer to as the "First Clover Leaf compensation proposal"); and

the approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

Holders of record of First Clover Leaf common stock at the close of business on [ ], 2016 are entitled to receive this notice and to vote at the special meeting and any adjournments or postponements thereof. Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote. Approval of the First Clover Leaf compensation proposal and the adjournment of the special meeting also require the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote.

The board of directors of First Clover Leaf unanimously recommends that you vote "FOR" approval of the merger agreement and the transactions contemplated therein, "FOR" approval of the First Clover Leaf compensation proposal and "FOR" approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

Your vote is important. I encourage you to attend the meeting in person. Whether or not you plan to attend the meeting, please act promptly to vote your shares. You may vote your shares by telephone or over the Internet or completing, signing and dating a proxy card and returning it in the accompanying postage paid envelope provided. You may also vote your shares by telephone or by following the instructions set forth on the proxy card. Please review the instructions for each of your voting options described in this joint proxy statement/prospectus. If you attend the meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or through the Internet. Submitting a proxy will ensure that your shares are represented at the meeting. We look forward with pleasure to seeing and visiting with you at the meeting.





Additionally, in order to make a timely election of merger consideration, please complete, sign and return the election form and letter of transmittal, included with this joint proxy statement/prospectus, in the enclosed prepaid envelope. To be considered timely, election forms must be received by 5:00 p.m., Chicago time, on the fifth business day before the effective time of the merger.

Under Maryland law, if the merger is completed, First Clover Leaf stockholders of record who do not vote to approve the merger agreement, and otherwise comply with the applicable provisions of Maryland law pertaining to objecting stockholders, will be entitled to exercise rights of appraisal and obtain payment in cash for the fair value of their shares of First Clover Leaf common stock by following the procedures set forth in detail in this joint proxy statement/prospectus. A copy of the section of the Maryland General Corporation Law pertaining to objecting stockholders' rights of appraisal is included as Appendix B to this joint proxy statement/prospectus.

By Order of the Board of Directors,

P. David Kuhl  
President and Chief Executive Officer  
Edwardsville, Illinois  
[ ], 2016

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First Mid-Illinois Bancshares, Inc.  
1421 Charleston Avenue  
Mattoon, Illinois 61938  
Telephone: (217) 258-0415

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Notice of Special Meeting of Stockholders

Date: [ ], 2016

Time: [ ], local time

Place: [ ]

Dear Fellow Stockholders:

NOTICE IS HEREBY GIVEN that First Mid-Illinois Bancshares, Inc. (“First Mid”) will hold a special meeting of stockholders on [ ], 2016 at [ ], local time, at [ ]. The purpose of the meeting is to consider and vote on the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of April 26, 2016, between First Mid and First Clover Leaf Financial Corp. (“First Clover Leaf”), as amended, pursuant to which First Clover Leaf will merge with and into First Mid, and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger; and

the approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

Holders of record of First Mid common stock at the close of business on [ ], 2016 are entitled to receive this notice and to vote at the special meeting and any adjournments or postponements thereof. Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Mid common stock entitled to vote. Approval of the adjournment of the special meeting requires the affirmative vote of a majority of the votes cast for the proposal.

The board of directors of First Mid recommends that you vote “FOR” approval of the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger and “FOR” approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

Your vote is important. I encourage you to attend the meeting in person. Whether or not you plan to attend the meeting, please act promptly to vote your shares. You may vote your shares by telephone or over the Internet or completing, signing and dating a proxy card and returning it in the accompanying postage paid envelope provided. You may also vote your shares by telephone or by following the instructions set forth on the proxy card. Please review the instructions for each of your voting options described in this joint proxy statement/prospectus. If you attend the meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or through the Internet. Submitting a proxy will ensure that your shares are represented at the meeting. We look forward with pleasure to seeing and visiting with you at the meeting.



By Order of the Board of Directors,

Joseph R. Dively  
Chairman, President and Chief Executive Officer  
Mattoon, Illinois  
[ ], 2016

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## REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about First Mid from documents filed with the SEC that are not included in or delivered with this joint proxy statement/prospectus. For a listing of the documents incorporated by reference into this joint proxy statement/prospectus, please see the section entitled “Incorporation of Certain First Mid Documents by Reference” beginning on page 154. First Clover Leaf has not incorporated any information into this joint proxy statement/prospectus by reference. You can obtain any of the documents filed with or furnished to the SEC by First Mid or First Clover Leaf, free of charge, from the SEC’s website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus by First Mid, free of charge, by contacting the appropriate company at the following address:

First Clover Leaf Financial Corp.	First Mid-Illinois Bancshares, Inc.
6814 Goshen Road	1421 Charleston Avenue
P.O. Box 540	Mattoon, Illinois 61938
Edwardsville, Illinois 62025	Telephone: (217) 258-0415
(618) 656-6122	

The section of this joint proxy statement/prospectus entitled “Where You Can Find More Information” beginning on page 153 has additional information about obtaining copies of documents that First Mid or First Clover Leaf have filed or furnished to the SEC.

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your special meeting. This means that documents relating to First Mid must be requested by [ ], 2016, in order to receive them before the First Mid special meeting, and documents relating to First Clover Leaf must be requested by [], 2016, in order to receive them before the First Clover Leaf special meeting.

## ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by First Mid (File No. 333-212000), constitutes a prospectus of First Mid under Section 5 of the Securities Act, with respect to the shares of common stock, par value \$4.00 per share, of First Mid, which we refer to as “First Mid common stock,” to be issued pursuant to the Agreement and Plan of Merger, dated as of April 26, 2016, by and between First Mid and First Clover Leaf, as amended by the First Amendment to Agreement and Plan of Merger entered into as of June 6, 2016, which we refer to as the “merger agreement.” This document also constitutes a proxy statement of each of First Mid and First Clover Leaf under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the “Exchange Act.” It also constitutes a notice of meeting with respect to (i) the special meeting of stockholders at which First Mid stockholders will be asked to consider and vote upon (a) the proposal to approve the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock pursuant thereto and (b) the proposal to adjourn or postpone the First Mid special meeting, if necessary or appropriate, for among other reasons, the solicitation of additional proxies, and (ii) the special meeting of stockholders at which First Clover Leaf stockholders will be asked to consider and vote upon (a) the proposal to approve the merger agreement and the transactions contemplated therein, (b) the proposal to approve on an advisory basis certain compensation that may become available to its named executive officers in connection with the merger and (c) the proposal to adjourn or postpone the First Clover Leaf special meeting, if necessary or appropriate, for among other reasons, the solicitation of additional proxies.

First Mid has supplied all information contained or incorporated by reference into this joint proxy statement/prospectus relating to First Mid, and First Clover Leaf has supplied all information contained in this joint proxy statement/prospectus relating to First Clover Leaf. First Clover Leaf has not incorporated any information into

this joint proxy statement/prospectus by reference.

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You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [ ], 2016, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such incorporated document. Neither the mailing of this document to First Clover Leaf stockholders or First Mid stockholders nor the issuance by First Mid of shares of First Mid common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

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## QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to briefly address some commonly asked questions regarding the merger, the merger agreement and the special meetings. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document.

**Q:** What is the proposed transaction?

You are being asked to vote on the approval of a merger agreement that provides for the merger of First Clover Leaf with and into First Mid, with First Mid as the surviving company. The merger is anticipated to be completed in the second half of 2016. At a date following the completion of the merger, First Mid intends to merge First Clover Leaf Bank, National Association, First Clover Leaf's wholly-owned bank subsidiary (which we refer to as A: "First Clover Leaf Bank"), with and into First Mid-Illinois Bank & Trust, N.A., First Mid's wholly-owned bank subsidiary (which we refer to as "First Mid Bank"), with First Mid Bank as the surviving bank (which we refer to as the "bank merger"). At such time, First Clover Leaf Bank's banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Clover Leaf Bank and First Mid Bank as separate bank subsidiaries.

**Q:** What will First Clover Leaf stockholders be entitled to receive in the merger?

If the merger is completed, each share of First Clover Leaf common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Clover Leaf as treasury stock and any dissenting shares), will be converted into the right to receive, at the election of each stockholder, either (a) \$12.87 or (b) 0.495 shares of First Mid common stock, subject to certain adjustments and proration, as set forth in the merger agreement. Based on the number of shares of First Clover Leaf common stock outstanding as of April 26, 2016, the date of the merger agreement, and First Mid's \$25.27 common stock closing price on April 26, 2016, and assuming no adjustments to the merger consideration, First Clover Leaf stockholders will receive a total aggregate A: merger consideration of approximately \$88,267,056, made up of approximately \$22,541,429 in cash and \$65,725,627 in First Mid common stock, subject to receipt of cash in respect of fractional shares. Only whole shares of First Mid common stock will be issued in the merger. As a result, cash will be paid instead of any fractional shares in an amount, rounded to the nearest whole cent, determined by multiplying \$12.87 by the fractional share of First Mid common stock to which such former holder of First Clover Leaf common stock would otherwise be entitled, as more fully described on page 80. Shares of First Clover Leaf common stock held by First Clover Leaf stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

**Q:** How will First Clover Leaf stockholders elect to receive cash or stock consideration?

Subject to proration and redesignation procedures, First Clover Leaf stockholders are offered the opportunity to elect to receive their merger consideration in the form of cash or First Mid common stock for each share of First Clover Leaf common stock that they hold. First Clover Leaf stockholders who wish to make an election must complete the election form and letter of transmittal (which we refer to as an "election form") included with this joint proxy statement/prospectus. For an election to be valid, a properly executed election form must be received by the A: exchange agent before the election deadline, which is 5:00 p.m., Chicago time, on the fifth business day prior to the effective time of the merger (we refer to this date as the "election deadline"). Your election will be properly made only if you have submitted a properly completed election form to First Mid's exchange agent by the election deadline. The election form also serves as a letter of transmittal, so you should send the election form and your stock certificates to the exchange agent prior to the election deadline. The form of merger consideration actually paid to First Clover Leaf stockholders is subject to proration and may differ from their elections. See "Summary-

Election and Allocation of Cash Consideration or Stock Consideration” on page 10 and “Description of the Merger Agreement-Election and Exchange Procedures” on page 84 for a description of the election mechanics and the distribution of merger consideration.

Q How will the aggregate cash consideration and stock consideration be distributed among First Clover Leaf stockholders?

A: The form of merger consideration actually paid to First Clover Leaf stockholders is subject to proration and may differ from their elections. The maximum number of shares of First Clover Leaf common stock that will be converted into cash consideration will equal 25% of the number of shares of First Clover Leaf common stock outstanding immediately prior to the effective time of the merger. The maximum number of shares of First Clover Leaf common stock to be converted into stock consideration will equal 75% of the number of shares of First Clover Leaf common stock outstanding immediately prior to the effective time of the merger. The amount of cash and/or First Mid common stock actually received by a First Clover Leaf stockholder will depend primarily upon the cash and stock elections made by all First Clover Leaf stockholders. See “Summary-Election and Allocation of Cash Consideration or Stock Consideration” on page 10 and “Description of the Merger Agreement-Election and Exchange Procedures” on page 84 for a description of the election mechanics and the distribution of merger consideration.

Q If I am a First Clover Leaf stockholder, what happens if I don’t make an election for cash or First Mid common stock by the election deadline?

A: If you fail to make a proper election prior to the election deadline, you will be deemed to have made an election to receive stock consideration.

Q Is the merger consideration subject to adjustment?

A: The merger consideration is subject to potential adjustment in three circumstances. First, if the consolidated balance sheet delivered by First Clover Leaf to First Mid as of the last day of the month preceding the closing date of the merger, or as of three business days prior to the closing date of the merger if such date is more than three business days following the last day of the preceding month, reflects consolidated stockholders’ equity less than \$80,700,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, (i) the cash consideration will be reduced by \$0.0075 per share and (ii) the exchange ratio shall be reduced by 0.00025. As of March 31, 2016, First Clover Leaf’s consolidated stockholder’s equity as computed in accordance with GAAP was \$81,498,496. Second, if at any time during the ten business day period starting on the twelfth business day immediately preceding the effective time of the merger, the average closing price of a share of First Mid common stock is less than \$21.30 and decreases by more than 20% in relation to the NASDAQ Bank Index, First Clover Leaf will have the right to terminate the merger agreement unless First Mid elects to increase the exchange ratio pursuant to the formula described in the section entitled “Description of the Merger Agreement-Merger Consideration” on page 80. Third, if, prior to the effective time, the number of shares of First Mid common stock are changed into a different number of shares or a different class of shares pursuant to any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or if a stock dividend thereof shall be declared with a record date within such period, an appropriate and proportionate adjustment shall be made to the exchange ratio so as to provide the holders of First Clover Leaf common stock with the same economic effect as contemplated by the merger agreement prior to such event.

Q: What is the value of the per share merger consideration?

A: The per share value of the merger consideration constituting cash is \$12.87. The per share value of the merger consideration constituting First Mid common stock to be received by First Clover Leaf stockholders will fluctuate as the market price of First Mid common stock fluctuates before the completion of the merger. This price will not be known at the time of the First Clover Leaf special meeting and may be more or less than the current price of common stock or the price of First Mid common stock at the time of the

special meeting. Based on the closing stock price of First Mid common stock on the NASDAQ Global Market on April 26, 2016, the trading day of the public announcement of the merger, of \$25.27, the value of the per share merger consideration constituting First Mid common stock was \$12.51. Based on the closing stock price of First Mid common stock on the NASDAQ Global Market on [ ], 2016, the latest practicable date before the mailing of this joint proxy statement/prospectus, of \$[ ], the value of the per share merger consideration constituting First Mid common stock was \$[ ]. We urge you to obtain current market quotations for shares of First Mid common stock and First Clover Leaf common stock.

Q: Why do First Clover Leaf and First Mid want to engage in the merger?

First Clover Leaf believes that the merger will provide First Clover Leaf stockholders with substantial benefits, and First Mid believes that the merger will further its strategic growth plans. To review the reasons for the merger in more detail, see “The Merger-First Clover Leaf’s reasons for the merger and recommendation of the board of directors” on page 48 and “The Merger-First Mid’s reasons for the merger and recommendation of the board of directors” on page 60.

Q: In addition to approving the merger agreement, what else are First Clover Leaf stockholders being asked to vote on?

In addition to the merger agreement and the transactions contemplated therein, First Clover Leaf is soliciting proxies from holders of its common stock with respect to a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of First Clover Leaf may receive in connection with the merger pursuant to existing agreements or arrangements with First Clover Leaf (which we refer to as the “First Clover Leaf compensation proposal”), and also a proposal to adjourn the First Clover Leaf special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. Completion of the merger is not conditioned upon approval of the First Clover Leaf compensation proposal or the adjournment proposal.

Q: Why are First Clover Leaf stockholders being asked to vote on the First Clover Leaf compensation proposal?

The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (which we refer to as the “Dodd-Frank Act”), has adopted rules that require First Clover Leaf to seek an advisory (non-binding) vote with respect to certain payments that are payable to First Clover Leaf’s named executive officers in connection with the merger.

Q: What will happen if First Clover Leaf’s stockholders do not approve the First Clover Leaf compensation proposal?

First Clover Leaf stockholders’ approval of the compensation payable to certain of First Clover Leaf’s executive officers in connection with the merger is not a condition to completion of the merger. The vote with respect to such compensation is an advisory vote and will not be binding on First Clover Leaf (or First Mid after the merger) regardless of whether the merger agreement is approved. Accordingly, because the compensation to be paid to certain First Clover Leaf executive officers in connection with the merger is contractual, such compensation may be payable if the merger is completed regardless of the outcome of the advisory vote.

Q: What does the First Clover Leaf board of directors recommend?

First Clover Leaf’s board of directors has determined that the merger agreement and the transactions contemplated therein are in the best interests of First Clover Leaf and its stockholders. First Clover Leaf’s board of directors unanimously recommends that you vote “FOR” the approval of the merger agreement and the transactions contemplated therein, “FOR” approval of the First Clover Leaf compensation proposal

and “FOR” the approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. To review the reasons for the merger in more detail, see “The Merger-First Clover Leaf’s reasons for the merger and recommendation of the board of directors” on page 48.

Q: Do any of First Clover Leaf’s executive officers or directors have interests in the merger that may differ from those of the First Clover Leaf stockholders?

A: The interests of some of the directors and executive officers of First Clover Leaf may be different from those of First Clover Leaf stockholders, and the directors and officers of First Clover Leaf may be participants in arrangements that are different from, or are in addition to, those of First Clover Leaf stockholders. The members of the First Clover Leaf’s board of directors knew about these additional interests and considered them among other matters, when making its decision to approve the merger agreement, and in recommending that First Clover Leaf’s common stockholders vote in favor of adopting the merger agreement. See “The Merger-interests of certain persons in the merger” on page 69.

Q: What vote is required to approve each proposal at the First Clover Leaf special meeting?

A: Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. Approval of the First Clover Leaf compensation proposal and the proposal to adjourn the special meeting also requires the affirmative vote of the majority of outstanding shares entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against such proposals.

Q: In addition to approving the merger agreement, what else are First Mid stockholders being asked to vote on?

A: In addition to the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, First Mid is soliciting proxies from holders of its common stock with respect to a proposal to adjourn the First Mid special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. Completion of the merger is not conditioned upon approval of the adjournment proposal.

Q: What does the First Mid board of directors recommend?

A: First Mid’s board of directors has determined that the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, is in the best interests of First Mid and its stockholders. First Mid’s board of directors unanimously recommends (with the exception of Robert S. Cook who abstained from participating in any decision-making relating to the merger) that you vote “FOR” the approval of the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, and “FOR” the approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. To review the reasons for the merger in more detail, see “The Merger-First Mid’s reasons for the merger and recommendation of the board of directors” on page 60.

Q: Do any of First Mid’s executive officers or directors have interests in the merger that may differ from those of the First Mid stockholders?

A: Robert S. Cook is a member of the First Mid board of directors and owns and/or has voting power over less than one percent of the shares of common stock of First Clover Leaf. In order to avoid any potential



conflicts of interest or the appearance of a potential conflict of interest, Robert S. Cook disclosed his ownership interest in First Clover Leaf to the First Mid board of directors and abstained from participating in any decision-making related to the merger.

Q: What vote is required to approve each proposal at the First Mid special meeting?

Approval of the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, requires the affirmative vote of the holders of a majority of the outstanding shares of First Mid common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. Approval of the proposal to adjourn the special meeting requires the affirmative vote of a majority of the votes cast for the proposal. Abstentions are deemed to be votes cast and thereby have the same effect as a vote against the adjournment proposal. Shares not voted and broker non-votes will have no effect on this proposal.

Q: Why is my vote important?

The merger cannot be completed unless the merger agreement is approved by both First Mid and First Clover Leaf stockholders. If you fail to submit a proxy or vote in person at the special meeting, or vote to abstain, or you do not provide your broker, bank or other fiduciary with voting instructions, as applicable, this will have the same effect as a vote against the approval of the merger agreement. The boards of directors of First Mid and First Clover Leaf both unanimously recommend (with the exception, in the case of First Mid, of Robert S. Cook who abstained from participating in any decision-making relating to the merger) that their respective company's stockholders vote for "FOR" the proposal to approve the merger agreement.

Q: What do I need to do now? How do I vote?

If you are a First Clover Leaf stockholder, you may vote at the special meeting if you own shares of First Clover Leaf common stock of record at the close of business on the record date for the special meeting, [ ], 2016. If you are a First Mid stockholder, you may vote at the special meeting if you own shares of First Mid common stock of record at the close of business on the record date for the special meeting, [ ], 2016. Please review the instructions for each of your voting options described on your proxy card. After you have carefully read and considered the information contained in this joint proxy statement/prospectus, please vote or submit your proxy to vote by a method described on your proxy card. This will enable your shares to be represented at the special meeting. You may also vote in person at the special meeting. If you do not vote by proxy and do not vote at the special meeting, this will make it more difficult to achieve a quorum for the meeting.

Q: If my shares of common stock are held in "street name" by my broker, bank or other fiduciary, will my broker, bank or other fiduciary automatically vote my shares for me?

No. Your broker, bank or other fiduciary cannot vote your shares without instructions from you. If your shares are held in "street name" through a broker, bank or other fiduciary, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the broker, bank or other fiduciary. You may not vote shares held in street name by returning a proxy card directly to First Mid or First Clover Leaf, or by voting in person at the First Mid special meeting or the First Clover Leaf special meeting, unless you provide a "legal proxy," which you must obtain from your broker, bank or other fiduciary. Further, brokers, banks or other fiduciaries who hold shares of First Mid common stock or First Clover Leaf common stock on behalf of their customers may not give a proxy to First Mid or First Clover Leaf to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other fiduciaries do not have discretionary voting power on these matters. Failure to instruct your broker, bank or other fiduciary how to vote will have the same effect as a vote against adoption of the merger agreement.

Q: How will my proxy be voted?

A: If you properly submit your proxy to vote by a method described on your proxy card, your proxy will be voted in accordance with your instructions. If you sign, date and send in your proxy form, but you do not indicate how you want to vote, your proxy will be voted “FOR” approval of the merger agreement and the other proposals in the notice of the special meeting of the stockholders for First Clover Leaf or First Mid, as appropriate.

Q: Can I revoke my proxy and change my vote?

A: You may change your vote or revoke your proxy prior to the special meeting by filing with the corporate secretary of First Clover Leaf or First Mid, as appropriate, a duly executed revocation of proxy or submitting a new proxy with a later date. You may also revoke a prior proxy by voting in person at the applicable special meeting.

Q: Are there risks I should consider in deciding to vote on the approval of the merger agreement?

A: Yes, in evaluating the merger agreement and the transactions contemplated therein, you should read this joint proxy statement/prospectus carefully, including the factors discussed in the section titled “Risk Factors” beginning on page 27.

Q: What if I oppose the merger? Do I have dissenters’ rights?

A: First Clover Leaf stockholders may assert dissenters’ rights in connection with the merger and, upon complying with the requirements of the Maryland General Corporation Law (which we refer to as the “MGCL”), receive cash in the amount of the “fair value” of their shares of First Clover Leaf common stock instead of the merger consideration.

This “fair value” could be more than the merger consideration but could also be less. See “The Merger-First Clover Leaf stockholder dissenters’ rights.”

A copy of the applicable section of the MGCL is attached as Appendix B to this document. First Mid stockholders are not entitled to dissenters’ rights with respect to approval of the merger agreement.

Q: What are the material tax consequences of the merger to U.S. holders of First Clover Leaf Common Stock?

A: First Clover Leaf and First Mid each expect the merger to qualify as a “reorganization” pursuant to Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the “Internal Revenue Code”). However, neither First Clover Leaf nor First Mid has requested or received a ruling from the Internal Revenue Service that the merger will qualify as a reorganization. The U.S. federal income tax consequences of the merger to a First Clover Leaf stockholder will depend on the relative mix of cash and First Mid common stock received by such First Clover Leaf stockholder. Assuming that the merger qualifies as a reorganization, First Clover Leaf stockholders should not recognize any gain or loss for U.S. federal income tax purposes if they exchange their First Clover Leaf shares solely for shares of First Mid common stock in the merger, except with respect to cash received in lieu of fractional shares of First Mid common stock. First Clover Leaf stockholders will recognize gain or loss if they exchange their First Clover Leaf shares solely for cash in the merger. First Clover Leaf stockholders will recognize gain, but not loss, if they exchange their First Clover Leaf shares for a combination of First Mid common stock and cash, but their taxable gain in that case will not exceed the cash they receive in the merger. You should consult with your tax advisor for the specific tax consequences of the merger to you. See “Material U.S. Federal Income Tax Consequences of the Merger” on page 76.

Q: When and where are the special meetings?

A: The First Clover Leaf special meeting will take place on [ ], 2016, at [ ] local time, at [ ]. The First Mid special meeting will take place on [ ], 2016, at [ ] local time, at [ ].

Q: Who may attend the First Clover Leaf special meeting?

A: Only First Clover Leaf stockholders on the record date, which is [ ], 2016, may attend the First Clover Leaf special meeting. If you are a stockholder of record, you will need to present the proxy card that you received or another proof of identification in order to be admitted into the meeting.

Q: Who may attend the First Mid special meeting?

A: Only First Mid stockholders on the record date, which is [ ], 2016, may attend the First Mid special meeting. If you are a stockholder of record, you will need to present the proxy card that you received or another proof of identification in order to be admitted into the meeting.

Q: Should I send in my First Clover Leaf stock certificates now?

A: Yes. The election form also serves as a letter of transmittal, so you should complete the election form that you receive with this joint proxy statement/prospectus to exchange your First Clover Leaf stock certificates for merger consideration. Please send the election form and your First Clover Leaf stock certificates to the exchange agent for the merger, Computershare Trust Company, N.A. (who we refer to as the "exchange agent"), in the envelope provided. Do not send your stock certificates to First Mid or First Clover Leaf.

Q: Whom may I contact if I cannot locate my First Clover Leaf stock certificate(s)?

A: If you are unable to locate your original First Clover Leaf stock certificate(s), you should follow the instructions set forth in the election form included with this joint proxy statement/prospectus with respect to lost or stolen stock certificates.

Q: What should I do if I hold my shares of First Clover Leaf common stock in book-entry form?

A: You should follow the instructions set forth in the election form included with this joint proxy statement/prospectus with respect to shares of First Clover Leaf common stock held in book-entry form.

Q: What should I do if I receive more than one set of voting materials?

A: First Clover Leaf stockholders and First Mid stockholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of First Clover Leaf and/or First Mid common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of First Clover Leaf common stock or First Mid common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both First Clover Leaf common stock and First Mid common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of First Clover Leaf common stock and/or First Mid common stock that you own.

Q: When is the merger expected to be completed?

A: We will try to complete the merger as soon as reasonably possible. Before that happens, the merger agreement must be approved by stockholders of both First Mid and First Clover Leaf and we must obtain the necessary regulatory approvals. Assuming First Mid and First Clover Leaf stockholders vote to approve the merger and adopt the merger agreement and we obtain the other necessary approvals and satisfaction or waiver of the other conditions to the closing described in the merger agreement, we expect to complete the merger in the second half of 2016. See “Description of the Merger Agreement-Conditions to completion of the merger” on page 90.

Q: Is completion of the merger subject to any conditions besides stockholder approval?

A: Yes. The transaction must receive the required regulatory approvals and there are other standard closing conditions that must be satisfied. See “Description of the Merger Agreement-Conditions to completion of the merger” on page 90.

Q: What happens if the merger is not completed?

A: Neither First Clover Leaf nor First Mid can assure you of when or if the merger will be completed. If the merger is not completed, First Clover Leaf stockholders will not receive any consideration for their shares of First Clover Leaf common stock and will continue to be holders of First Clover Leaf common stock. Each of First Clover Leaf and First Mid will remain independent companies. Under certain circumstances, First Clover Leaf may be required to pay First Mid a fee with respect to the termination of the merger agreement, as described under “Description of the Merger Agreement-Termination fee” on page 92.

Q: Who can answer my other questions?

A: If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy form, you should contact:

For First Clover Leaf stockholders: Dee McDonald, First Clover Leaf Financial Corp., P.O. Box 540, Edwardsville, IL 62025, telephone: 618-656-6122.

For First Mid stockholders: Aaron Holt, First Mid-Illinois Bancshares, Inc., P.O. Box 499, Mattoon, IL 61938, telephone: 217-258-0463.

If you are First Clover Leaf stockholder and you have more questions about how to make your election for merger consideration, or if you need additional copies of the election form included with this mailing, you should contact Dee McDonald, First Clover Leaf Financial Corp., P.O. Box 540, Edwardsville, IL 62025, telephone: 618-656-6122 or the exchange agent, Computershare Trust Company, N.A., at 1-855-396-2084.

## SUMMARY

This summary highlights selected information in this joint proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger more fully, you should read this entire joint proxy statement/prospectus carefully, including the appendices and the documents referred to or incorporated in this joint proxy statement/prospectus. A copy of the merger agreement is attached as Appendix A to this joint proxy statement/prospectus and is incorporated by reference herein. See “Incorporation of Certain First Mid Documents by Reference” and “Where You Can Find More Information” beginning on pages 154 and 153, respectively.

### Information about First Mid and First Clover Leaf

First Mid-Illinois Bancshares, Inc.  
1421 Charleston Avenue  
Mattoon, Illinois 61938  
Telephone: (217) 258-0415

First Mid-Illinois Bancshares, Inc. is a Delaware corporation and registered financial holding company. First Mid is engaged in the business of banking through its wholly-owned subsidiary, First Mid-Illinois Bank & Trust, N.A., a nationally chartered commercial bank headquartered in Mattoon, Illinois. First Mid provides data processing services to affiliates through another wholly-owned subsidiary, Mid-Illinois Data Services, Inc. First Mid offers insurance products and services to customers through its wholly-owned subsidiary, The Checkley Agency, Inc. doing business as First Mid Insurance Group. First Mid also wholly owns two statutory business trusts, First Mid-Illinois Statutory Trust I and First Mid-Illinois Statutory Trust II, both unconsolidated subsidiaries of First Mid.

As of March 31, 2016, First Mid had total assets of approximately \$2.1 billion, total gross loans, including loans held for sale, of approximately \$1.3 billion, total deposits of approximately \$1.7 billion and total stockholders' equity of approximately \$212.0 million.

First Mid common stock is traded on the NASDAQ Global Market under the ticker symbol “FMBH.”

First Clover Leaf Financial Corp.  
6814 Goshen Road  
Edwardsville, Illinois 62025  
(618) 656-6122

First Clover Leaf Financial Corp. is a Maryland corporation and registered bank holding company. First Clover Leaf is engaged in the business of banking through its wholly-owned subsidiary, First Clover Leaf Bank, National Association, a nationally chartered commercial bank headquartered in Edwardsville, Illinois. First Clover Leaf's principal business consists of attracting retail deposits from the general public in the areas surrounding our office locations and investing those deposits, together with funds generated from operations, primarily in one-to-four family residential real estate loans, multi-family real estate loans, commercial real estate loans, construction and land loans, commercial business loans and consumer loans, and in investment securities. First Clover Leaf conducts its business through its seven branch offices located in Edwardsville, Wood River, Highland, and Swansea, Illinois, and Clayton, Missouri.

As of March 31, 2016, First Clover Leaf had total assets of approximately \$636.9 million, total gross loans, including loans held for sale, of approximately \$447.5 million, total deposits of approximately \$514.5 million and total stockholders' equity of approximately \$81.5 million.

First Clover Leaf common stock is traded on the NASDAQ Capital Market under the ticker symbol “FCLF.”



The merger and the merger agreement (See page 80)

First Mid's acquisition of First Clover Leaf is governed by a merger agreement. The merger agreement provides that, if all of the conditions set forth in the merger agreement are satisfied or waived, First Clover Leaf will be merged with and into First Mid with First Mid as the surviving company. After the consummation of the merger, First Clover Leaf Bank will be a wholly-owned subsidiary of First Mid. At a date following the completion of the merger, First Mid intends to merge First Clover Leaf Bank with and into First Mid Bank, with First Mid Bank as the surviving bank. At such time, First Clover Leaf Bank's banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Clover Leaf Bank and First Mid Bank as separate bank subsidiaries. The merger agreement is included as Appendix A to this joint proxy statement/prospectus and is incorporated by reference herein. We urge you to read the merger agreement carefully and fully, as it is the legal document that governs the merger.

What First Clover Leaf stockholders will receive as consideration in the merger (See page 80)

If the merger is completed, each share of First Clover Leaf common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Clover Leaf as treasury stock and any dissenting shares), will be converted into the right to receive, at the election of each stockholder, either (a) \$12.87 or (b) 0.495 shares of common stock, par value \$4.00 per share, of First Mid, subject to certain adjustments and proration, as set forth in the merger agreement. Based on the number of shares of First Clover Leaf common stock outstanding as of April 26, 2016, the date of the merger agreement, and First Mid's \$25.27 common stock closing price on April 26, 2016, and assuming no adjustments to the merger consideration, First Clover Leaf stockholders will receive a total aggregate merger consideration of approximately \$88,267,056, made up of approximately \$22,541,429 in cash and \$65,725,627 in First Mid common stock, subject to receipt of cash in respect of fractional shares. Only whole shares of First Mid common stock will be issued in the merger. As a result, cash will be paid instead of any fractional shares in an amount, rounded to the nearest whole cent, determined by multiplying \$12.87 by the fractional share of First Mid common stock to which such former holder of First Clover Leaf common stock would otherwise be entitled as more fully described on page 80. Shares of First Clover Leaf common stock held by First Clover Leaf stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

Election and Allocation of Cash Consideration or Stock Consideration (See page 83)

First Clover Leaf stockholders are offered the opportunity to elect to receive their merger consideration in the form of cash or First Mid common stock for each share of First Clover Leaf common stock that they hold. We refer to each share for which a stock election has been made as a "stock electing share" and each share for which a cash election has been made as a "cash electing share." First Clover Leaf stockholders who wish to make an election must complete the election form included with this joint proxy statement/prospectus. For an election to be valid, a properly executed election form must be received by the exchange agent before the election deadline, which is 5:00 p.m., Chicago time, on the fifth business day prior to the effective time of the merger.

Because the cash consideration and the stock consideration to be paid in the merger are limited, First Clover Leaf stockholders may actually receive an amount of cash and/or number of shares of First Mid common stock that is different from what they elected to receive. The amount of cash and/or number of shares received by each First Clover Leaf stockholder will depend on, among other factors:

- The number of shares of First Clover Leaf common stock outstanding immediately prior to the merger (because the aggregate merger consideration is fixed, subject to possible adjustment under certain circumstances);
- The number of stock-electing shares;
- The number of cash-electing shares; and
- Any adjustment to the merger consideration pursuant to the merger agreement.

Potential Adjustment of Merger Consideration (See page 80)

The merger consideration is subject to potential adjustment in three circumstances. First, if the closing consolidated balance sheet delivered by First Clover Leaf to First Mid as of the last day of the month preceding the closing date of the merger, or as of three business days prior to the closing date of the merger if such date is more than three business days following the last day of the preceding month, reflects consolidated stockholders' equity less than \$80,700,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, (i) the cash consideration will be reduced by \$0.0075 per share and (ii) the exchange ratio shall be reduced by 0.00025. As of March 31, 2016, First Clover Leaf's consolidated stockholder's equity as computed in accordance with GAAP was \$81,498,496. Second, if at any time during the ten business day period starting on the twelfth business day immediately preceding the effective time of the merger, the average closing price of a share of First Mid common stock is less than \$21.30 and decreases by more than 20% in relation to the NASDAQ Bank Index, First Clover Leaf will have the right to terminate the merger agreement unless First Mid elects to increase the exchange ratio pursuant to the formula described in the section entitled "The Merger Agreement-Merger Consideration." Third, if, prior to the effective time, the number of shares of First Mid common stock are changed into a different number of shares or a different class of shares pursuant to any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or if a stock dividend thereof shall be declared with a record date within such period, an appropriate and proportionate adjustment shall be made to the exchange ratio so as to provide the holders of First Clover Leaf common stock with the same economic effect as contemplated by the merger agreement prior to such event. See "Description of the Merger Agreement-Merger Consideration."

Material U.S. federal income tax consequences of the merger (See page 76)

First Clover Leaf and First Mid each expect the merger to qualify as a "reorganization" pursuant to Section 368(a) of the Internal Revenue Code. The U.S. federal income tax consequences of the merger to a First Clover Leaf stockholder will depend on the relative mix of cash and First Mid common stock received by such First Clover Leaf stockholder. Assuming that the merger qualifies as a reorganization, First Clover Leaf stockholders should not recognize any gain or loss for U.S. federal income tax purposes if they exchange their First Clover Leaf shares solely for shares of First Mid common stock in the merger, except with respect to cash received in lieu of fractional shares of First Mid common stock. First Clover Leaf stockholders will recognize gain or loss if they exchange their First Clover Leaf shares solely for cash in the merger. First Clover Leaf stockholders will recognize gain, but not loss, if they exchange their First Clover Leaf shares for a combination of First Mid common stock and cash, but their taxable gain in that case will not exceed the cash they receive in the merger. The tax consequences of the merger to each First Clover Leaf stockholder will depend on such First Clover Leaf stockholder's own situation. First Clover Leaf stockholders should consult with their own tax advisors for a full understanding of the tax consequences of the merger to them. Each of Schiff Hardin LLP and Barack Ferrazzano Kirschbaum & Nagelberg LLP have delivered tax opinions, dated June 13, 2016, to the effect that the merger qualifies as a reorganization under Section 368(a) of the Internal Revenue Code. In addition, the completion of the merger is conditioned on receipt of a tax opinion from each of Schiff Hardin LLP and Barack Ferrazzano Kirschbaum & Nagelberg LLP, dated the closing date, to the same effect as the opinions described in the preceding sentence. The opinions will not bind the Internal Revenue Service, which could take a different view. See "Material U.S. Federal Income Tax Consequences of the Merger" for a more detailed discussion of the tax consequences of the merger.

Opinion of First Clover Leaf's Financial Advisor (See page D-1)

At the April 26, 2016, meeting of the First Clover Leaf board of directors, a representative of Raymond James & Associates, Inc. (which we refer to as "Raymond James") rendered Raymond James' oral opinion, which was subsequently confirmed by delivery of a written opinion to the First Clover Leaf board of directors, dated April 26, 2016, as to the fairness, as of such date, from a financial point of view, to the holders of First Clover Leaf's outstanding common stock of the merger consideration to be received by such holders in the merger pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.



The full text of the written opinion of Raymond James, dated April 26, 2016, which sets forth, among other things, the various qualifications, assumptions and limitations on the scope of the review undertaken, is attached as Appendix D to this document. Raymond James provided its opinion for the information and assistance of the First Clover Leaf board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger and its opinion only addresses whether the merger consideration to be received by the holders of the common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to such holders. The opinion of Raymond James did not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Raymond James opinion does not constitute a recommendation to the First Clover Leaf board of directors or any holder of First Clover Leaf common stock as to how the board of directors, such stockholder or any other person should vote or otherwise act with respect to the merger or any other matter.

Opinion of First Mid's Financial Advisor (See page E-1)

FIG Partners, LLC (which we refer to as "FIG") delivered to the First Mid board of directors its opinion dated April 26, 2016 that, based upon and subject to the various considerations set forth in its written opinion, the merger consideration to be paid to the stockholders of First Clover Leaf is fair to the stockholders of First Mid from a financial point of view. In requesting FIG's advice and opinion, no limitations were imposed by First Mid upon FIG with respect to the investigations made or procedures followed by it in rendering its opinion. The full text of the opinions of FIG, which describe the procedures followed, assumptions made, matters considered and limitations on the review undertaken, are attached hereto as Appendix E. First Mid stockholders should read these opinions in their entirety.

First Clover Leaf's reasons for the merger; Board recommendation to First Clover Leaf's stockholders (See page 48)  
The First Clover Leaf board of directors believes that the merger agreement and the transactions contemplated therein are in the best interests of First Clover Leaf and its stockholders. First Clover Leaf's board of directors unanimously recommends that First Clover Leaf stockholders vote "FOR" the proposal to approve the merger agreement, "FOR" the approval, by advisory (non-binding) vote, of certain compensation arrangements for First Clover Leaf's named executive officers in connection with the merger, and "FOR" adjournment of the First Clover Leaf special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement. See the section entitled "The Merger-First Clover Leaf's reasons for the merger and recommendation of the board of directors" beginning on page 48 of this joint proxy statement/prospectus.

First Mid's reasons for the merger; Board recommendation to First Mid's stockholders (See page 60)

First Mid's board of directors believes that the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, is in the best interests of First Mid and its stockholders. First Mid's board of directors unanimously recommends (with the exception of Robert S. Cook who abstained from participating in any decision-making relating to the merger) that you vote "FOR" the proposal to approve the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger and "FOR" adjournment of the First Mid special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement. See the section entitled "The Merger-First Mid's reasons for the merger and recommendation of the board of directors" beginning on page 60 of this joint proxy statement/prospectus.

Interests of officers and directors of First Clover Leaf in the merger may be different from, or in addition to, yours (See page 69)

The interests of some of the directors and executive officers of First Clover Leaf may be different from those of First Clover Leaf stockholders, and the directors and officers of First Clover Leaf may be participants in arrangements that are different from, or are in addition to, those of First Clover Leaf stockholders. The members of the First Clover Leaf board of directors knew about these additional interests and considered them among other matters, when making its decision to approve the merger agreement, and in recommending that First Clover Leaf's

common stockholders vote in favor of adopting the merger agreement. See “The Merger-interests of certain persons in the merger” on page 69.

Interests of officers and directors of First Mid in the merger may be different from, or in addition to, yours (See page 69)

When you consider the recommendation of the First Mid board of directors to vote in favor of approval of the merger agreement, you should be aware that Robert S. Cook, who is a member of the First Mid board of directors, owns and/or has voting power over less than one percent of the shares of common stock of First Clover Leaf. The First Mid board of directors was aware of Robert S. Cook’s beneficial ownership of First Clover Leaf common stock and, in order to avoid any potential conflicts of interest or the appearance of a potential conflict of interest, Robert S. Cook abstained from any decision-making related to the merger.

First Clover Leaf stockholders will have dissenters’ rights in connection with the merger (See page 73)

First Clover Leaf stockholders may assert dissenters’ rights in connection with the merger and, upon complying with the requirements of the MGCL, receive cash in the amount of the “fair value” of their shares of First Clover Leaf common stock instead of the merger consideration. This “fair value” could be more than the merger consideration but could also be less. See “The Merger-First Clover Leaf stockholder dissenters’ rights.”

A copy of the applicable section of the MGCL is attached as Appendix B to this document. You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights. First Mid stockholders are not entitled to dissenters’ rights with respect to approval of the merger agreement.

The merger and the performance of the combined company are subject to a number of risks (See page 27)

There are a number of risks relating to the merger and to the businesses of First Mid, First Clover Leaf and the combined company following the merger. See the “Risk Factors” beginning on page 27 of this joint proxy statement/prospectus for a discussion of these and other risks relating to the merger. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the sections of this joint proxy statement/prospectus entitled “Incorporation of Certain First Mid Documents by Reference” and “Where You Can Find More Information” beginning on pages 154 and 153, respectively.

Stockholder approval will be required to complete the merger and approve the other proposals set forth in the notice (See pages 35 and 39)

First Clover Leaf. Approval by First Clover Leaf’s stockholders at First Clover Leaf’s special meeting of stockholders on [ ], 2016 is required to complete the merger. The presence, in person or by proxy, of a majority of the shares of First Clover Leaf common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of First Clover Leaf common stock outstanding on the record date entitles its holder to one vote on the merger agreement and any other proposal listed in the notice. Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. As of the record date of [ ], 2016, First Clover Leaf’s directors and executive officers and their affiliates held approximately [ ]% of the outstanding shares of First Clover Leaf common stock entitled to vote at the special meeting. Approval of the First Clover Leaf compensation proposal and the proposal to adjourn the special meeting also requires the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against these proposals.

First Mid. Approval by First Mid’s stockholders at First Mid’s special meeting of stockholders on [ ], 2016 is required to complete the merger. The presence, in person or by proxy, of a majority of the shares of First Mid common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of First Mid common stock outstanding on the record date entitles its holder to one vote on the merger agreement and any other proposal listed in the notice of special meeting of First Mid stockholders. Approval of the

merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock, requires the affirmative vote of the holders of a majority of the outstanding shares of First Mid common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. As of the record date of [ ], 2016, First Mid's directors and executive officers and their affiliates held approximately [ ]% of the outstanding shares of First Mid common stock entitled to vote at the special meeting. Approval of the proposal to adjourn the special meeting requires the affirmative vote of a majority of the votes cast for the proposal. Abstentions are deemed to be votes cast and thereby have the same effect as a vote against the adjournment proposal. Shares not voted and broker non-votes will have no effect on this proposal.

Completion of the merger is subject to regulatory approvals (See page 68)

The merger cannot proceed without obtaining all requisite regulatory approvals. First Mid and First Clover Leaf have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Mid and First Clover Leaf is subject to prior approval of the Board of Governors of the Federal Reserve System (which we refer to as the "Federal Reserve"). First Mid submitted an application with the Federal Reserve on June 3, 2016 seeking the necessary approvals. The merger may not be consummated until 15 days after receipt of Federal Reserve approval, during which time the United States Department of Justice may challenge the merger on antitrust grounds. The commencement of an antitrust action would stay the effectiveness of the Federal Reserve's approval, unless a court specifically orders otherwise.

At a date following the completion of the merger, First Mid intends to merge First Clover Leaf Bank with and into First Mid Bank, with First Mid Bank as the surviving bank. The bank merger will be subject to approval by the Office of the Comptroller of the Currency (which we refer to as the "OCC"). First Mid Bank intends to file an application with the OCC seeking this approval in the near future.

While First Mid knows of no reason why the approval of any of the applications would be denied or unduly delayed, it cannot assure you that all regulatory approvals required to consummate the merger and the bank merger will be obtained or obtained in a timely manner.

Conditions to the merger (See page 90)

Closing Conditions for the Benefit of First Mid. First Mid's obligations to close the merger are subject to fulfillment of certain conditions, including:

- accuracy of representations and warranties of First Clover Leaf in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;
- performance by First Clover Leaf in all material respects of its obligations under the merger agreement;
- approval of the merger agreement and the transactions contemplated therein (i) at the meeting of First Clover Leaf stockholders and (ii) at the meeting of First Mid stockholders;
- no order, injunction, decree, statute, rule, regulation or other legal restraint or prohibition preventing or making illegal the consummation of the merger or any of the other transactions contemplated by the merger agreement;
- receipt of all necessary regulatory approvals;
- the registration statement, of which this joint proxy statement/prospectus is a part, concerning First Mid common stock issuable pursuant to the merger agreement having been declared effective by the SEC and continuing to be effective as of the effective time of the merger;
- receipt of a certificate signed on behalf of First Clover Leaf certifying (i) the accuracy of the representations and warranties of First Clover Leaf in the merger agreement and (ii) performance by First Clover Leaf in all material respects of its obligations under the merger agreement;

receipt of a tax opinion from its tax counsel that (i) the merger constitutes a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code and (ii) each of First Mid and First Clover Leaf will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code; and the business of First Clover Leaf and First Clover Leaf Bank shall have been conducted in the ordinary course of business, except as required under the merger agreement, and no material adverse change in First Clover Leaf since April 26, 2016.

Closing Conditions for the Benefit of First Clover Leaf. First Clover Leaf’s obligations to close the merger are subject to fulfillment of certain conditions, including:

- accuracy of representations and warranties of First Mid in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;
- performance by First Mid in all material respects of its obligations under the merger agreement;
- approval of the merger agreement and the transactions contemplated therein (i) at the meeting of First Clover Leaf stockholders and (ii) at the meeting of First Mid stockholders;
- no order, injunction, decree, statute, rule, regulation or other legal restraint or prohibition preventing or making illegal the consummation of the merger or any of the other transactions contemplated by the merger agreement;
- receipt of all necessary regulatory approvals;
- the registration statement, of which this joint proxy statement/prospectus is a part, concerning First Mid common stock issuable pursuant to the merger agreement having been declared effective by the SEC and continuing to be effective as of the effective time of the merger;
- receipt of a certificate signed on behalf of First Mid certifying (i) the accuracy of the representations and warranties of First Mid in the merger agreement and (ii) performance by First Mid in all material respects of its obligations under the merger agreement;
- receipt of a tax opinion from its tax counsel that (i) the merger constitutes a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code and (ii) each of First Mid and First Clover Leaf will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code; and
- no material adverse change in First Mid since April 26, 2016.

How the merger agreement may be terminated by First Mid and First Clover Leaf (See page 91)

First Mid and First Clover Leaf may mutually agree to terminate the merger agreement and abandon the merger at any time. Subject to conditions and circumstances described in the merger agreement, either First Mid or First Clover Leaf may terminate the merger agreement as follows:

- any regulatory authority has denied approval of any of the transactions contemplated by the merger agreement or issued a final nonappealable order that has the effect of making consummation of the merger illegal or otherwise preventing or prohibiting consummation of the merger, or any application for a necessary regulatory approval has been withdrawn at the request of a regulatory authority, provided that such right to terminate is not available to a party whose failure to perform or observe the covenants of the merger agreement has been the cause of the denial or withdrawal of regulatory approval;
- the merger is not completed by December 31, 2016 (which we refer to as the “outside date”), provided that such right to terminate is not available to a party whose failure to fulfill any of its obligations under the merger agreement has resulted in the failure of the merger to be completed before such date;

any stockholder approval necessary for the merger is not obtained; or  
any state or federal law, rule or regulation is adopted or issued and becomes effective and has the effect of prohibiting the merger.

In addition, First Clover Leaf may terminate the merger agreement as follows:

if First Clover Leaf is not in material breach of the merger agreement, and any of the representations or warranties of First Mid are or become untrue or inaccurate such that the conditions set forth in the merger agreement would not be satisfied or there has been a breach by First Mid of any of its covenants or agreements in the merger agreement causing it to fail to perform in all material respects all agreements required to be performed by it under the merger agreement, and, in either such case, such breach has not been, or cannot be, cured prior to the earlier of two business days before the outside date or thirty days after notice to First Mid from First Clover Leaf;

prior to First Clover Leaf's meeting of stockholders, in order to enter into an agreement with respect to an unsolicited superior proposal from a third party, provided that First Mid be provided with an opportunity, pursuant to procedures set forth in the merger agreement, to make an offer that is more favorable to the First Clover Leaf stockholders, and further provided that the termination fee is paid by First Clover Leaf to First Mid; or

if at any time during the ten business day period starting on the twelfth business day immediately preceding the effective time of the merger, the average closing price of a share of First Mid common stock is less than \$21.30 and decreases by more than 20% in relation to the NASDAQ Bank Index, First Clover Leaf will have the right to terminate the merger agreement unless First Mid elects to increase the exchange ratio pursuant to the formula described in the section entitled "The Merger Agreement-Merger Consideration."

In addition, First Mid may terminate the merger agreement as follows:

if First Mid is not in material breach of the merger agreement, and any of the representations or warranties of First Clover Leaf are or become untrue or inaccurate such that the conditions set forth in the merger agreement would not be satisfied or there has been a breach by First Clover Leaf of any of its covenants or agreements in the merger agreement causing it to fail to perform in all material respects all agreements required to be performed by it under the merger agreement, and, in either such case, such breach has not been, or cannot be, cured prior to the earlier of two business days before the outside date or thirty days after notice to First Clover Leaf from First Mid; or

prior to First Clover Leaf's stockholders meeting if First Clover Leaf's board of directors (i) approves or recommends, or proposes publicly to approve or recommend, any acquisition of First Clover Leaf by a third-party, and/or permits First Clover Leaf to enter into an acquisition agreement with a third party or (ii) recommends that the stockholders of First Clover Leaf tender their shares of First Clover Leaf common stock in an tender offer or exchange offer for First Clover Leaf common stock has commenced (other than by First Mid or its affiliates) or fails to recommend rejection of such offer within ten business days after its commencement.

A Termination fee may be payable by First Clover Leaf under some circumstances (See page 92)

First Clover Leaf has agreed to pay First Mid a termination fee of \$3.6 million if the merger agreement is terminated under certain circumstances, including if First Mid terminates the merger agreement because First Clover Leaf breaches its covenant not to solicit an acquisition proposal from a third party or if First Clover Leaf terminates the merger agreement in order to enter into an agreement for a superior proposal.

Voting agreement (See page 85)

On April 26, 2016, certain of the directors of First Clover Leaf agreed to vote all of their shares of First Clover Leaf common stock in favor of the merger agreement at the special meeting of First Clover Leaf stockholders. The voting agreement covers 1,030,533 shares of First Clover Leaf common stock, constituting approximately 14.7% of First Clover Leaf's outstanding shares of common stock as of April 26, 2016. This voting agreement terminates if the merger agreement is terminated in accordance with its terms. A copy of the form of voting agreement is attached to this joint proxy statement/prospectus as Appendix C.

Accounting treatment of the merger (See page 68)

For accounting and financial reporting purposes, the merger will be accounted for under the acquisition method of accounting for business combinations in accordance with GAAP.

Certain differences in First Mid stockholder rights and First Clover Leaf stockholder rights (See page 145)

Because they will receive First Mid common stock, First Clover Leaf stockholders will become First Mid stockholders as a result of the merger. Their rights as stockholders after the merger will be governed by First Mid's certificate of incorporation and bylaws. The rights of First Mid stockholders are different in certain respects from the rights of First Clover Leaf's stockholders. The material differences are described later in this joint proxy statement/prospectus.

First Mid shares will be listed on NASDAQ (See page 93)

The shares of First Mid common stock to be issued pursuant to the merger will be listed on the NASDAQ Global Market under the symbol "FMBH."

Risk Factors (See page 27)

You should consider all the information contained or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented. In particular, you should consider the factors described under "Risk Factors."

Financing (See page 75)

The merger agreement is not subject to any financing contingency. First Mid intends to finance the cash portion of the merger consideration through certain dividends from its subsidiaries, borrowings under its credit facility, as it may be amended, and cash on hand at First Mid.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRST MID

The following table summarizes selected historical consolidated financial data of First Mid for the periods and as of the dates indicated. This information has been derived from First Mid's consolidated financial statements filed with the SEC. Historical financial data as of and for the three months ended March 31, 2016 and March 31, 2015 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of First Mid. You should not assume the results of operations for past periods and for the three months ended March 31, 2016 and March 31, 2015 indicate results for any future period. You should read this information in conjunction with First Mid's consolidated financial statements and related notes thereto included in First Mid's Annual Report on Form 10-K as of and for the year ended December 31, 2015, and in First Mid's Quarterly Report on Form 10-Q as of and for the three months ended March 31, 2016, which are incorporated by reference into this joint proxy statement/prospectus. See "Incorporation of Certain First Mid Documents by Reference" and "Where You Can Find More Information" beginning on pages 154 and 153, respectively, of this joint proxy statement/prospectus.

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(Unaudited)							
As of or for the three months ended March 31,			As of or for the years ended December 31,				
2016	2015	2015	2014	2013	2012	2011	
(in thousands, except per share data)							
<b>Results of Operations</b>							
Interest income	\$ 16,979	\$ 13,439	\$ 59,251	\$ 54,734	\$ 53,459	\$ 55,767	\$ 56,772
Interest expense	892	827	3,499	3,252	3,535	6,157	8,504
Net interest income	16,087	12,612	55,752	51,482	49,924	49,610	48,268
Provision for loan losses	113	265	1,318	629	2,193	2,647	3,101
Net interest income after provision for loan losses	15,974	12,347	54,434	50,853	47,731	46,963	45,167
Other income	6,644	4,799	20,544	18,369	19,341	18,310	15,787
Other expense	15,171	10,804	49,248	44,507	43,504	42,838	43,053
Income before income taxes	7,447	6,342	25,730	24,715	23,568	22,435	17,901
Income taxes	2,641	2,303	9,218	9,254	8,846	8,410	6,529
Net income	4,806	4,039	16,512	15,461	14,722	14,025	11,372
Preferred stock dividends	550	550	2,200	4,152	4,417	4,252	3,576
Net income available to common stockholders	4,256	3,489	14,312	11,309	10,305	9,773	7,796
<b>Balance Sheet Items</b>							
Total assets	\$ 2,119,644	\$ 1,623,650	\$ 2,114,499	\$ 1,607,103	\$ 1,605,498	\$ 1,578,032	\$ 1,500,956
Net loans, including loans held for sale	1,262,169	1,040,050	1,267,313	1,048,724	969,555	899,289	848,954
Deposits	1,740,354	1,279,103	1,732,568	1,272,077	1,287,616	1,274,065	1,170,734
Total liabilities	1,907,612	1,452,851	1,909,490	1,442,187	1,456,117	1,421,345	1,359,989
Stockholders' equity	212,032	170,799	205,009	164,916	149,381	156,687	140,967
<b>Per Common Share Data</b>							
Basic earnings per common share	\$ 0.50	\$ 0.50	\$ 1.84	\$ 1.88	\$ 1.74	\$ 1.62	\$ 1.29
Diluted earnings per common share	0.49	0.48	1.81	1.85	1.73	1.62	1.29
	—	—	0.59	0.55	0.46	0.42	0.40



Common dividends declared								
Tangible book value (1)	15.97	16.56	15.09	15.63	11.75	12.68	11.24	
Performance Ratios								
Return on average assets	0.91	% 1.00	% 0.91	% 0.97	% 0.94	% 0.91	% 0.76	%
Return on average common equity	9.35	% 9.99	% 8.97	% 10.34	% 10.11	% 9.53	% 8.36	%
Net interest margin	3.27	% 3.34	% 3.27	% 3.43	% 3.38	% 3.44	% 3.45	%

(1) Total common equity less goodwill and intangible assets divided by shares outstanding as of period end.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRST CLOVER LEAF

The following table summarizes selected historical consolidated financial data of First Clover Leaf for the periods and as of the dates indicated. This information has been derived from First Clover Leaf's consolidated financial statements filed with the SEC. Historical financial data as of and for the three months ended March 31, 2016 and March 31, 2015 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of First Clover Leaf. You should not assume the results of operations for past periods indicate results for any future period.

You should read this information in conjunction with First Clover Leaf's consolidated financial statements (which we refer to as the "Financial Statements") and related notes thereto (which we refer to as the "Notes") as of and for the years ended December 31, 2015 and 2014 and as of and for the three months ended March 31, 2016 and March 31, 2015, which are included in this joint proxy statement/prospectus. See "First Clover Leaf Financial Statements" beginning on page 155 of this joint proxy statement/prospectus.

	(Unaudited)		As of or for the				
	As of or for the		As of or for the years ended December 31,				
	three						
	months ended						
	March 31,						
	2016	2015	2015	2014	2013	2012	2011
	(in thousands, except per share data)						
<b>Results of Operations</b>							
Interest income	5,131	4,918	19,710	19,317	19,822	21,653	23,728
Interest expense	686	573	2,428	2,516	3,316	4,468	6,453
Net interest income	4,445	4,345	17,282	16,801	16,506	17,185	17,275
Provision (credit) for loan losses	250	(500 )	(500 )	(250 )	485	1,550	5,292
Net interest income after provision for loan losses	4,195	4,845	17,782	17,051	16,021	15,635	11,983
Other income	613	598	2,672	2,227	2,169	2,969	2,089
Other expense	3,498	3,354	14,141	14,091	13,448	12,494	11,742
Income before income taxes	1,310	2,089	6,313	5,187	4,742	6,110	2,330
Income taxes	296	618	1,675	1,361	1,386	2,045	435
Net income	1,014	1,471	4,638	3,826	3,356	4,065	1,895
<b>Balance Sheet Items</b>							
Total assets	636,865	610,703	654,874	607,615	622,044	600,769	562,725
Loans, net	440,450	401,892	420,463	400,904	372,569	394,869	387,635
Deposits	514,457	509,147	533,158	510,307	502,540	460,374	414,758
Total liabilities	555,366	532,002	574,600	530,485	548,949	522,513	485,011
Stockholders' equity	8,198	78,702	80,274	77,130	73,096	78,256	77,714
<b>Per Common Share Data</b>							
Basic and diluted earnings per common share	\$0.14	\$0.21	\$0.66	\$0.55	\$0.46	\$0.53	\$0.24
Dividends per share	0.06	0.06	0.24	0.24	0.24	0.24	0.24
<b>Performance Ratios</b>							
Return on average assets	0.63	% 1.00	% 0.76	% 0.61	% 0.55	% 0.74	% 0.33
Return on average common equity	5.02	% 7.65	% 5.86	% 5.07	% 4.40	% 5.17	% 2.41
Net interest margin	3.04	% 3.21	% 3.09	% 2.93	% 2.95	% 3.39	% 3.29

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED  
FINANCIAL INFORMATION

The following tables show unaudited pro forma financial information about the financial condition and results of operations of First Mid, including per share data, after giving effect to the merger with First Clover Leaf and other pro forma adjustments. The unaudited pro forma financial information assumes that the merger is accounted for under the acquisition method of accounting for business combinations in accordance with GAAP, and that the assets and liabilities of First Clover Leaf will be recorded by First Mid at their respective fair values as of the date the merger is completed. The unaudited pro forma condensed combined balance sheet gives effect to the merger as if the merger had occurred on March 31, 2016. The unaudited pro forma condensed combined income statements for the three months ended March 31, 2016, and the year ended December 31, 2015, give effect to the merger as if the merger had become effective at January 1, 2015. The unaudited selected pro forma combined financial information has been derived from and should be read in conjunction with the consolidated financial statements and related notes of First Mid and First Clover Leaf, which are incorporated by reference into, or included, in this joint proxy statement/prospectus by reference. See “Incorporation of Certain First Mid Documents by Reference” and “Where You Can Find More Information” beginning on pages 154 and 153, respectively of this joint proxy statement/prospectus, “Selected Unaudited Pro Forma Condensed Combined Financial Information” beginning on page 140 of this joint proxy statement/prospectus and “First Clover Leaf Financial Statements” beginning on page 155 of this joint proxy statement/prospectus.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of each period presented. The unaudited pro forma condensed combined financial information also does not consider any expense efficiencies, increased revenue or other potential financial benefits of the merger. In addition, as explained in more detail in the accompanying notes to the “Selected Unaudited Pro Forma Combined Condensed Consolidated Financial Information” beginning on page 140, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the merger.

	Three months ended March 31, 2016	Year ended December 31, 2015
(dollars in thousands)		
Pro Forma condensed combined income statement data		
Interest income	\$22,735	\$ 82,838
Interest expense	1,591	5,800
Net interest income	21,144	77,038
Provision for loan losses	363	818
Net income after for provision for loan losses	20,781	76,220
Other income	7,257	23,216
Other expense	18,848	64,165
Income before income taxes	9,190	35,271
Income taxes	3,089	12,023
Net income	6,101	23,248
Dividends on preferred shares	550	2,200
Net income available to common stockholders	5,551	21,048



(dollars in thousands)	As of March 31, 2016
Pro forma condensed combined balance sheet data	
Loans	\$1,710,263
Allowance for loan losses	(14,736 )
Investment securities:	
Available-for-sale	625,191
Held-to-maturity	97,382
Total assets	2,757,891
Deposits	2,255,668
Total stockholders' equity	274,703

## UNAUDITED COMPARATIVE PER COMMON SHARE DATA

We have summarized below the per share information for our companies on a historical, pro forma combined and equivalent basis. This information was derived from First Mid's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and Quarterly Report on Form 10-Q for the three months ended March 31, 2016, First Clover Leaf's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as amended by its Form 10-K/A filed with the SEC on April 28, 2016, and Quarterly Report on Form 10-Q for the three months ended March 31, 2016 and other documents that have been filed with the SEC by First Mid and by First Clover Leaf, which should be read in conjunction with this information. See "Incorporation of Certain First Mid Documents by Reference" and "Where You Can Find More Information" beginning on pages 154 and 153, respectively.

The pro forma combined information gives effect to the merger accounted for under the acquisition method of accounting for business combinations in accordance with GAAP. The pro forma calculations reflect that 25% of the outstanding shares of First Clover Leaf common stock will be converted into the right to receive the per share cash consideration and 75% of the outstanding shares of First Clover Leaf will be converted into the right to receive the per share stock consideration and assume no adjustment to the merger consideration pursuant to the merger agreement. We assume that the merger occurred as of the beginning of the fiscal year or period presented (or in the case of book value, as of the date specified). The information is presented for illustrative purposes only. You should not rely on the pro forma information as being indicative of the historical results that we would have had if we had been combined or the future results that we will experience after the merger. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

	First Mid	First Clover Leaf	First Mid Pro Forma Combined(1)	First Clover Leaf Pro Forma Equivalent(2)
<b>Basic Earnings</b>				
Three months ended March 31, 2016	\$0.50	\$ 0.14	\$ 0.50	\$ 0.25
Year ended December 31, 2015	1.84	0.66	2.03	1.00
<b>Diluted Earnings</b>				
Three months ended March 31, 2016	0.49	0.14	0.49	0.24
Year ended December 31, 2015	1.81	0.66	1.98	0.98
<b>Cash Dividends paid</b>				
Three months ended March 31, 2016	—	0.06	—	—
Year ended December 31, 2015	0.59	0.24	0.59	0.29
<b>Book Value</b>				
As of March 31, 2016	21.83	11.63	19.92	9.86

(1) First Mid pro forma combined amounts were based on First Mid historical amounts.

(2) First Clover Leaf pro forma equivalent was computed by multiplying the First Mid pro forma combined amount by the exchange ratio of .495

## COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

First Mid common stock trades on the NASDAQ Global Market under the symbol “FMBH” and First Clover Leaf common stock trades on the NASDAQ Capital Market under the symbol “FCLF.” The following table sets forth the high and low reported trading prices per share of First Mid common stock and First Clover Leaf common stock, and the cash dividends declared per share for the periods indicated. See “Incorporation of Certain First Mid Documents by Reference” and “Where You Can Find More Information” beginning on pages 154 and 153, respectively.

	First Mid			First Clover Leaf		
	High	Low	Dividend Declared (per share)	High	Low	Dividend Declared (per share)
For the calendar quarter ended:						
2014						
March 31, 2014	\$23.50	\$21.00	--	\$ 9.78	\$8.88	0.06
June 30, 2014	23.80	19.05	0.26	12.34	9.24	0.06
September 30, 2014	22.00	19.05	--	10.00	8.95	0.06
December 31, 2014	22.00	16.90	0.29	9.30	8.56	0.06
2015						
March 31, 2015	21.10	17.51	--	9.10	8.38	0.06
June 30, 2015	21.97	19.35	0.30	9.30	8.50	0.06
September 30, 2015	22.50	21.00	--	9.70	8.90	0.06
December 31, 2015	26.50	21.05	0.29	9.89	8.98	0.06
2016						
March 31, 2016	26.40	23.32	--	9.49	8.90	0.06
June 30, 2016	26.00	23.02	0.30	12.30	9.20	--

The following table presents the closing prices of First Mid common stock and First Clover Leaf common stock on April 26, 2016, the trading day of public announcement of the merger agreement, and [ ], 2016, the last practicable trading day prior to the mailing of this joint proxy statement/prospectus. The table also sets forth the implied per share value of the merger consideration constituting First Mid common stock proposed for each share of First Clover Leaf common stock as of the same two dates. This implied value was calculated by determining the value obtained by multiplying the closing sale price of First Mid common stock on the relevant date by the exchange ratio of 0.495.

	First Mid Closing Price	First Clover Leaf Closing Price	Implied Per Share Value
April 26, 2016	\$25.27	\$9.72	\$12.51
[ ], 2016	[ ]	[ ]	[ ]



The above table shows only historical comparisons. These comparisons may not provide meaningful information to First Mid or First Clover Leaf stockholders in determining whether to approve the merger agreement. First Clover Leaf stockholders are urged to obtain current market quotations for shares of First Mid common stock and First Clover Leaf common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve the merger agreement. The market prices of First Mid common stock and First Clover Leaf common stock will fluctuate between the date of this joint proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market prices of First Clover Leaf common stock or First Mid common stock before or after the effective time of the merger. Changes in the market price of First Mid common stock prior to the completion of the merger will affect the per share market value of the merger consideration constituting First Mid common stock that First Clover Leaf stockholders will receive upon completion of the merger.

## RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the section “Special Note Regarding Forward-Looking Statements” beginning on page 33 you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See “References to Additional Information” in the forepart of this joint proxy statement/prospectus and the sections of this joint proxy statement/prospectus entitled “Incorporation of Certain First Mid Documents by Reference” beginning on page 154 and “Where You Can Find More Information” beginning on page 153.

### Risks Related to the Merger and First Mid’s Business Upon Completion of the Merger

**The Value of the Merger Consideration that Constitutes First Mid Common Stock will Fluctuate Based on the Price of First Mid Common Stock.**

The merger consideration that First Clover Leaf stockholders will receive as First Mid common stock is a fixed number of shares of First Mid common stock; it is not a number of shares of First Mid common stock with a particular fixed market value. The market value of shares of First Mid common stock and First Clover Leaf common stock at the effective time of the merger may vary significantly from their respective values on the date the merger agreement was executed or at other dates, including the date on which First Clover Leaf stockholders vote on the adoption of the merger agreement. The market price of First Mid’s common stock could be subject to significant fluctuations due to changes in sentiment in the market regarding First Mid’s operations or business prospects, including market sentiment regarding First Mid’s entry into the merger agreement. These risks may be affected by, among other things:

- operating results that vary from the expectations of First Mid management or of securities analysts and investors;
- operating and securities price performance of companies that investors consider to be comparable to First Mid;
- announcements of strategic developments, acquisitions, dispositions, financings, and other material events by First Mid or its competitors; and
- changes in global financial markets and economies and general market conditions, such as interest or foreign exchange rates, stock, commodity, credit or asset valuations or volatility.

Stock price changes may also result from a variety of other factors, many of which are outside of the control of First Mid and First Clover Leaf, including changes in the business, operations or prospects of First Mid or First Clover Leaf, regulatory considerations, and general business, market, industry or economic conditions. Accordingly, at the time of the First Clover Leaf special meeting, First Clover Leaf stockholders will not know or be able to calculate the market value of the First Mid common shares they would receive upon the completion of the merger.

**First Clover Leaf Stockholders May Receive a Form of Consideration Different from what they Elect.**

Although each holder of First Clover Leaf common stock may elect to receive as consideration only shares of First Mid common stock, only cash or a combination of First Mid common stock and cash, the pool of the aggregate cash and shares of First Mid common stock representing merger consideration for all First Clover Leaf stockholders is fixed and no more than 25% of the outstanding shares of First Clover Leaf common stock will be exchanged for cash and no more than 75% of the outstanding shares of First Clover Leaf common stock will be exchanged for First Mid common stock. As a result, if either the aggregate cash elections or stock elections exceed the maximum availability, First Clover Leaf stockholders who elect the consideration that exceeds the maximum availability will receive some of their merger consideration in the form that they did not elect.

The Market Price of First Mid Common Stock after the Merger May be Affected by Factors Different from Those Affecting the Shares of First Clover Leaf or First Mid Currently.

Upon completion of the merger, holders of First Clover Leaf common stock will become holders of First Mid common stock. First Mid's business differs in important respects from that of First Clover Leaf and they currently operate in different markets. Accordingly, the results of operations of the combined company and the market price of First Mid common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of First Mid and First Clover Leaf. For a discussion of the business and market of First Mid and of some important factors to consider in connection with its business, please see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under "Incorporation of Certain First Mid Documents by Reference." For a discussion of the business and market of First Clover Leaf and of some important factors to consider in connection with its business, please see "Business of First Clover Leaf." First Clover Leaf Stockholders Will Have a Reduced Ownership and Voting Interest After the Merger and Will Exercise Less Influence Over Management.

First Clover Leaf stockholders currently have the right to vote in the election of the First Clover Leaf board of directors and on other matters requiring stockholder approval under Maryland law and First Clover Leaf's articles of incorporation and bylaws. Upon the completion of the merger, each First Clover Leaf stockholder will become a stockholder of First Mid with a percentage ownership of First Mid that is smaller than such stockholder's percentage ownership of First Clover Leaf. Additionally, only one member of the First Mid board of directors after the completion of the merger will be designated by First Clover Leaf upon the completion of the merger. Based on the number of issued and outstanding shares of First Mid common stock and First Clover Leaf common stock on [ ], 2016, and the exchange ratio of 0.495 and the maximum aggregate number of shares of First Mid common stock available as merger consideration, and assuming no adjustment in the number of shares of First Mid common stock to be issued as merger consideration pursuant to the merger agreement, stockholders of First Clover Leaf, as a group, will receive shares in the merger constituting approximately [ ]% of First Mid common shares expected to be outstanding immediately after the merger (without giving effect to any First Mid common shares held by First Clover Leaf stockholders prior to the merger). Because of this, current First Clover Leaf stockholders, as a group, will have less influence on the board of directors, management and policies of First Mid (as the combined company following the merger) than they now have on the board of directors, management and policies of First Clover Leaf.

A lawsuit has been filed against First Clover Leaf, certain executive officers of First Clover Leaf, certain members of First Clover Leaf's board of directors and First Mid and any adverse judgment in such lawsuit may prevent the merger from becoming effective or from becoming effective within the expected time frame.

First Clover Leaf, certain executive officers of First Clover Leaf, certain members of the First Clover Leaf board of directors and First Mid have been named as defendants in a purported class action lawsuit brought by an alleged First Clover Leaf individual stockholder challenging the merger and seeking, among other things, to enjoin the defendants from completing the merger pursuant to the terms of the merger agreement. One of the conditions to the completion of the merger is that no order, injunction or decree preventing the consummation of the merger shall have been issued by any court or agency of competent jurisdiction and be in effect. Consequently, if the plaintiff is successful in obtaining an injunction prohibiting the parties from completing the merger pursuant to the terms of the merger agreement, such an injunction may prevent the completion of the merger in the expected time frame (or altogether), and any other adverse judgment could adversely affect the value of First Mid's common stock. See "The Merger-Legal Proceedings Related to the Merger."

First Mid May Fail to Realize the Anticipated Benefits of the Merger.

First Mid and First Clover Leaf have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend on, among other things, First Mid's ability to combine the businesses of First Mid and First Clover Leaf in a manner that permits growth opportunities, including, among other things, enhanced revenues and revenue synergies, an expanded market reach and operating efficiencies, and does not materially disrupt the existing customer relationships of First Mid or First Clover Leaf nor result in decreased revenues due to any loss of customers. If First



Mid is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy and could have an adverse effect on the surviving corporation's business, financial condition, operating results and prospects.

Certain employees may not be employed by First Mid after the merger. In addition, employees that First Mid wishes to retain may elect to terminate their employment as a result of the merger, which could delay or disrupt the integration process. It is possible that the integration process could result in the disruption of First Mid's or First Clover Leaf's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of First Mid or First Clover Leaf to maintain relationships with customers and employees or to achieve the anticipated benefits and cost savings of the merger.

Among the factors considered by the boards of directors of First Mid and First Clover Leaf in connection with their respective approvals of the merger agreement were the benefits that could result from the merger. There can be no assurance that these benefits will be realized within the time periods contemplated or at all.

Regulatory Approvals May Not Be Received, May Take Longer than Expected or May Impose Conditions that Are Not Presently Anticipated or Cannot Be Met.

Before the transactions contemplated in the merger agreement can be completed, various approvals must be obtained from bank regulatory agencies and other governmental authorities. In deciding whether to grant antitrust or regulatory clearances, the relevant governmental entities will consider a variety of factors, including the regulatory standing of each of the parties. An adverse development in either party's regulatory standing or other factors could result in an inability to obtain one or more of the required regulatory approvals or delay their receipt. The terms and conditions of the approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. First Mid and First Clover Leaf believe that the merger should not raise significant regulatory concerns and that First Mid will be able to obtain all requisite regulatory approvals in a timely manner. Despite the parties' commitments to use their reasonable and diligent efforts to comply with conditions imposed by regulatory entities, under the terms of the merger agreement, First Mid and First Clover Leaf will not be required to take actions that would reasonably be expected to materially restrict or burden First Mid following the merger. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying the completion of the merger, imposing additional material costs on or materially limiting the revenues of the combined company following the merger or otherwise reduce the anticipated benefits of the merger if the merger were consummated successfully within the expected time frame. In addition, neither First Mid nor First Clover Leaf can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. Additionally, the completion of the merger is conditioned on the absence of certain orders, injunctions or decrees by any court or regulatory agency of competent jurisdiction that would prohibit or make illegal the completion of the merger.

The Merger Agreement May Be Terminated in Accordance with Its Terms and the Merger May Not Be Completed. The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include, among other things: approval of the merger agreement and the transactions it contemplates by First Clover Leaf and First Mid stockholders, receipt of certain requisite regulatory approvals, absence of orders prohibiting completion of the merger, effectiveness of the registration statement of which this joint proxy statement/prospectus is a part, the accuracy of the representations and warranties by both parties (subject to the materiality standards set forth in the merger agreement) and the performance by both parties of their covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. These conditions to the closing of the merger may not be fulfilled in a timely manner or at all, and, accordingly, the merger may not be completed. In addition, the parties can mutually decide to terminate the merger agreement at any time, before or after stockholder approval, or First Mid or First Clover Leaf may elect to terminate the merger agreement in certain other circumstances.

**Termination of the Merger Agreement Could Negatively Impact First Clover Leaf.**

If the merger is not completed for any reason, including as a result of First Clover Leaf stockholders or First Mid stockholders declining to approve the merger agreement, the ongoing business of First Clover Leaf may be adversely impacted and, without realizing any of the anticipated benefits of completing the merger, First Clover Leaf would be subject to a number of risks, including the following:

First Clover Leaf may experience negative reactions from the financial markets, including negative impacts on its stock price (including to the extent that the current market price reflects a market assumption that the merger will be completed);

First Clover Leaf may experience negative reactions from its customers, vendors and employees;

First Clover Leaf will have incurred substantial expenses and will be required to pay certain costs relating to the merger, whether or not the merger is completed;

the merger agreement places certain restrictions on the conduct of First Clover Leaf's businesses prior to completion of the merger. Such restrictions, the waiver of which is subject to the consent of First Mid (not to be unreasonably withheld, conditioned or delayed), may prevent First Clover Leaf from making certain acquisitions or taking certain other specified actions during the pendency of the merger; and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by First Clover Leaf management, which would otherwise have been devoted to other opportunities that may have been beneficial to First Clover Leaf as an independent company.

If the merger agreement is terminated and the First Clover Leaf board of directors seeks another merger or business combination, First Clover Leaf stockholders cannot be certain that First Clover Leaf will be able to find a party willing to offer equivalent or more attractive consideration than the consideration First Mid has agreed to provide in the merger, or that such other merger or business combination will be completed. Additionally, if the merger agreement is terminated and the First Clover Leaf board of directors seeks another merger or business combination, under certain circumstances First Clover Leaf may be required to pay First Mid a termination fee of \$3.6 million.

**First Clover Leaf Will Be Subject to Business Uncertainties and Contractual Restrictions While the Merger Is Pending.**

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on First Clover Leaf and, consequently, on First Mid. These uncertainties may impair First Clover Leaf's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with First Clover Leaf to seek to change existing business relationships with First Clover Leaf. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, First Mid's business following the merger could be negatively impacted. In addition, the merger agreement restricts First Clover Leaf from making certain transactions and taking other specified actions without the consent of First Mid until the merger occurs. These restrictions may prevent First Clover Leaf from pursuing attractive business opportunities that may arise prior to the completion of the merger.

First Clover Leaf Directors and Officers May Have Interests in the Merger Different From the Interests of First Clover Leaf Stockholders.

The interests of some of the directors and executive officers of First Clover Leaf may be different from those of First Clover Leaf stockholders, and the directors and officers of First Clover Leaf may be participants in arrangements that are different from, or are in addition to, those of First Clover Leaf stockholders. The members of the First Clover Leaf's board of directors knew about these additional interests and considered them among other matters, when making its decision to approve the merger agreement, and in recommending that First Clover Leaf's common stockholders vote in favor of adopting the merger agreement. Such interests include, among others:

- the receipt of certain change in control benefits;
- extending offers of employment to certain named executive officers;
- entering into a severance and retention arrangement with certain named executive officers; and
- the continuation of service on First Mid's board of directors of one First Clover Leaf director.

These interests are more fully described in this joint proxy statement-prospectus under the heading "The Merger-interests of certain persons in the merger" on page 69.

The Merger Agreement Contains Provisions that May Discourage Other Companies from Trying to Acquire First Clover Leaf for Greater Merger Consideration.

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to First Clover Leaf that might result in greater value to First Clover Leaf's stockholders than the proposed merger with First Mid or may result in a potential competing acquirer proposing to pay a lower per share price to acquire First Clover Leaf than it might otherwise have proposed to pay absent such provisions. These provisions include a general prohibition on First Clover Leaf from soliciting, or, subject to certain exceptions relating to the exercise of fiduciary duties by First Clover Leaf's board of directors, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. First Clover Leaf also has an unqualified obligation to submit the proposal to approve the merger to a vote by its stockholders, even if First Clover Leaf receives an alternative acquisition proposal that its board of directors believes is superior to the merger, unless the merger agreement has been terminated in accordance with its terms. In addition, First Clover Leaf may be required to pay First Mid a termination fee of \$3.6 million upon termination of the merger agreement in certain circumstances involving acquisition proposals for competing transactions. See "Description of the Merger Agreement-Termination" beginning on page 91 and "Description of the Merger Agreement-Termination fees" beginning on page 92.

The Unaudited Pro Forma Combined Condensed Consolidated Financial Information Included in This Joint Proxy Statement/Prospectus Is Preliminary and the Actual Financial Condition and Results of Operations After the Merger May Differ Materially.

The unaudited pro forma financial information included in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the date(s) indicated. The preparation of the pro forma financial information is based upon available information and certain assumptions and estimates that First Mid and First Clover Leaf currently believe are reasonable. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to First Clover Leaf's net assets. The purchase price allocation reflected in this joint proxy statement/prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of First Clover Leaf as of the date of the completion of the merger. In addition, following the completion of the merger, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus.

The Respective Opinions of First Mid and First Clover Leaf's Financial Advisors Will Not Reflect Changes in Circumstances Between the Signing of the Merger Agreement and the Completion of the Merger.

Neither First Mid nor First Clover Leaf has obtained an updated opinion from its respective financial advisor as of the date of this joint proxy statement/prospectus. Changes in the operations and prospects of First Clover Leaf or First Mid, general market and economic conditions and other factors that may be beyond the control of First Clover Leaf or First Mid, and on which the opinions of the financial advisors of First Mid and First Clover Leaf were based, may significantly alter the value of First Clover Leaf or the prices of First Mid common stock or First Clover Leaf common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because neither First Mid nor First Clover Leaf currently anticipates asking its financial advisor to update its opinion, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed.

First Mid and First Clover Leaf Will Incur Transaction and Integration Costs in Connection with the Merger.

Each of First Mid and First Clover Leaf has incurred and expects that it will incur significant, non-recurring costs in connection with consummating the merger. In addition, First Mid will incur integration costs following the completion of the merger as First Mid integrates the businesses of the two companies, including facilities and systems consolidation costs and employment-related costs. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset these transaction and integration costs over time. See the risk factor entitled “-First Mid May Fail to Realize the Anticipated Benefits of the Merger” on page 28. First Mid and First Clover Leaf may also incur additional costs to maintain employee morale and to retain key employees. First Mid and First Clover Leaf will also incur significant legal, financial advisor, accounting, banking and consulting fees, fees relating to regulatory filings and notices, SEC filing fees, printing and mailing fees and other costs associated with the merger.

The shares of First Mid common stock to be received by First Clover Leaf common stockholders as a result of the merger will have different rights from the shares of First Clover Leaf common stock.

Upon completion of the merger, First Clover Leaf common stockholders who receive merger consideration constituting First Mid common stock will become First Mid stockholders and their rights as stockholders will be governed by the General Corporation Law of the State of Delaware (which we refer to as the “DGCL”) and First Mid's certificate of incorporation and bylaws. The rights associated with First Clover Leaf common stock are different from the rights associated with First Mid common stock. Please see “Comparison of Rights of First Mid Stockholders and First Clover Leaf Stockholders” beginning on page 145 for a discussion of the different rights associated with First Mid common stock.

Risks Relating to First Mid's Business

You should read and consider risk factors specific to First Mid's business that will also affect the combined company after the merger. These risks are described in the sections entitled “Risk Factors” in First Mid's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in other documents incorporated by reference into this proxy statement/prospectus. Please see the sections entitled “Incorporation of Certain First Mid Documents by Reference” and “Where You Can Find More Information” beginning on pages 154 and 153, respectively, of this joint proxy statement/prospectus for the location of information incorporated by reference into this joint proxy statement/prospectus.



## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, and the documents to which this joint proxy statement/prospectus refer, contain certain forward-looking statements, such as discussions of pricing and fee trends, credit quality and outlook, liquidity, new business results, expansion plans, anticipated expenses and planned schedules of First Mid and First Clover Leaf. Such forward-looking statements are intended 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 Clover Leaf, 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 Clover Leaf will not be realized or will not be realized within the expected time period;
- the risk that integration of the operations of First Clover Leaf 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 approvals;
- 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 Clover Leaf;
- legislative/regulatory changes; monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve;
- the quality or composition of First Mid’s and First Clover Leaf’s loan or investment portfolios and the valuation of those investment portfolios;
- success in raising capital by First Mid;
- demand for loan products; deposit flows;
- competition, demand for financial services in the market areas of First Mid and First Clover Leaf; and
- accounting principles, policies and guidelines.

These risks and uncertainties should be considered in evaluations of forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning First Mid and First Clover Leaf, including additional factors and risks that could materially affect First Mid's and First Clover Leaf's financial results, are included in First Mid's and First Clover Leaf's filings with the SEC, including their 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.

## INFORMATION ABOUT THE SPECIAL MEETING OF FIRST CLOVER LEAF STOCKHOLDERS

### Purpose

First Clover Leaf stockholders are receiving this joint proxy statement/prospectus because on [ ], 2016, the record date for a special meeting of stockholders to be held on [ ], 2016, at [ ] at [ ], local time, they owned shares of the common stock of First Clover Leaf, and the board of directors of First Clover Leaf is soliciting proxies for the matters to be voted on at this special meeting, as described in more detail below. Each copy of this joint proxy statement/prospectus was mailed to holders of First Clover Leaf common stock on [ ], 2016, and is accompanied by a proxy card for use at the meeting and at any adjournment(s) of the meeting.

At the special meeting, the First Clover Leaf board of directors will ask you to vote upon the following:

- a proposal to approve the merger agreement and the transactions contemplated therein;
- a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of First Clover Leaf may receive in connection with the merger proposal pursuant to existing agreements or arrangements with First Clover Leaf; and
- a proposal to approve an adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

When you sign the enclosed proxy card or otherwise vote pursuant to the instructions set forth on the proxy card, you appoint the proxy holder as your representative at the special meeting. The proxy holder will vote your shares as you have instructed in the proxy card, thereby ensuring that your shares will be voted whether or not you attend the special meeting. Even if you plan to attend the special meeting, we ask that you instruct the proxies how to vote your shares in advance of the special meeting just in case your plans change.

If you have not already done so, please complete, date and sign the accompanying proxy card and return it promptly in the enclosed, postage paid envelope or otherwise vote pursuant to the instructions set forth on the proxy card. Instead of voting by mailing a proxy card, record stockholders can vote their shares of First Clover Leaf common stock via the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to provide their voting instructions and confirm that their instructions have been recorded properly. Specific instructions for Internet or telephone voting are set forth on the enclosed proxy card. If you do not vote your shares as instructed on the proxy card, or if you do not attend and cast your vote at the special meeting, the effect will be a vote against the merger agreement and the transactions contemplated therein.

Record date, shares entitled to vote, required vote, quorum

The record date for the First Clover Leaf special meeting is [ ]. First Clover Leaf's stockholders of record as of the close of business on that day will receive notice of and will be entitled to vote at the special meeting. As of the record date, there were [ ] shares of First Clover Leaf common stock outstanding and entitled to vote at the meeting. The outstanding shares are held by approximately [ ] holders of record.

The presence, in person or by proxy, of a majority of the shares of First Clover Leaf common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of First Clover Leaf common stock outstanding on the record date entitles its holder to one vote on the matters being brought before the special meeting.

To determine the presence of a quorum at the meeting, First Clover Leaf will also count as present at the meeting broker non-votes, the shares of First Clover Leaf common stock present in person but not voting, and the shares of common stock for which First Clover Leaf has received proxies but with respect to which the holders of

such shares have abstained or signed without providing instructions. Based on the number of shares of First Clover Leaf common stock outstanding as of the record date, at least [ ] shares need to be present at the special meeting, whether in person or by proxy, to constitute a quorum.

Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. Approval of the First Clover Leaf compensation proposal and the proposal to adjourn the special meeting also requires the affirmative vote of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the proposals.

As of the record date for the meeting, First Clover Leaf's directors and executive officers beneficially owned a total of [ ] shares, or approximately [ ]% of the outstanding shares, of First Clover Leaf common stock. We anticipate that these individuals will vote their shares in favor of the merger agreement. Certain of these individuals have entered into a written agreement with First Mid that they will vote their shares in favor of the merger agreement, except as may be limited by their fiduciary obligations.

How to vote your shares

Instead of voting by completing, signing and returning the enclosed proxy card, stockholders of record can vote their shares of First Clover Leaf common stock via the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to provide their voting instructions and confirm that their instructions have been recorded properly. Specific instructions for Internet or telephone voting are set forth on the enclosed proxy card. The deadline for voting by telephone or via the Internet is [ ], [ ] time, on [ ], 2016.

If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to the approval of the merger and the other proposals. If you are the record holder of your shares and submit your proxy without specifying a voting instruction, your shares will be voted as the First Clover Leaf board of directors recommends and will be voted "FOR" approval of the merger agreement and the transactions contemplated therein, "FOR" the First Clover Leaf compensation proposal and "FOR" the adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. If you do not vote your shares as instructed on the proxy card, or if you do not attend and cast your vote at the special meeting, it will have no effect.

You should send your stock certificates to the exchange agent with your election form prior to the election deadline.  
Shares held in "street name"

If you hold shares in "street name" with a broker, bank or other fiduciary, you will receive voting instructions from the holder of record of your shares. Under the rules of various national and regional securities exchanges, brokers, banks and other fiduciaries may generally vote your shares on routine matters, such as the ratification of an independent registered public accounting firm, even if you provide no instructions, but may not vote on non-routine matters, such as the matters being brought before the special meeting, unless you provide voting instructions. Shares for which a broker does not have the authority to vote are recorded as "broker non-votes" and are not counted in the vote by stockholders, but will count for purposes of a quorum. As a result, any broker non-votes will have the practical effect of a vote against the merger proposal, the First Clover Leaf compensation proposal and the adjournment proposal. We therefore encourage you to provide directions to your broker, bank or other fiduciary as to how you want your shares voted on all matters to be brought before the special meeting. You should do this by carefully following the instructions your broker gives you concerning its procedures. Your broker, bank or other fiduciary

may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other fiduciary that accompanies this proxy statement. If you wish to change your voting instructions after you have returned your voting instruction form to your broker, bank or other fiduciary, you must contact your broker, bank or other fiduciary. If you want to vote your shares of First Clover Leaf common stock held in street name in person at the special meeting, you will need to obtain a written proxy in your name from your broker, bank or other fiduciary.

#### Revocation of proxies

You may revoke your proxy at any time before it is voted by filing with the Secretary of First Clover Leaf a duly executed revocation of proxy, submitting a new proxy with a later date; or voting in person at the special meeting. Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy.

All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: First Clover Leaf Financial Corp., Corporate Secretary, 6814 Goshen Road, P.O. Box 540, Edwardsville, Illinois 62025. If you hold your shares in the name of a broker, bank or other fiduciary and desire to revoke your proxy, you will need to contact your broker, bank or other fiduciary to revoke your proxy.

#### Proxy solicitation

In addition to this mailing, proxies may be solicited by directors, officers or employees of First Clover Leaf in person or by telephone or electronic transmission. None of such directors, officers or employees will be directly compensated for such services. First Clover Leaf will pay the costs associated with the solicitation of proxies for the special meeting.

### THE FIRST CLOVER LEAF PROPOSALS

#### Proposal 1-Approval of the Merger Agreement

At the First Clover Leaf special meeting, stockholders of First Clover Leaf will be asked to approve the merger agreement, pursuant to which First Clover Leaf will merge with and into First Mid, and the transactions contemplated therein. Stockholders of First Clover Leaf should read this joint proxy statement/prospectus carefully and in its entirety, including the appendices, for more detailed information concerning the merger agreement and the transactions contemplated therein. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A.

For the reasons discussed in this joint proxy statement/prospectus, the board of directors of First Clover Leaf unanimously determined that the merger agreement and the transactions contemplated therein are in the best interests of First Clover Leaf and its stockholders, and unanimously adopted and approved the merger agreement. The board of directors of First Clover Leaf unanimously recommends that First Clover Leaf stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein.

#### Proposal 2-First Clover Leaf Compensation Proposal

In accordance with Section 14A of the Exchange Act, First Clover Leaf is providing its stockholders with the opportunity to cast an advisory (non-binding) vote on certain compensation that may become payable to its named executive officers that is based on or otherwise relates to the merger, the value of which is set forth in the table included in the section of this joint proxy statement/prospectus entitled "The Merger-Merger-related compensation for First Clover Leaf's named executive officers." As required by Section 14A of the Exchange Act, and the applicable SEC rules issued thereunder, First Clover Leaf is asking its stockholders to vote on the approval of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to First Clover Leaf's named executive officers that is based on or otherwise relates to the merger, as disclosed in the table and associated narrative discussion in the section of the proxy statement and prospectus entitled "The Merger-Merger-related compensation for First Clover Leaf's named executive officers," is hereby APPROVED."

Approval of the First Clover Leaf compensation proposal requires the affirmative vote of the majority of shares votes cast without regard to broker non-votes or proxies marked "ABSTAIN." The vote on the First Clover Leaf compensation proposal is a vote separate and apart from the vote on the merger. Accordingly, a First Clover Leaf stockholder may vote to approve the merger and vote not to approve the First Clover Leaf compensation proposal and vice versa.

Because the vote on the First Clover Leaf compensation proposal is advisory in nature only, it will not be binding on either First Cover Leaf or First Mid. Accordingly, because First Clover Leaf is contractually obligated to pay the compensation described in the section of this proxy statement and prospectus entitled "The Merger-Merger-related compensation for First Clover Leaf's named executive officers," such compensation will be payable, subject only to the conditions applicable thereto, if the merger is approved and the merger is completed, regardless of the outcome of the advisory vote.

The Board of Directors of First Clover Leaf unanimously recommends a vote "FOR" the First Clover Leaf compensation proposal.

#### Proposal 3-Adjournment of the Special Meeting

If, at the First Clover Leaf special meeting, the number of shares of First Clover Leaf common stock cast in favor of the merger agreement is insufficient to approve the merger agreement and the transactions contemplated therein, First Clover Leaf intends to move to adjourn the First Clover Leaf special meeting in order to enable the board of directors of First Clover Leaf to solicit additional proxies for approval of the merger agreement and the transactions contemplated therein. In this proposal, First Clover Leaf is asking its stockholders to authorize the holder of any proxy solicited by the board of directors of First Clover Leaf, on a discretionary basis, to vote in favor of adjourning the First Clover Leaf special meeting to another time and place for the purpose of soliciting additional proxies.

The board of directors of First Clover Leaf unanimously recommends a vote "FOR" the proposal to adjourn the special meeting.

## INFORMATION ABOUT THE SPECIAL MEETING OF FIRST MID STOCKHOLDERS

### Purpose

First Mid stockholders are receiving this joint proxy statement/prospectus because on [ ], 2016, the record date for a special meeting of stockholders to be held on [ ], 2016, at [ ] at [ ], local time, they owned shares of the common stock of First Mid, and the board of directors of First Mid is soliciting proxies for the matters to be voted on at this special meeting, as described in more detail below. Each copy of this joint proxy statement/prospectus was mailed to holders of First Mid common stock on [ ], 2016, and is accompanied by a proxy card for use at the meeting and at any adjournment(s) of the meeting.

At the special meeting, the First Mid board of directors will ask you to vote upon the following:

• a proposal to approve the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger; and

• a proposal to approve an adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

When you sign the enclosed proxy card or otherwise vote pursuant to the instructions set forth on the proxy card, you appoint the proxy holder as your representative at the special meeting. The proxy holder will vote your shares as you have instructed in the proxy card, thereby ensuring that your shares will be voted whether or not you attend the special meeting. Even if you plan to attend the special meeting, we ask that you instruct the proxies how to vote your shares in advance of the special meeting just in case your plans change.

If you have not already done so, please complete, date and sign the accompanying proxy card and return it promptly in the enclosed, postage paid envelope or otherwise vote pursuant to the instructions set forth on the proxy card. Instead of voting by mailing a proxy card, record stockholders can vote their shares of First Mid common stock via the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to provide their voting instructions and confirm that their instructions have been recorded properly. Specific instructions for Internet or telephone voting are set forth on the enclosed proxy card. If you do not vote your shares as instructed on the proxy card, or if you do not attend and cast your vote at the special meeting, the effect will be a vote against the merger agreement and the transactions contemplated therein.

Record date, shares entitled to vote, required vote, quorum

The record date for the First Mid special meeting is [ ]. First Mid's stockholders of record as of the close of business on that day will receive notice of and will be entitled to vote at the special meeting. As of the record date, there were [ ] shares of First Mid common stock outstanding and entitled to vote at the meeting. The outstanding shares are held by approximately [ ] holders of record.

The presence, in person or by proxy, of a majority of the shares of First Mid common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of First Mid common stock outstanding on the record date entitles its holder to one vote on the matters being brought before the special meeting.

To determine the presence of a quorum at the meeting, First Mid will also count as present at the meeting broker non-votes, the shares of First Mid common stock present in person but not voting, and the shares of common stock for which First Mid has received proxies but with respect to which the holders of such shares have abstained or signed without providing instructions. Based on the number of shares of First Mid common stock outstanding as of the record date, at least [ ] shares need to be present at the special meeting, whether in person or by proxy, to constitute a quorum.

Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Mid common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. Approval of the proposal to adjourn the special meeting requires the affirmative vote of a majority of the votes cast for the proposal.

Abstentions are deemed to be votes cast and thereby have the same effect as a vote against the adjournment proposal. Shares not voted and broker non-votes will have no effect on this proposal.

As of the record date for the meeting, First Mid's directors and executive officers beneficially owned a total of [ ] shares, or approximately [ ]% of the outstanding shares, of First Mid common stock. We anticipate that these individuals will vote their shares in favor of the merger agreement.

How to vote your shares

Instead of voting by completing, signing and returning the enclosed proxy card, stockholders of record can vote their shares of First Mid common stock via the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to provide their voting instructions and confirm that their instructions have been recorded properly. Specific instructions for Internet or telephone voting are set forth on the enclosed proxy card. The deadline for voting by telephone or via the Internet is [ ], [ ] time, on [ ], 2016.

If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to the approval of the merger and the other proposals. If you are the record holder of your shares and submit your proxy without specifying a voting instruction, your shares will be voted as the First Mid board of directors recommends and will be voted "FOR" approval of the merger agreement and the transactions contemplated therein, including the issuance of First Mid stock in connection with the merger, and "FOR" the adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. If you do not vote your shares as instructed on the proxy card, or if you do not attend and cast your vote at the special meeting, it will have no effect.

Shares held in "street name"

If you hold shares in "street name" with a broker, bank or other fiduciary, you will receive voting instructions from the holder of record of your shares. Under the rules of various national and regional securities exchanges, brokers, banks and other fiduciaries may generally vote your shares on routine matters, such as the ratification of an independent registered public accounting firm, even if you provide no instructions, but may not vote on non-routine matters, such as the matters being brought before the special meeting, unless you provide voting instructions. Shares for which a broker does not have the authority to vote are recorded as "broker non-votes" and are not counted in the vote by stockholders, but will count for purposes of a quorum. As a result, any broker non-votes will have the practical effect of a vote against the merger proposal but will not affect the adjournment proposal.

We therefore encourage you to provide directions to your broker, bank or other fiduciary as to how you want your shares voted on all matters to be brought before the special meeting. You should do this by carefully following the instructions your broker gives you concerning its procedures. Your broker, bank or other fiduciary may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other fiduciary that accompanies this proxy statement. If you wish to change your voting instructions after you have returned your voting instruction form to your broker, bank or other fiduciary, you must contact your broker, bank or other fiduciary. If you want to vote your shares of First Mid common stock held in street name in person at the special meeting, you will need to obtain a written proxy in your name from your broker, bank or other fiduciary.



## Revocation of proxies

You may revoke your proxy at any time before it is voted by filing with the Secretary of First Mid a duly executed revocation of proxy, submitting a new proxy with a later date; or voting in person at the special meeting. Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy.

All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: First Mid-Illinois, Bancshares, Inc., Corporate Secretary, 1421 Charleston Avenue, P.O. Box 499, Mattoon, Illinois 61938. If you hold your shares in the name of a broker, bank or other fiduciary and desire to revoke your proxy, you will need to contact your broker, bank or other fiduciary to revoke your proxy.

## Proxy solicitation

In addition to this mailing, proxies may be solicited by directors, officers or employees of First Mid in person or by telephone or electronic transmission. None of such directors, officers or employees will be directly compensated for such services. First Mid will pay the costs associated with the solicitation of proxies for the special meeting.

## THE FIRST MID PROPOSALS

### Proposal 1-Approval of the Merger Agreement and the Share Issuance

At the First Mid special meeting, stockholders of First Mid will be asked to approve the merger agreement, pursuant to which First Clover Leaf will merge with and into First Mid, and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger. Stockholders of First Mid should read this joint proxy statement/prospectus carefully and in its entirety, including the appendices, for more detailed information concerning the merger agreement and the transactions contemplated therein. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A.

For the reasons discussed in this joint proxy statement/prospectus, the board of directors of First Mid determined that the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, are in the best interests of First Mid and its stockholders, and adopted and approved the merger agreement. The board of directors of First Mid recommends that First Mid stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger.

### Proposal 2-Adjournment of the Special Meeting

If, at the First Mid special meeting, the insufficient number of shares of First Mid common stock cast in favor of the merger agreement is insufficient to approve the merger agreement and the transactions contemplated therein, First Mid intends to move to adjourn the First Mid special meeting in order to enable the board of directors of First Mid to solicit additional proxies for approval of the merger agreement and the transactions contemplated therein. In this proposal, First Mid is asking its stockholders to authorize the holder of any proxy solicited by the board of directors of First Mid, on a discretionary basis, to vote in favor of adjourning the First Mid special meeting to another time and place for the purpose of soliciting additional proxies.

The board of directors of First Mid recommends a vote "FOR" the proposal to adjourn the special meeting.

## THE MERGER

This section of the joint proxy statement/prospectus describes material aspects of the merger. While First Mid and First Clover Leaf believe that the description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should carefully read this entire joint proxy statement/prospectus, the attached Appendices and the other documents to which this joint proxy statement/prospectus refers for a more complete understanding of the merger. The agreement and plan of merger attached hereto as Appendix A, not this summary, is the legal document which governs the merger.

### General

The boards of directors of First Mid and First Clover Leaf are using this joint proxy statement/prospectus to solicit proxies from the holders of First Mid and First Clover Leaf common stock for use at the First Mid and First Clover Leaf special meetings of stockholders at which First Mid and First Clover Leaf stockholders will be asked to vote on approval of the merger agreement and thereby approve the merger. When the merger is consummated, First Clover Leaf will merge with and into First Mid and will cease to exist, which will result in First Clover Leaf Bank being a wholly-owned subsidiary of First Mid. The merger is anticipated to be completed in the second half of 2016. At a date following the completion of the merger, First Mid intends to merge First Clover Leaf Bank with and into First Mid Bank, with First Mid Bank as the surviving bank. At such time, First Clover Leaf Bank's banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Clover Leaf Bank and First Mid Bank as separate bank subsidiaries.

Under the merger agreement, the officers and directors of First Mid serving at the effective time of the merger will continue to serve as the officers and directors of First Mid after the merger is consummated, provided that, subject to any necessary approvals, First Mid shall take all appropriate action, subject to and in accordance with the respective bylaws of First Mid and First Clover Leaf, to appoint one individual currently serving on First Clover Leaf's board of directors and mutually agreeable to the parties to First Mid's board of directors, effective at the effective time of the merger and to appoint one individual currently serving on First Clover Leaf Bank's board of directors and mutually agreeable to the parties to First Mid Bank's board of directors, effective at the effective time of the bank merger. Each share of First Clover Leaf common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Clover Leaf as treasury stock or otherwise owned by First Clover Leaf or First Mid and any dissenting shares), will be converted into the right to receive, at the election of each stockholder, either (a) \$12.87 or (b) 0.495 shares of common stock, par value \$4.00 per share, of First Mid, subject to certain adjustments and proration, as set forth in the merger agreement. Only whole shares of First Mid common stock will be issued in the merger. As a result, cash will be paid instead of any fractional shares in an amount, rounded to the nearest whole cent, determined by multiplying \$12.87 by the fractional share of First Mid common stock to which such former holder of First Clover Leaf common stock would otherwise be entitled. The maximum number of shares of First Clover Leaf common stock to be converted into cash consideration will equal 25% of the number of shares of First Clover Leaf common stock outstanding immediately prior to the effective time of the merger. The maximum number of shares of First Clover Leaf common stock to be converted into stock consideration will equal 75% of the number of shares of First Clover Leaf common stock outstanding immediately prior to the effective time of the merger. Shares of First Clover Leaf common stock held by First Clover Leaf stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

### Background of the merger

First Clover Leaf's board of directors and management has regularly reviewed and discussed its business strategy, performance and prospects in the context of the economic environment, developments in the regulation of financial institutions and the competitive landscape. Among other things, these discussions have included possible strategic alternatives available to First Clover Leaf, including possible acquisitions or business combinations involving other financial institutions. In connection with First Clover Leaf's regular and ongoing evaluation of strategic alternatives, members of management and the board of directors have had, from time to time, discussions with representatives of other financial institutions about possible transactions and have regularly updated the board

regarding such discussions. First Clover Leaf has also consulted with its legal and financial advisors regarding various possible transactions.

First Mid's board of directors and management regularly reviews and discusses acquisition opportunities and strategies for growth as part of its ongoing efforts to strengthen its businesses and improve its operations and performance in order to create value for its stockholders, including reviewing strategic alternatives with its investment banking and financial advisor, FIG Partners, LLC ("FIG"), and its outside legal counsel, Schiff Hardin LLP ("Schiff Hardin"). Among other things, these discussions have included dialogue about possible strategic opportunities for growth available to First Mid and potential acquisitions or business combinations involving various other financial institutions.

On July 27, 2012, William Rowland, who was then the Chairman, President and Chief Executive Officer of First Mid, and Dennis Terry, who was then the President and Chief Executive Officer of First Clover Leaf, met at First Clover Leaf's headquarters in Edwardsville, Illinois for an introductory meeting. During this meeting, Mr. Rowland mentioned First Mid's potential interest in expanding into First Clover Leaf's market territory and asked that First Clover Leaf keep First Mid in mind for strategic options in the future. On September 7, 2012, Mr. Terry met with Mr. Rowland and expressed interest in continuing discussions with First Mid.

On January 22, 2013, Mr. Rowland, accompanied by Joseph Dively, who was then First Mid's Senior Executive Vice President, met with the First Clover Leaf board of directors and discussed the history and financial performance of First Mid. At this meeting, First Clover Leaf requested that First Mid submit an acquisition proposal.

At the February 26, 2013 regularly scheduled meeting of the First Mid board of directors, Mr. Rowland discussed and presented a draft of a non-binding indication of interest setting forth the terms on which First Mid would offer to acquire First Clover Leaf. The terms included a price between \$10.25 and \$10.75 per share, subject to certain conditions, including satisfactory completion of due diligence and the negotiation of a mutually agreeable definitive agreement. Following discussion, the First Mid board of directors approved the non-binding indication of interest and First Mid delivered it to First Clover Leaf.

On March 1, 2013, Mr. Terry called Mr. Rowland and informed him that First Clover Leaf had determined to remain independent and, accordingly, did not accept First Mid's acquisition proposal.

On October 24, 2013, Mr. Dively and Mike Taylor, First Mid's Senior Executive Vice President and Chief Financial Officer, met with First Clover Leaf's then newly appointed President and Chief Executive Officer, P. David Kuhl. At the meeting, Mr. Dively and Mr. Taylor expressed First Mid's interest in exploring strategic opportunities with First Clover Leaf.

Through 2014 and 2015, the First Mid board of directors continued to explore various strategic directions and growth opportunities for First Mid, including, from time to time, potential acquisitions or business combinations with financial institutions other than First Clover Leaf.

Through 2014 and August of 2015, First Clover Leaf considered a number of possible strategic transactions in which First Clover Leaf would be the acquiring party. In each instance, First Clover Leaf was unable to negotiate a transaction or to make a competitive bid for another financial institution, in many cases because First Clover Leaf's common stock was not trading at a high enough value to make an attractive acquisition proposal.

Early in the summer of 2015, the First Clover Leaf board and management determined to engage in a strategic planning session in August that would provide more formal guidance from a financial advisor regarding First Clover Leaf's prospects with strategic transactions, both as an acquirer and as a seller, as well as its prospects and stock valuation as an independent entity. Subsequently, Mr. Kuhl contacted a representative of Raymond James & Associates, Inc. ("Raymond James"), who had been in regular contact with First Clover Leaf for several years, and asked for Raymond James to prepare a presentation for the board of directors. Over the next several weeks, Raymond James worked closely with management regarding its future prospects, as well as possible financial institutions that may likely be interested in pursuing a strategic transaction with First Clover Leaf.

On August 25, 2015, representations from Raymond James met with the board for the scheduled strategic planning session and discussed First Clover Leaf's alternatives, including as an acquiror, a seller and remaining as an independent entity. After a lengthy discussion between the board and representatives of Raymond James, it was the general consensus that First Clover Leaf's common stock was not trading at a high enough value, or with enough trading volume, to make the common stock an attractive acquisition currency. The market for the common stock would make it difficult in the near term for the company to pursue an acquisition strategy that would provide for appropriate increases in stockholder value. Raymond James also discussed the likelihood of First Clover Leaf being able to meaningfully increase the stock's trading value over time. Additionally, the board and Raymond James discussed the potential value that could be achieved for First Clover Leaf's stockholders in a change in control transaction and whether that value could exceed the valuation of the common stock if First Clover Leaf stayed as an independent entity and met its budgeted performance over the next several years. At the conclusion of Raymond James's presentation, the board determined that it was in the best interest of the company's stockholders to more actively explore its strategic options to determine whether there was a possible merger partner that shared First Clover Leaf's desire to maximize stockholder value while providing a high level of banking services to the communities and customers that it serves. To this end, the board appointed an executive committee, consisting of independent directors as well as Mr. Kuhl (the "Executive Committee"), to work with Raymond James to develop an effective strategy to make this determination and to report their results at the regularly scheduled September board meeting.

Over the next several weeks, Raymond James worked with the Executive Committee and developed a list of eleven potential merger partners. Raymond James then contacted each of these eleven partners to discuss their potential interest in an acquisition of a community bank in the St. Louis area. First Mid was not one of the eleven identified potential merger partners. On September 21, 2015, Raymond James met with the Executive Committee to report their findings and to recommend a strategic process designed to approach the most viable merger partners to further determine if there was a merger transaction that would maximize shareholder value to First Clover Leaf's stockholders. With the input from Raymond James, the Executive Committee determined that it would recommend to the full board that the Company undertake a process to approach the six potential merger partners that had demonstrated an interest in acquiring a bank in the St. Louis area, the capacity to offer a compelling price and the ability to continue to offer a high level of banking services to the communities and customers served by First Clover Leaf. On September 22, 2015, the Executive Committee made this recommendation at the regularly scheduled board meeting. After much discussion with representatives of Raymond James, the board voted unanimously to retain the services of Raymond James to serve as their financial advisor and to execute the strategy developed by the Executive Committee with the help of Raymond James.

On October 5, 2015, Mr. Kuhl met with representatives of First Clover Leaf's special legal counsel, Barack Ferrazzano Kirschbaum & Nagelberg LLP ("Barack Ferrazzano"), to discuss various legal matters related to an exploration of a company's strategic options, including the board's fiduciary duties, obligations under federal and state securities laws, the due diligence process and maintaining confidentiality throughout the process.

On October 7, 2015, First Clover Leaf entered into an engagement letter with Raymond James for it to serve as First Clover Leaf's financial advisor through the strategic process. Over the next several weeks, representatives of Raymond James worked with management of First Clover Leaf as well as representatives of Barack Ferrazzano to develop materials necessary for the process, including establishing a due diligence on-line data room, preparing confidentiality agreements and initial informational materials.

On October 30, 2015, Raymond James began contacting the six previously determined parties on a no-names basis to determine their level of interest in entering into a confidentiality agreement. Over that time period, four of the parties indicated that they were interested in executing a confidentiality agreement so they could learn the identity of the possible acquisition candidate and evaluate whether the party would move forward with its diligence review. Each of those parties executed a confidentiality agreement.

Three parties expressed a desire to move forward with due diligence and, on November 9, 2015, Raymond James opened an on-line data room for those interested parties. On November 10, 2015, a party that had signed a confidentiality agreement and had begun due diligence informed Raymond James that it was removing itself from the process as a result of general timing issues and its need to focus on other internal projects.



Two parties, "Party A" and "Party B," expressed an early interest in meeting with Mr. Kuhl regarding the potential business combination. On November 12, 2015, Mr. Kuhl and representatives of Raymond James met with representatives from Party A and on November 16, 2015, they met with representatives from Party B.

In early December, "Party C" informed Raymond James that it was no longer interested in pursuing a transaction with First Clover Leaf as it was engaged in a strategic transaction with another financial institution and could not conduct two transactions simultaneously.

On November 23, 2015, Mr. Dively and Mr. Kuhl met for a general discussion about their respective organizations. On December 4, 2015, Mr. Dively met with representatives of Raymond James. During these meetings, Mr. Dively discussed the listing of First Mid's common stock on the NASDAQ Global Market in May 2014, as well as First Mid's institutional ownership, recent increase in stock price, efforts to increase interest in its common stock, general desire to participate in acquisition transactions, and general interest in the St. Louis market. Prior to and during these meetings, Mr. Dively did not know, and neither Mr. Kuhl nor Raymond James mentioned to Mr. Dively, that First Clover Leaf had undertaken a strategic process and the conversation was general in nature regarding the respective companies' business practices, philosophies, market areas and general strategies. As mentioned, First Mid was not originally a party identified by Raymond James as a likely merger partner. However, since the start of the process, First Mid's stock price had improved meaningfully and, as a result, First Clover Leaf determined that First Mid had the financial capacity to be competitive with the other potential partners.

On December 9, 2015, First Clover Leaf received two initial, non-binding, indications of interest, one from each of Party A and Party B. Party A's initial indication of interest provided for a per share merger consideration of between \$12.50 and \$13.50, which consisted of 70% of Party A's common stock and 30% cash. Party B's initial indication of interest provided for a per share merger consideration of \$12.25, to be paid in all cash. Each of the indications of interest provided for customary conditions, including more in-depth due diligence.

On December 10, 2015, the Executive Committee met to review the initial indications of interest provided by Party A and Party B. After a lengthy discussion and presentation by Raymond James, the Executive Committee instructed Raymond James to negotiate with both parties in an attempt to get them to raise their proposed merger consideration. They also agreed to allow Party A to conduct more in-depth due diligence on First Clover Leaf's credit portfolio. The Executive Committee also discussed bringing First Mid into the process and, after a discussion regarding First Mid's attributes as a possible merger partner, it authorized Raymond James to allow First Mid to conduct due diligence after it entered into a confidentiality agreement.

Following that meeting, Raymond James informed First Mid of an acquisition opportunity related to an un-named target company and asked First Mid to execute a non-disclosure agreement in order to receive information about the opportunity. On December 11, 2015, First Mid entered into a confidentiality agreement and was informed of First Clover Leaf's identity as the acquisition target. First Mid was granted access to the on-line data room.

At its regularly scheduled meeting on December 15, 2015, the First Clover Leaf board met with representatives of Raymond James and Barack Ferrazzano and discussed in-depth the preliminary indications of interest received, the inclusion of First Mid in the process and the remaining due diligence that would be conducted by the interested parties.

Over the next several weeks, Raymond James had ongoing discussions with Party A and Party B, as well as with First Mid, regarding their indications of interest and their ability to maximize the merger consideration to be received by First Clover Leaf's stockholders.

On January 4, 2016, the First Mid board of directors held a special meeting and discussed the merits of the potential acquisition of First Clover Leaf and parameters to be included in an indication of interest. At the meeting, FIG presented on the financial aspects of the transaction, and the board of directors approved (with the exception of Robert S. Cook, who abstained from participating in any decision-making relating to the merger) the submission of a preliminary, non-binding indication of interest to First Clover Leaf outlining the principal terms and conditions of a potential acquisition, subject to certain conditions, including satisfactory completion of due diligence and the negotiation of a mutually agreeable definitive agreement. These terms included, among other things, merger consideration of \$12.00 per share, 60% of which would be paid in shares of First Mid common stock and 40% of



which would be paid in cash. On January 5, 2016, First Mid delivered to Raymond James its preliminary, non-binding indication of interest.

On January 11, 2016, Party A submitted a revised indication of interest with a per share merger consideration between \$11.64 and \$12.11, with the same stock and cash mix of 70% stock and 30% cash. Party A indicated to Raymond James that the decrease in the per share merger consideration from its initial indication of interest reflected the substantial decrease in the market value of Party A's common stock since December 9, 2015, the date of the original submission. Party B also submitted a revised indication of interest on January 11, 2016, in which Party B increased its proposed per share merger consideration to \$13.00, all cash. Party B also requested at that time to conduct more in-depth due diligence on First Clover Leaf's credit portfolio.

On January 12, 2016, the First Clover Leaf board met with representatives of Raymond James and Barack Ferrazzano to discuss the latest three indications of interest received, including the one from First Mid. After a lengthy discussion regarding the levels of interest for a possible transaction, the current market environment and First Clover Leaf's ongoing evaluation of its value as an independent entity, the board determined that it would be in the best interest of its stockholders to continue to negotiate with all of the remaining parties and attempt to receive a higher level of merger consideration.

Over the next several days, Raymond James approached each of Party A, Party B and First Mid. Party A indicated that, as a result of the decreases in the market value of its common stock, it would be unable to increase its proposed merger consideration. Party A indicated that it remained interested in pursuing a transaction with First Clover Leaf on the terms of its latest indication of interest. Raymond James agreed with Party A that First Clover Leaf would continue its discussions with the other interested parties and that Raymond James could potentially go back to Party A for further discussions in the event that the other proposals were not further developed, but that this would be unlikely if their pricing level remained unchanged. Raymond James agreed with Party B to conduct their credit due diligence in order to confirm their pricing over the next several weeks, with completion targeted for February 16, 2016.

Additionally, on January 14, 2016, Raymond James informed FIG that First Mid would not be invited to conduct credit diligence unless they increased their pricing proposal. Raymond James indicated that First Clover Leaf would consider a transaction structure that had more than 60% stock if that would allow First Mid to increase its pricing level.

On January 21, 2016, Mr. Kuhl met with Mr. Dively and Mr. Taylor to discuss the acquisition process and expressed his interest in First Mid continuing in that process. Mr. Kuhl informed Mr. Dively and Mr. Taylor that one other potential acquiror remained in the process. Mr. Dively inquired if an offer of \$12.75 per share would be sufficient for First Mid to continue to the next phase and Mr. Kuhl indicated that it would. Mr. Kuhl and Mr. Dively further agreed that First Mid would be permitted to conduct a due diligence review to determine whether asset quality issues existed by reviewing First Clover Leaf's top 75 credits.

On January 26, 2016, First Mid submitted a revised preliminary, non-binding indication of interest with a proposed per share merger consideration of \$12.75, with a stock and cash mix of 75% First Mid stock and 25% cash. On January 26, 2016, the Executive Committee of First Clover Leaf's board met to discuss this revised indication of interest. There was considerable discussion regarding the attributes of First Mid's common stock, including the increase in its market value over the several months prior to the revised indication of interest, its dividend payout ratio, trading volume and the anticipation that it would be included in the Russell 2000 index when it is recalibrated in the second quarter of 2016. The board also discussed First Mid's general business attributes, its history of community banking and its commitment to its customers and the communities that it serves.

Raymond James, FIG, First Clover Leaf and First Mid had ongoing discussions following the submission of First Mid's January 26, 2016 revised preliminary, non-binding indication of interest and during those discussions Raymond James stressed the need for First Mid to increase its proposed merger consideration. On February 9, 2016, representatives from First Mid and First Clover Leaf met to conduct an asset quality review of First Clover Leaf's top 75 credits.

On February 16, 2016, First Mid submitted a further revised preliminary, non-binding indication of interest which reflected an increase in the merger consideration to \$12.87 a share, with 75% of First Clover Leaf shares to be exchanged for First Mid common stock and 25% of First Clover Leaf shares to be exchanged for cash. It was





additionally confirmed that the stock portion would be based on a fixed exchange ratio of .495 determined by using the \$12.87 acquisition price and a stock price for First Mid of \$26.00.

On February 16, 2016, Party B completed its due diligence. On that date, Party B informed Raymond James that, as a result of its due diligence and Party B's ongoing strategic objectives, including its desired target markets for expansion and its final determination that First Clover Leaf's markets did not meet its desired targets, Party B would withdraw from the process. First Mid was not advised by First Clover Leaf of Party B's decision.

On February 23, 2016 representatives of Raymond James met with board to determine the next course of action. After much discussion, the board agreed to move forward on an exclusive basis to attempt to execute a transaction with First Mid at a price of \$12.87 per share. On February 24, 2016, Mr. Kuhl informed Mr. Dively that the First Clover Leaf board of directors' decision.

On March 1, 2016, First Mid and First Clover Leaf entered into a non-binding letter of intent with the financial terms set forth in the February 16, 2016 revised preliminary, non-binding indication of interest. The letter of intent was subject to customary conditions, including continued due diligence and a 45 day exclusivity provision, subject to a 30 day extension if First Mid and First Clover Leaf are negotiating with each other in good faith. First Mid then began a more in-depth due diligence review of First Clover Leaf's credit portfolio, contracts, and other legal documents and, shortly thereafter, instructed its special legal advisor, Schiff Hardin to prepare the documentation necessary for the transaction, including a draft of the Merger Agreement, on the terms contained in the letter of intent. In addition, following the execution of the non-binding letter of intent, First Mid and First Clover Leaf and their respective representatives undertook additional, detailed due diligence of each other's business.

On March 15, 2016, First Mid and Schiff Hardin provided First Clover Leaf and Barack Ferrazzano with an initial draft merger agreement for the proposed transaction. Over the course of the following weeks, the parties and their respective legal advisors exchanged drafts of the merger agreement and disclosure schedules thereto, several of which were shared with the board of directors of each of First Mid and First Clover Leaf, and worked toward finalizing the terms of the transaction, including: the representations and warranties to be given by the parties; the operational covenants regarding First Clover Leaf's actions between signing of the Merger Agreement and the closing of a transaction; a mechanism to adjust the level of merger consideration in the event that First Clover Leaf does not meet a certain level of adjusted minimum tangible equity; the inclusion of a double-trigger termination provision; the level of severance and other rights of First Clover Leaf employees leading up to, and following, the proposed transaction; and the provisions regarding a termination fee and First Clover Leaf's ability to pursue other transactions if necessary to satisfy its board's fiduciary duties. During this period of negotiation, the parties and their representatives continued to conduct ongoing, reciprocal due diligence.

On March 22, 2016, Mr. Kuhl gave an update to First Clover Leaf's board regarding the ongoing negotiations with First Mid. On March 31, 2016, Mr. Kuhl, certain other of First Clover Leaf's executive officers and representatives of Raymond James met with representatives of First Mid at their offices in Mattoon, Illinois to interview those officers and conduct additional, reverse due diligence on First Mid. On April 14, 2016, First Mid and First Clover Leaf acknowledged and confirmed that the exclusivity period set forth in the non-binding letter of intent was automatically extended by an additional 30 days.

On April 14, 2016, the Executive Committee of the First Clover Leaf board met to discuss the ongoing negotiations and to discuss the general status of the potential transaction. Representatives of Raymond James and Barack Ferrazzano participated in the discussions. The Executive Committee discussed with management, among other things, the current economic environment in First Clover Leaf's market areas, the challenges of growing organically and delivering increased value to its stockholders, the performance of First Mid common stock, First Mid operations and their commitment to community banking. Mr. Kuhl indicated that he had discussed with First Mid executives the ability to arrange a meeting between various directors of each of the companies so that First Clover Leaf's board could gain additional insight into First Mid's ongoing strategy and community banking strategy. On April 18, 2016, various members of the boards of each company met informally and discussed each other's strategies and philosophies.

On April 18, 2016, Barack Ferrazzano distributed a draft of the merger agreement to First Clover Leaf's board for its review and consideration. On April 20, 2016, the First Clover Leaf board held an informal board session, at which there was full attendance, with representatives of Barack Ferrazzano and Raymond James. At that session, representatives of Barack Ferrazzano discussed the terms of the merger agreement in detail and answered questions about the agreement. Additionally, representatives of Raymond James led a discussion with the board regarding the operation of the double-trigger termination provision as well as the price adjustment provision tied to the minimum net worth concept. After a lengthy discussion among the board members, the directors agreed to continue to review the agreement and meet during its regularly scheduled board meeting on April 26, 2016 to consider the final merger agreement and to consider the transactions contemplated thereby.

On April 26, 2016, the First Mid board of directors held a special meeting to discuss the proposed transaction and to review the merger agreement. Representatives from Schiff Hardin, FIG and First Mid's management joined the meeting and reviewed in detail the final terms of the merger agreement with the board. FIG also reviewed with the board the financial aspects of the transaction and its opinion that, based upon and subject to the various considerations set forth in its written opinion, the merger consideration to be paid to the stockholders of First Clover Leaf in the merger is fair to the stockholders of First Mid from a financial point of view. FIG subsequently delivered its written opinion to the board. After asking questions of FIG, Schiff Hardin and First Mid's management, the board discussed the terms of the merger agreement, FIG's opinion and the fiduciary duties the board of directors owes the First Mid stockholders. Following this discussion and consideration, the board determined that the merger agreement and the transactions contemplated thereby, including the issuance of shares of First Mid common stock to First Clover Leaf stockholders, was advisable and in the best interests of First Mid and its stockholders. The board then unanimously approved (with the exception of Robert S. Cook, who abstained from participating in any decision-making relating to the merger) the merger agreement and the transactions contemplated thereby, including the issuance of shares of First Mid common stock to First Clover Leaf stockholders, and to recommend that the First Mid stockholders approve the adoption of the merger agreement.

Also on April 26, 2016, at the First Clover Leaf regularly scheduled board meeting, representatives of management, Raymond James and Barack Ferrazzano reviewed for the First Clover Leaf board of directors the final terms of the transaction documents. Raymond James rendered its written opinion to the First Clover Leaf board of directors that, as of that date, and based upon and subject to the factors, assumptions and limitations set forth in its written opinion, the merger consideration was fair, from a financial point of view, to the holders of First Clover Leaf common stock. The First Clover Leaf board of directors discussed at length the transaction, the pricing terms and the difficulties of being able to grow First Clover Leaf either organically or through acquisitions. In this regard, the First Clover Leaf board considered the financial analyses of Raymond James regarding the valuation of First Clover Leaf as a stand-alone entity. The directors discussed the attributes of First Mid's common stock, including its recent market performance, its higher dividend payout ratio, its trading volume and the anticipation that it will be included in the Russell 2000 in the next several months. The board also discussed First Mid's commitment to community banking and its general corporate philosophy. Following extensive discussion and questions and answers, including consideration of the factors described under "First Clover Leaf's reasons for the merger and recommendation of First Clover Leaf's board of directors", the First Clover Leaf board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were in the best interest of First Clover Leaf and its stockholders and to recommend that the First Clover Leaf stockholders approve the adoption of the merger agreement. Following the respective board meetings of First Mid and First Clover Leaf, in the afternoon of April 26, 2016, First Mid and First Clover Leaf executed the merger agreement and First Mid executed the voting agreements entered into with certain of the directors of First Clover Leaf. After the closing of the market on April 26, 2016, First Mid and First Clover Leaf issued a press release announcing the execution of the merger agreement.

First Clover Leaf's reasons for the merger and recommendation of the board of directors

At its meeting on April 26, 2016, the First Clover Leaf board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were in the best interests of First Clover Leaf and its stockholders.



In deciding to approve the merger agreement and the transactions contemplated thereby, including the merger, First Clover Leaf's board of directors consulted with First Clover Leaf's management, as well as its legal counsel, Barack Ferrazzano, and financial advisor, Raymond James, and considered numerous factors, including the following:

- information with respect to the businesses, earnings, operations, financial condition, prospects, capital levels and asset quality of First Clover Leaf and First Mid, both individually and as a combined company;
- the value to be received by First Clover Leaf stockholders in the merger as compared to stockholder value projected for First Clover Leaf as a stand-alone entity over the next several years;
- the fact that the per share cash merger consideration of \$12.87 for each share of First Clover Leaf common stock represented a 34.1% premium over the \$9.60 closing price of First Clover Leaf's common stock on April 25, 2016, the last day of trading prior to the approval of the merger agreement;
- the fact that the per share stock merger consideration of \$12.75, determined by applying the 0.495 exchange ratio to the \$25.75 closing price of First Mid's common stock on April 25, 2016, represented a 32.8% premium over the \$9.60 closing price of First Clover Leaf's common stock on April 25, 2016, the last day of trading prior to the approval of the merger agreement;
- the market value of First Mid common stock prior to the execution of the merger agreement and the prospects for future appreciation in the stock, including relative to its anticipated inclusion in the Russell 2000 index;
- the financial analyses of Raymond James, First Clover Leaf's independent financial advisor, and its written opinion, dated as of April 26, 2016, delivered to the First Clover Leaf board of directors to the effect that, as of that date, and based upon and subject to the factors, assumptions and limitations set forth in the opinion, the merger consideration was fair, from a financial point of view, to the holders of First Clover Leaf common stock;
- the enhanced liquidity for First Clover Leaf stockholders, including with respect to the First Mid common stock to be received in the merger;
- the historical performance of each of First Clover Leaf common stock and First Mid common stock and the dividend paid for each;
- the fact that First Clover Leaf's past attempts to acquire, or enter into a merger with, other financial institutions in 2014 and 2015 were unsuccessful and that the First Clover Leaf board of directors was not aware of a potential acquisition that it believed would be in the best interests of stockholders to pursue;
- First Clover Leaf's board of directors' belief that combining with a larger financial institution will benefit stockholders and customers in that the combined organization will be better equipped to respond to economic and industry developments and should be better positioned to develop and build on its position in existing markets;
- the perceived risks and uncertainties attendant to First Clover Leaf's operation as an independent banking organization, including the risks and uncertainties related to the continuing low-interest rate environment, competition in First Clover Leaf's market area, increased operating and regulatory costs and increased capital requirements;
- the effects of the merger on First Clover Leaf's employees, including the retention of a significant number of employees and their ability to participate in First Mid's benefit plans;

the efforts made to solicit interest from institutions considered to have the ability and potential interest in acquiring First Clover Leaf and the low probability of securing a more attractive proposal from another institution capable of consummating the transaction;

the ability of First Mid to complete the merger from a financial and regulatory perspective;

the likelihood that the merger will be approved by the relevant bank regulatory authorities without undue burden and in a timely manner;

the board of directors' understanding that the merger will qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code, providing favorable tax consequences to First Clover Leaf's stockholders in the merger; and the board of directors' review with its independent legal advisor, Barack Ferrazzano, of the material terms of the merger agreement, including the board of directors' ability, under certain circumstances, to withhold, withdraw, qualify or modify its recommendation to First Clover Leaf stockholders and to consider and pursue a better unsolicited acquisition proposal, subject to the potential payment by First Clover Leaf of a termination fee to First Mid, which the board of directors concluded was reasonable in the context of termination fees in comparable transactions and in light of the overall terms of the merger agreement, as well as the nature of the covenants, representations and warranties and termination provisions in the merger agreement.

The above discussion of the information and factors considered by First Clover Leaf's board is not intended to be exhaustive, but includes a description of all material factors considered by First Clover Leaf's board. First Clover Leaf's board of directors further considered various risks and uncertainties related to each of these factors and the ability to complete the merger. In view of the wide variety of factors considered by First Clover Leaf's board of directors in connection with its evaluation of the merger, it did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered. In considering the factors described above, individual directors may have given differing weights to different factors. First Clover Leaf's board of directors collectively made its determination with respect to the merger based on the conclusion reached by its members, based on the factors that each of them considered appropriate, that the merger is in the best interests of First Clover Leaf and its stockholders and that the benefits expected to be achieved from the merger outweigh the potential risks.

After considering the foregoing and other relevant factors and risks, and their overall impact on the stockholders and other constituencies of First Clover Leaf, the First Clover Leaf board of directors concluded that the anticipated benefits of the merger outweighed the anticipated risks of the transaction. Accordingly, First Clover Leaf's board of directors unanimously approved the merger agreement and the merger, and the board of directors unanimously recommends that First Clover Leaf stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein.

Opinion of Raymond James & Associates, Inc.

First Clover Leaf retained Raymond James as financial advisor on October 7, 2015. Pursuant to that engagement, the First Clover Leaf board of directors requested that Raymond James evaluate the fairness, from a financial point of view, to the holders of First Clover Leaf's outstanding common stock of the merger consideration to be received by such holders pursuant to the merger agreement.

At the April 26, 2016, meeting of the First Clover Leaf board of directors, a representative of Raymond James rendered its oral opinion, which was subsequently confirmed by delivery of a written opinion to the First Clover Leaf board of directors, dated April 26, 2016, as to the fairness, as of such date, from a financial point of view, to the holders of First Clover Leaf's outstanding common stock of the merger consideration to be received by such holders in the merger pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Raymond James is attached as Appendix D to this document. The summary of the opinion of Raymond James set forth in this document is qualified in its entirety by reference to the full text of such written opinion. Holders of First Clover Leaf common stock are urged to read this opinion in its entirety.

Raymond James provided its opinion for the information of the First Clover Leaf board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger and its opinion only addresses whether the merger consideration to be received by the holders of the common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to such holders. The opinion of Raymond James does not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Raymond James opinion does not constitute a recommendation to the First Clover Leaf board of directors or to any holder of First Clover Leaf common stock as to how the First Clover Leaf board of directors, such stockholder or any other person should vote or otherwise act with respect to the merger or any other matter. Raymond James does not express any opinion as to the likely trading range of First Mid common stock following the merger, which may vary depending on numerous factors that generally impact the price of securities or on the financial condition of First Mid at that time.

In connection with its review of the proposed merger and the preparation of its opinion, Raymond James, among other things:

- reviewed the financial terms and conditions as stated in the draft of the merger agreement by and between First Mid and First Clover Leaf, dated as of April 18, 2016;
- reviewed certain information related to the historical, current and future operations, financial condition and prospects of First Clover Leaf made available to Raymond James by First Clover Leaf, including, but not limited to, financial projections prepared by the management of First Clover Leaf relating to First Clover Leaf for the periods ending December 31, 2016 through 2020, as approved for Raymond James' use by First Clover Leaf (which we refer to as the "Projections");
- reviewed First Clover Leaf's and First Mid's recent public filings and certain other publicly available information regarding First Clover Leaf and First Mid;
- reviewed financial, operating and other information regarding First Clover Leaf and the industry in which it operates;
- reviewed the financial and operating performance of First Clover Leaf and those of other selected public companies that Raymond James deemed to be relevant;
- considered the publicly available financial terms of certain transactions that Raymond James deemed to be relevant;
- reviewed the current and historical market prices and trading volume for First Clover Leaf and the current market prices of the publicly traded securities of certain other companies that Raymond James deemed to be relevant;
- reviewed a certificate addressed to Raymond James from a member of senior management of First Clover Leaf regarding, among other things, the accuracy of the information, data and other materials (financial or otherwise) provided to, or discussed with, Raymond James by or on behalf of First Clover Leaf;
- conducted such other financial studies, analyses and inquiries and considered such other information and factors as Raymond James deemed appropriate; and
- discussed with members of the senior management of First Clover Leaf certain information relating to the aforementioned and any other matters which Raymond James deemed relevant to its inquiry.

With First Clover Leaf's consent, Raymond James assumed and relied upon the accuracy and completeness of all information supplied by or on behalf of First Clover Leaf, or otherwise reviewed by or discussed with Raymond James, and Raymond James did not undertake any duty or responsibility to, nor did Raymond James, independently verify any of such information. Raymond James did not make or obtain an independent appraisal of the assets or liabilities (contingent or otherwise) of First Clover Leaf or First Mid. With respect to the Projections and any other information and data provided to or otherwise reviewed by or discussed with Raymond James, Raymond James, with First Clover Leaf's consent, assumed that the Projections and such other information and data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of management of First Clover Leaf and Raymond James relied upon First Clover Leaf to advise Raymond James promptly if any information previously provided became inaccurate or was required to be updated during the period of its review. Raymond James expressed no opinion with respect to the Projections or the assumptions on which they were based. Based upon the terms specified in the merger agreement, Raymond James assumed that the merger will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code. Raymond James relied upon and assumed, without independent verification, that the final form of the merger agreement would be substantially similar to the draft merger agreement reviewed by Raymond James in all respects material to its analysis, and that the merger would be consummated in accordance with the terms of the merger agreement without waiver of or amendment to any of the conditions thereto. Furthermore, Raymond James assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement were true and correct and that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement without being waived. Raymond James also relied upon and assumed, without independent verification, that (i) the merger would be consummated in a manner that complies in all respects with all applicable international, federal and state statutes, rules and regulations, and (ii) all governmental, regulatory or other consents and approvals necessary for the consummation of the merger would be obtained and that no delay, limitations, restrictions or conditions would be imposed or amendments, modifications or waivers made that would have an effect on the merger or First Clover Leaf that would be material to its analysis or opinion.

Raymond James expressed no opinion as to the underlying business decision to effect the merger, the structure or tax consequences of the merger, or the availability or advisability of any alternatives to the merger. The Raymond James opinion is limited to the fairness, from a financial point of view, of the merger consideration to be received by the holders of the First Clover Leaf common stock. Raymond James expressed no opinion with respect to any other reasons (legal, business, or otherwise) that may support the decision of the First Clover Leaf board of directors to approve or consummate the merger. Furthermore, no opinion, counsel or interpretation was intended by Raymond James on matters that require legal, accounting or tax advice. Raymond James assumed that such opinions, counsel or interpretations had been or would be obtained from appropriate professional sources. Furthermore, Raymond James relied, with the consent of First Clover Leaf, on the fact that First Clover Leaf was assisted by legal, accounting and tax advisors, and, with the consent of First Clover Leaf relied upon and assumed the accuracy and completeness of the assessments by First Clover Leaf and its advisors, as to all legal, accounting and tax matters with respect to First Clover Leaf and the merger.

In formulating its opinion, Raymond James considered only the merger consideration to be received by the holders of First Clover Leaf common stock, and Raymond James did not consider, and its opinion did not address, the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of First Clover Leaf, or such class of persons, in connection with the merger whether relative to the merger consideration or otherwise. Raymond James was not requested to opine as to, and its opinion did not express an opinion as to or otherwise address, among other things: (1) the fairness of the merger to the holders of any class of securities, creditors or other constituencies of First Clover Leaf, or to any other party, except and only to the extent expressly set forth in the last sentence of its opinion or (2) the fairness of the merger to any one class or group of First Clover Leaf's or any other party's security holders or other constituents vis-à-vis any other class or group of First Clover Leaf's or such other party's security holders or other constituents (including, without limitation, the allocation of any consideration to be received in the merger amongst or within such classes or groups of security holders or other constituents). Raymond James expressed no opinion as to the impact of the merger on the solvency or viability of First Clover Leaf or First Mid or the ability of First Clover Leaf or First Mid to pay their respective obligations when they come due.





### Material Financial Analyses

The following summarizes the material financial analyses reviewed by Raymond James with the First Clover Leaf board of directors at its meeting on April 26, 2016, which material was considered by Raymond James in rendering its opinion. No company or merger used in the analyses described below is identical or directly comparable to First Clover Leaf, First Mid or the contemplated merger.

**Selected Companies Analysis.** Raymond James analyzed the relative valuation multiples of 17 publicly-traded banks and thrifts in the Midwest (Iowa, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin) with assets between \$500 million and \$1.0 billion, last twelve months (which we refer to as “LTM”) return on average assets (which we refer to as “ROAA”) greater than 0.0%, and non-performing assets to total assets (which we refer to as “NPA/assets”) ratio less than 3.0% that it deemed relevant, including:

- Centru Financial Corporation
- County Bancorp, Inc.
- HopFed Bancorp, Inc.
- Landmark Bancorp, Inc.
- Ohio Valley Banc Corp.
- SB Financial Group, Inc.
- First Savings Financial Group, Inc.
- Mackinac Financial Corporation
- Middlefield Banc Corp.
- First Capital, Inc.
- Westbury Bancorp, Inc.
- Guaranty Federal Bancshares, Inc.
- HMN Financial, Inc.
- United Bancshares, Inc.
- Citizens Community Bancorp, Inc.
- F Bancorp, Inc.
- United Community Bancorp

Raymond James calculated various financial multiples for each bank or thrift above, including (i) price per share compared to tangible book value (which we refer to as “TBV”) per share as of December 31, 2015 (or March 31, 2016 if the data was available), (ii) price per share compared to core tangible book value (which we refer to as “CTBV”) per share (core tangible book value assumes a normalized tangible common equity as a percentage of tangible assets ratio, which we refer to as a “TCE/TA ratio”, of 8.0%) as of December 31, 2015 (or March 31, 2016 if the data was available), and (iii) price per share compared to earnings per share (which we refer to as “EPS”) for the

most recent LTM ended as of December 31, 2015 (or March 31, 2016 if the data were available). Raymond James reviewed the mean, median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples of the selected public banks and thrifts and compared them with corresponding valuation multiples for First Clover Leaf implied by the merger consideration. The results of the selected public banks and thrifts analysis are summarized below:

	Price / TBV per share	Price / CTBV per share	Price / LTM EPS
Mean	99%	100%	13.5x
Median	97%	97%	11.6x
25 <sup>th</sup> Percentile	90%	90%	10.0x
75 <sup>th</sup> Percentile	104%	105%	17.9x
Merger Consideration	128%	137%	18.9x

Furthermore, Raymond James applied the mean, median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples for each of the metrics to First Clover Leaf's actual and projected financial results and determined the implied equity price per share of First Clover Leaf common stock and then compared those implied equity values per share to the merger consideration of \$12.52 per share. The results of this are summarized below:

	Price / TBV per share	Price / CTBV per share	Price / LTM EPS
Mean	\$9.71	\$9.79	\$8.96
Median	9.50	9.58	7.70
25 <sup>th</sup> Percentile	8.81	9.06	6.63
75 <sup>th</sup> Percentile	10.20	10.21	11.83
Merger Consideration	\$12.52	\$12.52	\$12.52

Selected Transaction Analysis. Raymond James analyzed publicly available information relating to selected transactions announced since December 31, 2013 involving targets headquartered in the Midwest region with assets between \$300 million and \$1.0 billion, LTM ROAA greater than 0.0%, and an NPA/assets ratio less than 3.0%. The regional transactions that Raymond James analyzed consisted of targets headquartered in the following Midwest states: Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin. Raymond James also analyzed publicly available information relating to selected transactions announced since June 30, 2015 involving nationwide targets with assets between \$300 million and \$1.0 billion, LTM ROAA greater than 0.0% and an NPA/assets ratio less than 3.0%. Raymond James prepared a summary of the relative valuation multiples paid in these transactions. The selected transactions used in the analysis included:

Regional:

- ▲ Acquisition of La Porte Bancorp, Inc. by Horizon Bancorp (03/10/16)
- ▲ Acquisition of MBT Bancshares, Inc. by BOK Financial Corporation (12/08/15)
- ▲ Acquisition of Cheviot Financial Corp. by MainSource Financial Group, Inc. (11/24/15)
- ▲ Acquisition of NI Bancshares Corporation by First Midwest Bancorp, Inc. (11/12/15)
- ▲ Acquisition of River Valley Bancorp by German American Bancorp, Inc. (10/26/15)
- ▲ Acquisition of Beacon Bank by Alerus Financial Corporation (09/22/15)
- ▲ Acquisition of Metropolitan National Bank by Bear State Financial, Inc. (06/22/15)

- ♣Acquisition of Community Financial Shares, Inc. by Wintrust Financial Corporation (03/02/15)
- ♣Acquisition of Peoples Bancorp, Inc. by Horizon Bancorp (02/19/15)
- ♣Acquisition of National Bancshares Corporation by Farmers National Banc Corp. (01/27/15)
- ♣Acquisition of Southern Bancshares Corp. by Stupp Bros., Inc. (12/22/14)
- ♣Acquisition of Community Banc-Corp. of Sheboygan, Inc. by Heartland Financial USA, Inc. (10/23/14)
- ♣Acquisition of NB&T Financial Group, Inc. by Peoples Bancorp Inc. (08/04/14)
- ♣Acquisition of Founders Financial Corporation by Old National Bancorp (07/28/14)
- ♣Acquisition of Great Lakes Financial Resources, Inc. by First Midwest Bancorp, Inc. (07/08/14)
- ♣Acquisition of LSB Financial Corp. by Old National Bancorp (06/04/14)
- ♣Acquisition of United Bancorp, Inc. by Old National Bancorp (01/08/14)

National:

- ♣Acquisition of NBG Bancorp, Inc. by State Bank Financial Corporation (04/05/16)
- ♣Acquisition of Chicopee Bancorp, Inc. by Westfield Financial, Inc. (04/04/16)
- ♣Acquisition of East River Bank by DNB Financial Corporation (04/04/16)
- ♣Acquisition of Home State Bancorp by Guaranty Bancorp (03/16/16)
- ♣Acquisition of La Porte Bancorp, Inc. by Horizon Bancorp (03/10/16)
- ♣Acquisition of 1st Century Bancshares, Inc. by Midland Financial Co. (03/10/16)
- ♣Acquisition of Xenith Bankshares, Inc. by Hampton Roads Bankshares, Inc. (02/10/16)
- ♣Acquisition of MBT Bancshares, Inc. by BOK Financial Corporation (12/08/15)
- ♣Acquisition of CBS Financial Corporation by Charter Financial Corporation (12/03/15)
- ♣Acquisition of Cheviot Financial Corp. by MainSource Financial Group, Inc. (11/24/15)
- ♣Acquisition of Penn Liberty Financial Corp. by WSFS Financial Corporation (11/23/15)
- ♣Acquisition of High Point Bank Corporation by BNC Bancorp (11/16/15)
- ♣Acquisition of NI Bancshares Corporation by First Midwest Bancorp, Inc. (11/12/15)
- ♣Acquisition of TFC Holding Company by RBB Bancorp (11/10/15)
- ♣Acquisition of Floridian Financial Group, Inc. by Seacoast Banking Corporation of Florida (11/03/15)

- ▲Acquisition of River Valley Bancorp by German American Bancorp, Inc. (10/26/15)
- ▲Acquisition of CIC Bancshares, Inc. by Heartland Financial USA, Inc. (10/23/15)
- ▲Acquisition of Conestoga Bank by Beneficial Bancorp, Inc. (10/22/15)
- ▲Acquisition of Heritage Bankshares, Inc. by Southern BancShares (N.C.), Inc. (10/21/15)
- ▲Acquisition of KeyWorth Bank by Renasant Corporation (10/20/15)
- ▲Acquisition of Radius Bancorp, Inc. by Investor Group (10/07/15)
- ▲Acquisition of Security California Bancorp by Pacific Premier Bancorp, Inc. (10/01/15)
- ▲Acquisition of First Capital Bancorp, Inc. by Park Sterling Corporation (10/01/15)
- ▲Acquisition of Beacon Bank by Alerus Financial Corporation (09/22/15)
- ▲Acquisition of Hopewell Valley Community Bank by Northfield Bancorp, Inc. (08/26/15)
- ▲Acquisition of Southcoast Financial Corporation by BNC Bancorp (08/14/15)
- ▲Acquisition of Tradition Bancshares, Inc. by Prosperity Bancshares, Inc. (08/06/15)
- ▲Acquisition of Pascack Bancorp, Inc. by Lakeland Bancorp, Inc. (08/04/15)
- ▲Acquisition of F&M Financial Corporation by Private investor - Gaylon Lawrence Jr. (07/23/15)
- ▲Acquisition of Grand Bank by Independent Bank Group, Inc. (07/23/15)

Raymond James examined valuation multiples of transaction value compared to the targets' most recent quarter (which we refer to as "MRQ") TBV, MRQ CTBV, LTM EPS, and MRQ core deposits, where such information was publicly available. Core deposits are defined as total deposits less time deposits of \$100,000 or more. Raymond James reviewed the mean, median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples of the selected transactions and compared them to corresponding valuation multiples for First Clover Leaf implied by the merger consideration. Furthermore, Raymond James applied the mean, median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples to First Clover Leaf's MRQ TBV, MRQ CTBV, LTM EPS and MRQ core deposits to determine the implied equity price per share and then compared those implied equity values per share to the merger consideration of \$12.52 per share, adjusted for the dilutive effect of First Clover Leaf's options. The results of the selected transactions analysis are summarized below:

Regional:

	Transaction Value / MRQ TBV	Implied Equity Price Per Share
Mean	157%	\$15.42
Median	148%	14.57
25 <sup>th</sup> Percentile	135%	13.28
75 <sup>th</sup> Percentile	170%	16.67
Merger Consideration	128%	\$12.52

	Transaction Value / MRQ CTBV	Implied Equity Price Per Share
Mean	168%	\$14.82
Median	157%	14.00
25 <sup>th</sup> Percentile	145%	13.12
75 <sup>th</sup> Percentile	189%	16.37
Merger Consideration	137%	\$12.52

	Transaction Value / LTM EPS	Implied Equity Price Per Share
Mean	17.8x	\$11.76
Median	19.1x	12.62
25 <sup>th</sup> Percentile	15.2x	10.04
75 <sup>th</sup> Percentile	21.2x	14.02
Merger Consideration	18.9x	\$12.52

	Premium to Core Deposits	Implied Equity Price Per Share
Mean	7.4%	\$14.72
Median	6.0%	13.81
25 <sup>th</sup> Percentile	4.9%	13.09
75 <sup>th</sup> Percentile	8.7%	15.58
Merger Consideration	4.1%	\$12.52

National:

	Transaction Value / MRQ TBV	Implied Equity Price Per Share
Mean	159%	\$15.56
Median	158%	15.47