

FIRST MID ILLINOIS BANCSHARES INC

Form 424B3

February 09, 2018

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Registration Statement No. 333-222642

PROXY STATEMENT OF FIRST BANCTRUST CORPORATION

PROSPECTUS OF FIRST MID-ILLINOIS BANCSHARES, INC.

Merger Proposal-Your Vote Is Important

DEAR FIRST BANCTRUST CORPORATION STOCKHOLDERS:

You are cordially invited to attend a special meeting of stockholders of First BancTrust Corporation, which will be held on March 15, 2018 at 3:00 p.m., local time at First Bank & Trust, 101 S. Central Ave., Paris, Illinois 61944.

At the meeting, you will be asked to approve the merger agreement, dated December 11, 2017, as amended by the First Amendment to Agreement and Plan of Merger, dated as of January 18, 2018, and as it may be further amended from time to time (which we refer to as the “merger agreement”), among First BancTrust Corporation (“First Bank”), First Mid-Illinois Bancshares, Inc. (“First Mid”) and Project Hawks Merger Sub LLC (formerly known as Project Hawks Merger Sub Corp.), a newly formed wholly-owned subsidiary of First Mid (“Merger Sub”), that provides for First Mid’s acquisition of First Bank through the merger of First Bank with and into Merger Sub, with Merger Sub as the surviving entity and a wholly-owned subsidiary of First Mid (the “merger”). In the proposed merger, each issued and outstanding share of First Bank common stock will be converted into, and become the right to receive, (a) \$5.00 per share in cash and (b) 0.80 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, subject to certain adjustments as set forth in, and subject to the terms of, the merger agreement, and as described in detail in this proxy statement/prospectus.

Based on the number of shares of First Bank common stock outstanding as of December 11, 2017, the date of the merger agreement, and the closing price of First Mid’s common stock of \$39.09 on December 11, 2017, and assuming no adjustments to merger consideration, First Bank stockholders are expected to receive total aggregate merger consideration of approximately \$74,534,716, consisting of approximately \$10,274,415 in cash and \$64,260,301 in First Mid common stock, subject to receipt of cash in respect of fractional shares.

The merger consideration is subject to potential adjustment in four circumstances. First, if the consolidated balance sheet delivered by First Bank 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 \$47,100,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, the cash consideration will be reduced by \$.00339 per share. As of September 30, 2017, First Bank's consolidated stockholders' equity as computed in accordance with generally accepted accounting principles ("GAAP") was \$46,558,343. As of the date of this proxy statement/prospectus, the parties are not aware of any existing facts or circumstances that would cause the consolidated stockholders' equity included in the closing consolidated balance sheet to be less than \$47,100,000. Second, if at any time during the five business day period commencing on the tenth 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 \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank 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 the proxy statement/prospectus entitled "Description of 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 Bank common stock with the same economic effect as contemplated by the merger agreement prior to such event. Fourth, if any of the foregoing adjustments to the exchange ratio would require First Mid to issue more than 19.9% of the issued and outstanding shares of First Mid common stock at the effective time of the merger, First Mid shall have the right to adjust the ratio so that First Mid would not be required to issue more than 19.9% of its outstanding common stock and to increase the cash consideration to reflect, on a per share basis, the aggregate value of the total number of shares of First Mid common stock that otherwise would have been issuable pursuant to the terms of the merger agreement.

Upon the effectiveness of the merger, each share of issued and outstanding First Bank 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 Bank common stock and each uncertificated share registered to a holder on the stock transfer books of First Bank shall thereafter represent only the right to receive the merger consideration described above and herein.

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, we expect that the former stockholders of First Bank will own approximately 11.6% of First Mid's issued and outstanding common stock.

First Mid's common stock currently trades on the Nasdaq Global Select Market under the symbol "FMBH." First Bank's common stock currently trades on the OTCQX Market under the symbol "FIRT." On February 1, 2018, the latest practicable date before the printing of this proxy statement/prospectus, the closing price of First Mid common stock was \$38.45 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 Select Market.

We cannot complete the merger unless we obtain the necessary governmental approvals and unless the stockholders of First Bank approve the merger agreement and the transactions contemplated therein. The board of directors of First Bank has unanimously approved the merger and recommends that First Bank's stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein to be considered at the special meeting.

The place, date and time of the First Bank stockholders' meeting are as follows:

Date: March 15, 2018
Time: 3:00 p.m., local time
Place: First Bank & Trust
101 S. Central Ave.
Paris, Illinois 61944

This proxy statement/prospectus contains a more complete description of the First Bank stockholders' meeting and the terms of the merger. You may also obtain information about First Mid from documents that it has filed with the Securities and Exchange Commission (which we refer to as the "SEC"). We urge you to review this entire document carefully. This document also serves as the prospectus for up to 1,662,840 shares of First Mid common stock that may be issued by First Mid in connection with the merger.

Your vote is important, regardless of the number of shares that you own. Whether or not you plan to attend First Bank's stockholders' 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 First Bank'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 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 17.

Thank you for your cooperation and continued support.
Sincerely,

Jack R. Franklin
Chairman and Chief Executive Officer
First BancTrust Corporation

Neither the SEC nor any state securities regulatory body has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this 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 proxy statement/prospectus is dated February 9, 2018, and is first being mailed to First Bank's stockholders on or about February 9, 2018.

FIRST BANCTRUST CORPORATION

114 West Church Street
Champaign, Illinois 61824
(217) 398-0067

Notice of Special Meeting of Stockholders

Date: March 15, 2018

Time: 3:00 p.m., local time

Place: First Bank & Trust, 101 S. Central Ave., Paris, Illinois 61944

Dear First Bank Stockholders:

NOTICE IS HEREBY GIVEN that First BancTrust Corporation (“First Bank”) will hold a special meeting of stockholders on March 15, 2018 at 3:00 p.m., local time, at First Bank & Trust, 101 S. Central Ave., Paris, Illinois 61944. 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 December 11, 2017, as amended on January 18, 2018, among First Bank, First Mid-Illinois Bancshares, Inc. (“First Mid”) and Project Hawks Merger Sub LLC, a wholly owned subsidiary of First Mid (“Merger Sub”), pursuant to which First Bank will merge with and into Merger Sub with Merger Sub as the surviving entity and a wholly-owned subsidiary of First Mid, and the transactions contemplated therein;

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; and

to transact any other business that properly comes before the special meeting, or any adjournments or postponements thereof.

Holders of record of First Bank common stock at the close of business on February 2, 2018 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 Bank common stock entitled to vote. Approval of the First Bank adjournment of the special meeting also requires the affirmative vote of the holders of a majority of the outstanding shares of First Bank common stock entitled to vote.

The board of directors of First Bank unanimously recommends that you vote “FOR” approval of the merger agreement and the transactions contemplated therein, 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 by 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 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.

You will be sent a letter of transmittal separately on a later date. Please do not send in your stock certificates at this time.

Under Delaware law, if the merger is completed, First Bank stockholders of record who do not vote to approve the merger agreement, and otherwise comply with the applicable provisions of Delaware law pertaining to dissenting stockholders, will be entitled to exercise rights of appraisal and obtain payment in cash for the fair value of their shares of First Bank common stock. A copy of the section of the Delaware General Corporation Law pertaining to objecting stockholders' rights of appraisal (also known as dissenters' rights) is included as Appendix B to this proxy statement/prospectus.

By Order of the Board of Directors,
Jack R. Franklin
Chairman and Chief Executive Officer
First BancTrust Corporation
February 9, 2018

REFERENCES TO ADDITIONAL INFORMATION

This 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 proxy statement/prospectus. For a listing of the documents incorporated by reference into this proxy statement/prospectus, please see the section entitled “Incorporation of Certain First Mid Documents by Reference” beginning on page 82. First Bank has not incorporated any information into this proxy statement/prospectus by reference. You can obtain any of the documents filed with or furnished to the SEC by First Mid, 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 proxy statement/prospectus by First Mid, free of charge, by contacting First Mid at the following address:

First Mid-Illinois Bancshares, Inc.

1421 Charleston Avenue

Mattoon, Illinois 61938

Attention: Investor Relations

Telephone: (217) 258-0463

The section of this proxy statement/prospectus entitled “Where You Can Find More Information” beginning on page 81 has additional information about obtaining copies of documents that First Mid has 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 the First Bank special meeting. This means that documents must be requested by March 8, 2018 in order to receive them before the First Bank special meeting.

ABOUT THIS 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. 333-222642), 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 December 11, 2017, by and among First Mid, Merger Sub and First Bank, as amended by the First Amendment to Agreement and Plan of Merger, dated as of January 18, 2018, and as may be further amended from time to time, which we refer to as the “merger agreement.” This document also constitutes a proxy statement of First Bank 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 the special meeting of stockholders at which First Bank stockholders will be asked to consider and vote upon (a) the proposal to approve the merger agreement and the transactions contemplated therein, and (b) the proposal to adjourn or postpone the First Bank 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 proxy statement/prospectus relating to First Mid, and First Bank has supplied all information contained in this proxy statement/prospectus relating to First Bank. First Bank has not incorporated any information into this proxy statement/prospectus by reference. 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 February 9, 2018, 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 Bank 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 First Bank special meeting. We urge you to read carefully the remainder of this 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 acquisition of First Bank by First Mid through the merger of First Bank with and into a wholly-owned subsidiary of First Mid (which we refer to as “Merger Sub”), with Merger Sub as the surviving company. The merger is anticipated to be completed in mid-2018. At a date following the completion of the merger, First Mid intends to merge First Bank & Trust, IL, A: First Bank’s wholly-owned bank subsidiary (which we refer to as “First Bank & Trust”), 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 Bank & Trust’s banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Bank & Trust and First Mid Bank as separate bank subsidiaries.

Q: What will First Bank stockholders be entitled to receive in the merger?

If the merger is completed, each share of First Bank common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Bank as treasury stock and any dissenting shares), will be converted into the right to receive (a) \$5.00 in cash and (b) 0.80 shares of First Mid common stock, subject to certain adjustments, as set forth in the merger agreement. Based on the number of shares of First Bank common stock outstanding as of December 11, 2017, the date of the merger agreement, and the closing price of First Mid’s common stock of \$39.09 on December 11, 2017, and assuming no adjustments to the merger consideration, First Bank stockholders are expected to receive total aggregate merger consideration of approximately \$74,534,716, A: consisting of approximately \$10,274,415 in cash and \$64,260,301 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 the Closing First Mid Common Stock Price by the fractional share of First Mid common stock to which such former holder of First Bank common stock would otherwise be entitled. “Closing First Mid Common Stock Price” means the weighted average of the daily closing sales prices of a share of First Mid common stock as reported on the Nasdaq Global Market for the ten consecutive trading days immediately preceding the closing date. Shares of First Bank common stock held by First Bank stockholders who elect to exercise their dissenters’ rights (which we refer to as “dissenting shares”) will not be converted into merger consideration.

Q: Is the merger consideration subject to adjustment?

The merger consideration is subject to potential adjustment in four circumstances. First, if the consolidated balance sheet delivered by First Bank 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 \$47,100,000, for every \$50,000 shortfall thereof, the cash consideration will be reduced by \$.00339 per share. As of September 30, A: 2017, First Bank’s consolidated stockholders’ equity as computed in accordance with GAAP was \$46,558,343. As of the date of this proxy statement/prospectus, the parties are not aware of any existing facts or circumstances that would cause the consolidated stockholders’ equity included in the closing consolidated balance sheet to be less than \$47,100,000. Second, if at any time during the five business day period commencing on the tenth 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 \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank 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 59. 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 Bank common stock with the same economic effect as contemplated by the merger agreement prior to such event. Fourth, if any of the foregoing adjustments to the exchange ratio would require First Mid to issue more than 19.9% of the issued and outstanding shares of First Mid common stock at the effective time of the merger, First Mid shall have the right to adjust the ratio so that First Mid would not be required to issue more than 19.9% of its outstanding common stock and to increase the cash consideration to reflect, on a per share basis, the aggregate value of the total number of shares of First Mid common stock that otherwise would have been issuable pursuant to the terms of the merger agreement.

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

The per share value of the merger consideration constituting cash is \$5.00. The per share value of the merger consideration constituting First Mid common stock to be received by First Bank 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 Bank special meeting and may be more or less than the current price of First Mid 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 Select Market on December 11, 2017, the trading day
A: of the public announcement of the merger, of \$39.09, the value of the per share merger consideration constituting First Mid common stock was \$31.27. Based on the closing stock price of First Mid common stock on the Nasdaq Global Select Market on February 1, 2018, the latest practicable date before the mailing of this proxy statement/prospectus, of \$38.45, the value of the per share merger consideration constituting First Mid common stock was \$30.76. We urge you to obtain current market quotations for shares of First Mid common stock and First Bank common stock.

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

First Bank believes that the merger will provide First Bank stockholders with substantial benefits, and First Mid
A: believes that the merger will further its strategic growth plans. To review the reasons for the merger in more detail, see “The Merger-First Bank’s reasons for the merger and recommendation of the board of directors” on page 33 and “The Merger-First Mid’s reasons for the merger” on page 47.

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

In addition to the merger agreement and the transactions contemplated therein, First Bank is also soliciting proxies from holders of its common stock with respect to a proposal to adjourn the First Bank special meeting to permit
A: 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 Bank adjournment proposal.

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

First Bank’s board of directors has determined that the merger agreement and the transactions contemplated therein are in the best interests of First Bank and its stockholders. First Bank’s board of directors unanimously recommends
A: that you vote “FOR” the approval of the merger agreement and the transactions contemplated therein, 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 Bank’s reasons for the merger and recommendation of the board of directors” on page 33.

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

A: The interests of some of the directors and executive officers of First Bank may be different from those of First Bank stockholders, and the directors and officers of First Bank may be participants in arrangements that are different from, or are in addition to, those of First Bank stockholders. The members of the First Bank’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 Bank’s common stockholders vote in favor of adopting the merger agreement. See “The Merger-Interests of certain persons in the merger” on page 49.

Q: What vote is required to approve each proposal at the First Bank 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 Bank common stock entitled to vote. Approval of the First Bank 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: Why is my vote important?

A: The merger cannot be completed unless the merger agreement is approved by First Bank 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 board of directors of First Bank unanimously recommends that First Bank’s stockholders vote for “FOR” the proposal to approve the merger agreement.

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

A: You may vote at the special meeting if you own shares of First Bank common stock of record at the close of business on the record date for the special meeting, February 2, 2018. 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 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?

A: 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 Bank, or by voting in person at the First Bank 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 Bank common stock on behalf of their customers may not give a proxy to First Bank 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 Bank, 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 Bank, 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 proxy statement/prospectus carefully, including the factors discussed in the section titled "Risk Factors" beginning on page 17.

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

A: First Bank stockholders may assert appraisal rights (also referred to as dissenters' rights) in connection with the merger and, upon complying with the requirements of the Delaware General Corporation Law (which we refer to as the "DGCL"), receive cash in the amount of the "fair value" of their shares of First Bank 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 Bank stockholder dissenters' rights." A copy of the applicable section of the DGCL is attached as Appendix B to this document.

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

A: Each of Schiff Hardin LLP and Barack Ferrazzano Kirschbaum & Nagelberg LLP have delivered opinions, dated January 22, 2018, to the effect that the merger qualifies 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"). 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 as of the closing date, to the same effect as the opinions described in the preceding sentence. However, neither First Bank nor First Mid has requested or received a ruling from the Internal Revenue Service that the merger will qualify as a reorganization. In general, the conversion of your shares of First Bank common stock into First Mid common stock in the merger will be tax-free for United States federal income tax purposes. However, you generally will recognize gain (but not loss) in an amount limited to the amount of cash you receive in the merger. Additionally, you will recognize gain or loss on any cash that you receive in lieu of fractional shares of First Mid's common stock. The tax consequence of the merger to each First Bank stockholder will depend on such First Bank stockholder's own situation. 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 56.

Q: When and where is the First Bank special meeting?

A: The First Bank special meeting will take place on March 15, 2018, at 3:00 p.m. local time, at First Bank & Trust, 101 S. Central Ave., Paris, Illinois 61944.

Q: Who may attend the First Bank special meeting?

A: Only First Bank stockholders on the record date, which is February 2, 2018, may attend the 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 Bank stock certificates now?

A: No. First Mid has engaged Computershare Trust Company, N.A. (who we refer to as the exchange agent) to act as its exchange agent to handle the exchange of First Bank common stock for the merger consideration. Within two (2) business days after the closing date, the exchange agent will send to each First Bank certificated record holder a letter of transmittal for use in the exchange with instructions explaining how to surrender First Bank common stock certificates to the exchange agent. Holders of First Bank common stock who cannot locate their stock certificates should follow the instructions set forth in the letter of transmittal for lost or stolen stock certificates. Do not send your stock certificates with your proxy card.

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

A: If you are unable to locate your original First Bank stock certificate(s), you should follow the instructions set forth in the letter of transmittal that will be mailed to you within two (2) business days of the closing date with respect to lost certificates.

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

A: You should follow the instructions set forth in the letter of transmittal that will be mailed to you within two (2) business days of the closing date with respect to shares of First Bank common stock held in book-entry form.

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

A: First Bank stockholders may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of First Bank 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 your shares of First Bank common stock are registered in more than one name, you will receive more than one proxy card. 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 proxy statement/prospectus to ensure that you vote every share of First Bank 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 First Bank and we must obtain the necessary regulatory approvals. Assuming First Bank 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 mid-2018. See "Description of the Merger Agreement-Conditions to completion of the merger" on page 67.

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 67.

Q: What happens if the merger is not completed?

A: Neither First Bank nor First Mid can assure you of when or if the merger will be completed. If the merger is not completed, First Bank stockholders will not receive any consideration for their shares of First Bank common stock and will continue to be holders of First Bank common stock. Each of First Bank and First Mid will remain independent companies. Under certain circumstances, First Bank 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 70.

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 proxy statement/prospectus or the enclosed proxy form, you should contact Sarah Handley by mail at First BankTrust Corporation, 114 West Church Street, Champaign, Illinois, 61824 or by telephone at (217) 398-0067.

SUMMARY

This summary highlights selected information in this 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 proxy statement/prospectus carefully, including the appendices and the documents referred to or incorporated in this proxy statement/prospectus. A copy of the merger agreement is attached as Appendix A to this 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 82 and 81, respectively.

Information about First Mid and First Bank

First Mid-Illinois Bancshares, Inc.
1421 Charleston Avenue
Mattoon, Illinois 61938
Telephone: (217) 258-0463

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 three statutory business trusts, First Mid-Illinois Statutory Trust I, First Mid-Illinois Statutory Trust II, and Clover Leaf Statutory Trust I, all of which are unconsolidated subsidiaries of First Mid.

As of September 30, 2017, First Mid had total assets of approximately \$2.8 billion, total gross loans, including loans held for sale, of approximately \$1.9 billion, total deposits of approximately \$2.2 billion and total stockholders' equity of approximately \$311 million.

Merger Sub is a Delaware limited liability company and a wholly-owned subsidiary of First Mid formed for the purpose of effecting the merger, pursuant to the merger agreement. Merger Sub was originally formed as a corporation on December 4, 2017 and was converted to a Delaware limited liability company on January 18, 2018.

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

First BancTrust Corporation
114 West Church Street
Champaign, Illinois 61824
(217) 398-0067

First BancTrust Corporation is a Delaware corporation and registered bank holding company. First Bank is engaged in the business of banking through its wholly-owned subsidiary, First Bank & Trust, IL, an Illinois chartered bank. First Bank's principal business consists of collecting retail deposits from the general public in the areas surrounding its 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 Bank conducts its business through its seven branch offices located in Paris, Marshall, Savoy, Rantoul, Champaign, and Martinsville, Illinois. As of September 30, 2017, First Bank had total assets of approximately \$465.6 million, total gross loans, including loans held for sale, of approximately \$368.2 million, total deposits of approximately \$377.8 million and total stockholders' equity of approximately \$46.6 million.

First Bank common stock is traded on the OTCQX Market under the ticker symbol “FIRT.”

The merger and the merger agreement (See page 59)

First Mid's acquisition of First Bank 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 Bank will merge with and into a wholly-owned subsidiary of First Mid with First Mid's subsidiary as the surviving company. After the consummation of the merger, First Bank & Trust will be a wholly-owned subsidiary of First Mid. At a date following the completion of the merger, First Mid intends to merge First Bank & Trust with and into First Mid Bank, with First Mid Bank as the surviving bank. At such time, First Bank's banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Bank & Trust and First Mid Bank as separate bank subsidiaries.

The merger agreement is included as Appendix A to this 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 Bank stockholders will receive as consideration in the merger (See page 59)

If the merger is completed, each share of First Bank common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Bank as treasury stock and any dissenting shares) will be converted into the right to receive (a) \$5.00 in cash and (b) 0.80 shares of First Mid common stock, subject to certain adjustments, as set forth in the merger agreement. Based on the number of shares of First Bank common stock outstanding as of December 11, 2017, the date of the merger agreement, and the closing price of First Mid's common stock of \$39.09 on December 11, 2017, and assuming no adjustments to merger consideration, First Bank stockholders are expected to receive total aggregate merger consideration of approximately \$74,534,716, consisting of approximately \$10,274,415 in cash and \$64,260,301 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 the Closing First Mid Common Stock Price by the fractional share of First Mid Common Stock to which such former holder would otherwise be entitled. Shares of First Bank common stock held by First Bank stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

Potential Adjustment of Merger Consideration (See page 59)

The merger consideration is subject to potential adjustment in four circumstances. First, if the consolidated balance sheet delivered by First Bank 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 \$47,100,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, the cash consideration will be reduced by \$.00339 per share. As of September 30, 2017, First Bank's consolidated stockholders' equity as computed in accordance with GAAP was \$46,558,343. As of the date of this proxy statement/prospectus, the parties are not aware of any existing facts or circumstances that would cause the consolidated stockholders' equity included in the closing consolidated balance sheet to be less than \$47,100,000. Second, if at any time during the five business day period commencing on the tenth 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 \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank 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 59. 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 Bank common stock with the same economic effect as contemplated by the merger agreement prior to such event. Fourth, if any of the foregoing adjustments to the exchange ratio would require First Mid to issue more than 19.9% of the issued and outstanding shares of First Mid common stock at the effective time of the merger, First Mid shall have the right to adjust the ratio so that First Mid would not be required to issue more than 19.9% of its outstanding common stock and to increase the cash

consideration to reflect, on a per share basis, the aggregate value

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of the total number of shares of First Mid common stock that otherwise would have been issuable pursuant to the terms of the merger agreement.

Material U.S. federal income tax consequences of the merger (See page 56)

In general, the conversion of your shares of First Bank common stock into First Mid common stock in the merger will be tax-free for United States federal income tax purposes. However, you generally will recognize gain (but not loss) in an amount limited to the amount of cash you receive in the merger. Additionally, you will recognize gain or loss on any cash that you receive in lieu of fractional shares of First Mid's common stock. The tax consequences of the merger to each First Bank stockholder will depend on such First Bank stockholder's own situation. First Bank 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 January 22, 2018, 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 Bank's Financial Advisor (See page 35)

At the December 8, 2017, meeting of the First Bank board of directors, a representative of D.A. Davidson & Co. (which we refer to as "Davidson") rendered Davidson's oral opinion, which was subsequently confirmed by delivery of a written opinion to the First Bank board of directors, dated December 11, 2017, as to the fairness, as of such date, from a financial point of view, to the holders of First Bank'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 Davidson, dated December 11, 2017, 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. Davidson provided its opinion for the information and assistance of the First Bank 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 Davidson did not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Davidson opinion does not constitute a recommendation to the First Bank board of directors or any holder of First Bank 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.

First Bank's reasons for the merger; Board recommendation to First Bank's stockholders (See page 33)

First Bank's board of directors believes that the merger agreement and the transactions contemplated therein are in the best interests of First Bank and its stockholders. First Bank's board of directors unanimously recommends that First Bank stockholders vote "FOR" the proposal to approve the merger agreement and "FOR" adjournment of the First Bank 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 Bank's reasons for the merger and recommendation of the board of directors" beginning on page 33 of this proxy statement/prospectus.

Interests of officers and directors of First Bank in the merger may be different from, or in addition to, yours (See page 49)

The interests of some of the directors and executive officers of First Bank may be different from those of First Bank stockholders, and the directors and officers of First Bank may be participants in arrangements that are different from, or are in addition to, those of First Bank stockholders. The members of the First Bank 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 Bank's common stockholders vote in favor of adopting the merger agreement. See "The Merger-interests of certain persons in the merger" on page 49.

First Bank stockholders will have dissenters' rights in connection with the merger (See page 51)

First Bank stockholders may assert appraisal rights (also referred to as dissenters' rights) in connection with the merger and, upon complying with the requirements of the DGCL, receive cash in the amount of the "fair value" of their shares of First Bank 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 Bank stockholder dissenters' rights" on page 51.

A copy of the applicable section of the DGCL 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.

The merger and the performance of the combined company are subject to a number of risks (See page 17)

There are a number of risks relating to the merger and to the businesses of First Mid, First Bank and the combined company following the merger. See the "Risk Factors" beginning on page 17 of this proxy statement/prospectus for a discussion of these and other risks relating to the merger. You should also consider the other information in this proxy statement/prospectus and the documents First Mid has filed with the SEC and which are incorporated by reference into this proxy statement/prospectus. See "Incorporation of Certain First Mid Documents by Reference" and "Where You Can Find More Information" beginning on pages 82 and 81, respectively, of this proxy statement/prospectus.

First Bank stockholder approval will be required to complete the merger and approve the other proposals set forth in the notice (See page 25)

Approval by First Bank's stockholders at First Bank's special meeting of stockholders on March 15, 2018 is required to complete the merger. The presence, in person or by proxy, of a majority of the shares of First Bank common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of First Bank 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 Bank 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 also requires the affirmative vote of the holders of a majority of the outstanding shares of First Bank common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against these proposals. As of the record date of February 2, 2018, First Bank directors and executive officers held approximately 13.9% of the outstanding shares of First Bank common stock entitled to vote at the special meeting.

Completion of the merger is subject to regulatory approvals (See page 48)

The merger cannot proceed without obtaining all requisite regulatory approvals. First Mid and First Bank have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Mid and First Bank is subject to prior approval of the Board of Governors of the Federal Reserve System (which we refer to as the "Federal Reserve") and the Illinois Department of Financial and Professional Regulation (which we refer to as the "IDFPR"). First Mid submitted applications with the Federal Reserve and the IDFPR on January 19, 2018, seeking the necessary approvals. The merger may not be consummated until at least 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 Bank & Trust 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 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 67)

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 Bank in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;
- performance by First Bank in all material respects of its obligations under the merger agreement;
- approval of the merger agreement and the transactions contemplated therein at the meeting of First Bank stockholders;
- execution and delivery of the certificate of merger, in form suitable for filing with the Delaware Secretary of State;
- 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 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 Bank certifying (i) the accuracy of the representations and warranties of First Bank in the merger agreement and (ii) performance by First Bank 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 Bank will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code;
- approval of the listing of the shares of First Mid common stock issuable pursuant to the merger agreement on the Nasdaq Global Select Market; and
- no material adverse change in First Bank or business conduct by First Bank outside of the ordinary course of business of First Bank, except as required under the merger agreement, or inconsistent with prudent banking practices since December 11, 2017.

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

- accuracy of representations and warranties of First Mid and Merger Sub in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;
- performance by each of First Mid and Merger Sub in all material respects of its respective obligations under the merger agreement;
- approval of the merger agreement and the transactions contemplated therein at the meeting of First Bank stockholders;
- execution and delivery of the certificate of merger, in form suitable for filing with the Delaware Secretary of State;
- 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 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 representations and warranties of First Mid and Merger Sub in the merger agreement and (ii) performance by each of First Mid and Merger Sub in all material respects of its respective 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 Bank will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code;
- approval of the listing of the shares of First Mid common stock issuable pursuant to the merger agreement on the Nasdaq Global Select Market; and
- no material adverse change in First Mid since December 11, 2017.

How the merger agreement may be terminated by First Mid and First Bank (See page 69)

First Mid and First Bank 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 Bank 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 September 30, 2018 (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;

approval of the First Bank stockholders 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 Bank may terminate the merger agreement as follows:

if First Bank 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 causes 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 Bank;

prior to First Bank’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 Bank stockholders, and further provided that the termination fee is paid by First Bank to First Mid; or

if at any time during the five business day period commencing on the tenth 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 \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank 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 Bank 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 Bank of any of its covenants or agreements in the merger agreement causes 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 Bank from First Mid; or

prior to First Bank’s stockholders meeting if First Bank’s board of directors (i) approves or recommends, or proposes publicly to approve or recommend, any acquisition of First Bank by a third-party, and/or permits First Bank to enter into an acquisition agreement with a third party or (ii) recommends that the stockholders of First Bank tender their shares of First Bank common stock in a tender offer or exchange offer for First Bank 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 Bank under some circumstances (See page 70)

First Bank has agreed to pay First Mid a termination fee of \$2,215,000 if the merger agreement is terminated under certain circumstances, including if First Mid terminates the merger agreement because First Bank

breaches its covenant not to solicit an acquisition proposal from a third party or if First Bank terminates the merger agreement in order to enter into an agreement for a superior proposal.

Voting agreement (See page 62)

On December 11, 2017, certain of the directors of First Bank agreed to vote all of their shares of First Bank common stock in favor of the merger agreement at the special meeting of First Bank stockholders. The voting agreement covers 185,714 shares of First Bank common stock, constituting approximately 9.0% of First Bank's outstanding shares of common stock as of December 11, 2017. 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 proxy statement/prospectus as Appendix C.

Accounting treatment of the merger (See page 48)

For accounting and financial reporting purposes, the merger will be accounted for under the acquisition method of accounting for business combinations in accordance with accounting principles generally accepted in the United States (which we refer to as "GAAP").

Certain differences in First Mid stockholder rights and First Bank stockholder rights (See page 74)

Because they will receive First Mid common stock, First Bank 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 Bank's stockholders. The material differences are described later in this proxy statement/prospectus.

First Mid shares will be listed on Nasdaq (See page 71)

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

Risk Factors (See page 17)

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

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 nine months ended September 30, 2017 and September 30, 2016 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 nine months ended September 30, 2017 and September 30, 2016 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, 2016, and in First Mid's Quarterly Report on Form 10-Q as of and for the nine months ended September 30, 2017, which are incorporated by reference into this proxy statement/prospectus. See "Incorporation of Certain First Mid Documents by Reference" and "Where You Can Find More Information" beginning on pages 82 and 81, respectively, of this proxy statement/prospectus.

	(Unaudited)						
	As of and for nine months		As of and for year ended December 31,				
	ended September 30,	ended September 30,	2016	2015	2014	2013	2012
	2017	2016	2016	2015	2014	2013	2012
	(in thousands, except per share data)						
Results of Operations							
Interest income	\$74,242	\$52,485	\$75,496	\$59,251	\$54,734	\$53,459	\$55,767
Interest expense	4,644	2,805	4,292	3,499	3,252	3,535	6,157
Net interest income	69,598	49,680	71,204	55,752	51,482	49,924	49,610
Provision for loan losses	5,051	1,927	2,826	1,318	629	2,193	2,647
Net interest income after provision for loan losses	64,547	47,753	68,378	54,434	50,853	47,731	46,963
Other income	23,126	20,001	26,912	20,544	18,369	19,341	18,310
Other expense	55,069	44,634	61,510	49,248	44,507	43,504	42,838
Income before income taxes	32,604	23,120	33,780	25,730	24,715	23,568	22,435
Income taxes	10,545	8,077	11,940	9,218	9,254	8,846	8,410
Net income	22,059	15,043	21,840	16,512	15,461	14,722	14,025
Preferred stock dividends	—	825	825	2,200	4,152	4,417	4,252
Net income available to common stockholders	22,059	14,218	21,015	14,312	11,309	10,305	9,773
Balance Sheet Items							
Total assets	\$2,794,456	\$2,783,948	\$2,884,535	\$2,114,499	\$1,607,103	\$1,605,498	\$1,578,032
	1,867,562	1,806,745	1,825,992	1,281,889	1,062,406	982,804	911,065

Total gross loans, including loans held for sale								
Deposits	2,217,477	2,265,259	2,329,887	1,732,568	1,272,077	1,287,616	1,274,065	
Total liabilities	2,483,025	2,496,683	2,603,862	1,909,490	1,442,187	1,456,117	1,421,345	
Stockholders' equity	311,431	287,265	280,673	205,009	164,916	149,381	156,687	
Per Common Share Data								
Basic earnings per common share	\$ 1.76	\$ 1.52	\$ 2.07	\$ 1.84	\$ 1.88	\$ 1.74	\$ 1.62	
Diluted earnings per common share	1.76	1.50	2.05	1.81	1.85	1.73	1.62	
Common dividends declared	0.32	0.46	0.62	0.59	0.55	0.46	0.42	
Tangible book value (1)	19.03	17.34	16.84	15.09	15.63	11.75	12.68	
Performance Ratios								
Return on average assets	1.04	% 0.92	% 0.94	% 0.91	% 0.97	% 0.94	% 0.91	%
Return on average common equity	9.96	% 9.34	% 9.30	% 8.97	% 10.34	% 10.11	% 9.53	%
Net interest margin	3.55	% 3.27	% 3.28	% 3.27	% 3.43	% 3.38	% 3.44	%

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

First Mid common stock trades on the Nasdaq Global Select Market under the symbol “FMBH” and First Bank common stock trades on the OTCQX under the symbol “FIRT.” The following table sets forth the high and low reported trading prices per share of First Mid common stock and First Bank 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 82 and 81, respectively.

	First Mid			First Bank		
	High	Low	Dividend Declared (per share)	High	Low	Dividend Declared (per share)
For the calendar quarter ended:						
2015						
March 31, 2015	\$21.10	\$17.51	--	\$16.35	\$16.10	0.05
June 30, 2015	21.97	19.35	0.29	16.60	16.00	0.05
September 30, 2015	22.50	21.00	--	16.40	15.65	0.05
December 31, 2015	26.50	21.05	0.30	16.85	15.65	0.05
2016						
March 31, 2016	26.40	23.32	--	17.10	16.45	0.07
June 30, 2016	26.00	23.02	0.30	18.50	16.80	0.07
September 30, 2016	27.69	22.95	0.16	18.95	17.73	0.09
December 31, 2016	36.80	25.80	0.16	22.10	18.50	0.09
2017						
March 31, 2017	34.42	28.37	--	22.50	21.00	0.09
June 30, 2017	37.78	31.73	0.32	22.75	20.65	0.09
September 30, 2017	38.76	31.05	--	21.00	20.45	0.11
December 31, 2017	42.03	35.30	0.34	35.60	20.60	0.11

The following table presents the closing prices of First Mid common stock and First Bank common stock on December 11, 2017, the trading day of public announcement of the merger agreement, and February 1, 2018, the last practicable trading day prior to the mailing of this 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 Bank 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 0.80 and including the per share cash consideration of \$5.00.

	First Mid Closing Price	First Bank Closing Price	Implied Per Share Value
December 11, 2017	\$39.09	\$21.6	\$36.27
February 1, 2018	\$38.45	\$34.80	\$35.76

The above tables show only historical comparisons. These comparisons may not provide meaningful information to First Bank stockholders in determining whether to approve the merger agreement. First Bank stockholders are urged to obtain current market quotations for shares of First Mid common stock and First Bank common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus in considering whether to approve the merger agreement. The market prices of First Mid common stock and First Bank common stock will fluctuate between the date of this proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market prices of First Bank 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 Bank stockholders will receive upon completion of the

merger.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section “Special Note Regarding Forward-Looking Statements” beginning on page 22 you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See “References to Additional Information” in the forepart of this proxy statement/prospectus and the sections of this proxy statement/prospectus entitled “Incorporation of Certain First Mid Documents by Reference” beginning on page 82 and “Where You Can Find More Information” beginning on page 81.

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 Bank 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 Bank 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 Bank 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 Bank, including changes in the business, operations or prospects of First Mid or First Bank, regulatory considerations, and general business, market, industry or economic conditions. Accordingly, at the time of the First Bank special meeting, First Bank 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.

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

Upon completion of the merger, holders of First Bank common stock will become holders of First Mid common stock. First Mid’s business differs in important respects from that of First Bank 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 Bank. 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 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 Bank and of some important factors to consider in connection with its business, please see “Business of First Bank.”

First Bank Stockholders Will Have a Reduced Ownership and Voting Interest After the Merger and Will Exercise Less Influence Over Management.

First Bank stockholders currently have the right to vote in the election of the First Bank board of directors and on other matters requiring stockholder approval under Delaware law and First Bank’s certificate of incorporation and bylaws. Upon the completion of the merger, each First Bank 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 Bank. Additionally, none of the members of First Bank’s board of directors will be members of the First Mid board of directors after completion of the merger. Based on the number of issued and outstanding shares of First Mid common stock and First Bank common stock on January 17, 2018, and the exchange ratio of 0.80, 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 Bank, as a group, will receive shares in the merger constituting approximately 11.6% 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 Bank stockholders prior to the merger). Because of this, current First Bank 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 Bank.

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

First Mid and First Bank 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 Bank 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 Bank 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 company’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 Bank’s ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of First Mid or First Bank 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 Bank 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 Bank 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 Bank 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 timeframe. In addition, neither First Mid nor First Bank 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 Bank stockholders, receipt of certain requisite regulatory approvals, absence of orders prohibiting completion of the merger, effectiveness of the registration statement of which this 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 Bank may elect to terminate the merger agreement in certain other circumstances.

Termination of the Merger Agreement Could Negatively Impact First Bank.

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

• First Bank 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 Bank may experience negative reactions from its customers, vendors and employees;

• First Bank 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 Bank'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 Bank 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 Bank management, which would otherwise have been devoted to other opportunities that may have been beneficial to First Bank as an independent company.

If the merger agreement is terminated and the First Bank board of directors seeks another merger or business combination, First Bank stockholders cannot be certain that First Bank 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 Bank board of directors seeks another merger or business combination, under certain circumstances First Bank may be required to pay First Mid a termination fee of \$2,215,000.

First Bank 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 Bank and, consequently, on First Mid. These uncertainties may impair First Bank's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with First Bank to seek to change existing business relationships with First Bank. 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 Bank from making certain transactions and taking other specified actions without the consent of First Mid until the merger occurs. These restrictions may prevent First Bank from pursuing attractive business opportunities that may arise prior to the completion of the merger.

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

The interests of some of the directors and executive officers of First Bank may be different from those of First Bank stockholders, and the directors and officers of First Bank may be participants in arrangements that are different from, or are in addition to, those of First Bank stockholders. The members of the First Bank'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 Bank'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; and
- entering into a severance and retention arrangement with certain named executive officers.

These interests are more fully described in this proxy statement-prospectus under the heading "The Merger-interests of certain persons in the merger" on page 49.

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

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to First Bank that might result in greater value to First Bank'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 Bank than it might otherwise have proposed to pay absent such provisions. These provisions include a general prohibition on First Bank from soliciting, or, subject to certain exceptions relating to the exercise of fiduciary duties by First Bank's board of directors, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. First Bank also has an unqualified obligation to submit the proposal to approve the merger to a vote by its stockholders, even if First Bank 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 Bank may be required to pay First Mid a termination fee of \$2,215,000 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 69 and "Description of the Merger Agreement-Termination fee" beginning on page 70.

The Opinion of First Bank's Financial Advisor Will Not Reflect Changes in Circumstances Between the Signing of the Merger Agreement and the Completion of the Merger.

First Bank has not obtained an updated opinion from its financial advisor as of the date of this proxy statement/prospectus. Changes in the operations and prospects of First Bank or First Mid, general market and economic conditions and other factors that may be beyond the control of First Bank and First Mid, and on which First Bank's financial advisor's opinion was based, may significantly alter the value of First Bank or First Mid or the price of First Bank common stock or First Mid 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 First Bank does not currently anticipate asking its financial advisor to update its opinion, the opinion 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 Bank Will Incur Transaction and Integration Costs in Connection with the Merger.

Each of First Mid and First Bank 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 18. First Mid and First Bank may also incur additional costs to maintain employee morale and to retain key employees. First Mid and First Bank 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 Bank common stockholders as a result of the merger will have different rights from the shares of First Bank common stock.

Upon completion of the merger, First Bank common stockholders will receive merger consideration constituting First Mid common stock and will become First Mid stockholders and their rights as stockholders will be governed by the DGCL and First Mid's certificate of incorporation and bylaws. The rights associated with First Bank common stock are different from the rights associated with First Mid common stock. Please see "Comparison of Rights of First Mid Stockholders and First Bank Stockholders" beginning on page 74 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, 2016, 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 82 and 81 of this proxy statement/prospectus, respectively, for the location of information incorporated by reference into this proxy statement/prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, and the documents to which this 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 Bank. 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 Bank, are identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” or similar expressions. Actual results could differ materially from the results indicated by these statements because the realization of those results is subject to many risks and uncertainties, including, among other things,

- the possibility that any of the anticipated benefits of the proposed transactions between First Mid and First Bank will not be realized or will not be realized within the expected time period;
- the risk that integration of the operations of First Bank with First Mid will be materially delayed or will be more costly or difficult than expected;
- the inability to complete the proposed transactions due to the failure to obtain the required First Bank stockholder approval;
- the failure to satisfy other conditions to completion of the proposed transactions, including receipt of required regulatory and other approvals;
- the failure of the proposed transactions to close for any other reason;
- the effect of the announcement of the transaction on customer relationships and operating results;
- the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- changes in interest rates;
- general economic conditions and those in the market areas of First Mid and First Bank;
- legislative/regulatory changes; monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve;
- the quality or composition of First Mid’s and First Bank’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 Bank; 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, including additional factors and risks that could materially affect First Mid's financial results, are included in First Mid's filings with the SEC, including its Annual Reports on Form 10-K. Forward-looking statements speak only as of the date they are made. Except as required under the federal securities laws or the rules and regulations of the SEC, we do not undertake any obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise.

NON-GAAP FINANCIAL INFORMATION

This proxy statement/prospectus contains certain financial information determined by methods other than in accordance with GAAP. These non-GAAP measures are used by First Mid's management, together with the related GAAP measures, in analysis of the company's performance and in making business decisions. Management also uses these measures for peer comparisons.

The non-GAAP disclosures contained herein should not be viewed as substitutes for the results determined to be in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

INFORMATION ABOUT THE SPECIAL MEETING OF FIRST BANK STOCKHOLDERS

Purpose

First Bank stockholders are receiving this proxy statement/prospectus because on February 2, 2018, the record date for a special meeting of stockholders to be held on March 15, 2018, at First Bank & Trust, 101 S. Central Ave., Paris, Illinois 61944 at 3:00 p.m., local time, they owned shares of the common stock of First Bank, and the board of directors of First Bank is soliciting proxies for the matters to be voted on at this special meeting, as described in more detail below. Each copy of this proxy statement/prospectus was mailed to holders of First Bank common stock on February 9, 2018, 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 Bank board of directors will ask you to vote upon the following:

- a proposal to approve the merger agreement and the transactions contemplated therein; 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 Bank 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 Bank special meeting is February 2, 2018. First Bank'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 2,054,883 shares of First Bank common stock outstanding and entitled to vote at the meeting. The outstanding shares are held by approximately 110 holders of record.

The presence, in person or by proxy, of a majority of the shares of First Bank common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of First Bank 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 Bank will also count as present at the meeting broker non-votes, the shares of First Bank common stock present in person but not voting, and the shares of common stock for which First Bank 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 Bank common stock outstanding as of the record date, at least 1,027,442 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 Bank 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 also requires the affirmative vote of a majority of the outstanding shares of First Bank 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 Bank's directors and executive officers beneficially owned a total of 284,845 shares, or approximately 13.9% of the outstanding shares, of First Bank 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 Bank 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 10:59 p.m., Central Standard Time, on March 14, 2018.

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 Bank board of directors recommends and will be voted "FOR" approval of the merger agreement and the transactions contemplated therein, 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 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 Bank 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 Bank 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 BancTrust Corporation, Corporate Secretary, 114 West Church Street, Champaign, Illinois 61824. 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 Bank in person or by telephone or electronic transmission. None of such directors, officers or employees will be directly compensated for such services. First Bank will pay the costs associated with the solicitation of proxies for the special meeting.

THE FIRST BANK PROPOSALS

Proposal 1-Approval of the Merger Agreement

At the First Bank special meeting, stockholders of First Bank will be asked to approve the merger agreement, pursuant to which First Bank will merge with and into Merger Sub, a wholly owned subsidiary of First Mid, and the transactions contemplated therein. Merger Sub will be the surviving company in the merger and continue its corporate existence as a wholly-owned subsidiary of First Mid. Stockholders of First Bank should read this 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 proxy statement/prospectus as Appendix A.

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

Proposal 2-Adjournment of the Special Meeting

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

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

THE MERGER

This section of the proxy statement/prospectus describes material aspects of the merger. While First Mid and First Bank 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 proxy statement/prospectus, the attached Appendices and the other documents to which this 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 board of directors of First Bank is using this proxy statement/prospectus to solicit proxies from the holders of First Bank common stock for use at the First Bank special meeting of stockholders at which First Bank stockholders will be asked to vote on approval of the merger agreement and thereby approve the merger. When the merger is consummated, First Bank will merge with and into Merger Sub, a wholly owned subsidiary of First Mid. Merger Sub will be the surviving company in the merger and continue its corporate existence as a wholly-owned subsidiary of First Mid, which will result in First Bank & Trust being a wholly-owned indirect subsidiary of First Mid. Upon consummation of the merger, the separate corporate existence of First Bank will terminate. The merger is anticipated to be completed in mid-2018. At a date following the completion of the merger, First Mid intends to merge First Bank & Trust with and into First Mid Bank, with First Mid Bank as the surviving bank. At such time, First Bank & Trust's banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Bank & Trust 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.

If the merger is completed, each share of First Bank common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by First Bank as treasury stock and any dissenting shares), will be converted into the right to receive, (a) \$5.00 in cash and (b) 0.80 shares of First Mid common stock, subject to certain adjustments, 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 the Closing First Mid Common Stock Price by the fractional share of First Mid Common Stock to which such former holder would otherwise be entitled. Shares of First Bank common stock held by First Bank stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

Background of the merger

First Bank's board of directors and management have regularly reviewed and discussed First Bank's 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 the possibility of continuing to operate as an independent bank holding company as well as possible strategic alternatives available to First Bank, including possible acquisitions or business combinations involving other financial institutions. In connection with First Bank'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 Bank has also consulted with its legal and financial advisors regarding various possible transactions.

First Mid's board of directors and management also regularly review and discuss 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 (which we refer to as "FIG") and its legal counsel Schiff Hardin LLP (which we refer to as "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.

Beginning in 2016, Jack Franklin, First Bank's Chairman and Chief Executive Officer and Joe Dively, First Mid's President and Chief Executive Officer, met informally on several occasions to discuss their respective organizations, the banking industry, their market areas and their respective strategies. Through these meetings, Mr. Franklin and Mr.

Dively gained insight and historical perspective on the other organization. On two occasions in the spring of 2017, Mr. Franklin, Matt Carr, the President of First Bank & Trust and Mr. Dively met again to generally

discuss their respective organizations and operational strategies. Throughout these meetings, Mr. Dively expressed First Mid's interest in exploring a strategic transaction if First Bank had an interest.

On June 22, 2017, Mr. Franklin, Mr. Carr and Mr. Dively, along with a representative from D.A. Davidson & Co. (which we refer to as "Davidson"), and First Bank's financial advisor, had another informal meeting at an industry conference. At that meeting, they discussed the ongoing banking market and each organization's general strengths and market strategies. The possibility of a strategic transaction was again discussed in detail.

On June 26, 2017, First Bank's board of directors held a special planning meeting in Chicago to discuss the company's strategic alternatives and opportunities with its legal advisor, Barack Ferrazzano Kirschbaum and Nagelberg LLP (which we refer to as "Barack Ferrazzano"). At this meeting, the board discussed the fiduciary duties it owes to First Bank's stockholders and First Bank's prospects with strategic transactions, both as an acquiror and as a seller, as well as its business prospects and the possible future valuation if it remains as an independent entity. Following the meeting, it was the consensus of the board that it would continue to pursue its strategy to operate as an independent company but continue to evaluate its strategic options over the next several months.

Over the course of the next several months, First Bank's management team had several conversations with representatives from Davidson regarding the possible impact of First Bank's common stock valuation if it continues to operate as an independent company and the potential value that could be achieved for First Bank's stockholders in a change in control transaction. They also discussed various bank holding companies that may likely be interested in pursuing a transaction with First Bank, including, among others, First Mid. Management provided the board with regular updates of their conversations with Davidson.

On August 4, 2017, Mr. Franklin and Mr. Carr met with Mr. Dively, Mike Taylor, Senior Executive Vice President and Chief Operating Officer of First Mid, and Eric McRae, Executive Vice President of First Mid, in Mattoon, Illinois to further discuss the terms of a possible strategic transaction between the companies. At that meeting, Mr. Dively indicated verbally that, pending further discussions, comprehensive due diligence and negotiation, First Mid may be in a position to offer between \$32.00 and \$34.00 of First Mid common stock for each share of First Bank common stock to complete a merger transaction.

Following this meeting and discussions between First Bank's management and Davidson, based on the possible valuation that First Bank's stockholders could receive in a change of control transaction, management determined that the First Bank board of directors should meet to further consider First Bank's strategic options. Management worked with Davidson to prepare materials for a special board meeting scheduled for August 11, 2017. At that board meeting, representatives from Davidson led a lengthy discussion regarding the possible valuation of First Bank's common stock as an independent entity and the possible valuation that could be realized in a change of control transaction, including transactions with First Mid and with other possible merger partners. The board and Davidson also discussed possible merger partners and different processes that could be used to approach and negotiate with an outside party. The board discussed First Mid's interest in pursuing a transaction with First Bank, as well as First Mid's financial, business and social attributes. The board also considered, and Davidson analyzed, the effect that a number of possible acquisitions might have on First Bank's valuation over time. Following this conversation, the board instructed Mr. Franklin and Mr. Carr to continue working with Davidson and Barack Ferrazzano to develop and evaluate strategies to maximize stockholder value.

Over the next week, Mr. Franklin and Mr. Carr, worked with Davidson to further refine the valuation analysis of First Bank's common stock and met with representatives from Barack Ferrazzano to discuss various legal and business issues in connection with pursuing a possible merger partner.

At its regularly scheduled board meeting on August 17, 2017, the First Bank board of directors met again with representatives of Davidson and Barack Ferrazzano regarding First Bank's strategic alternatives. The board and Davidson discussed the potential value that could be achieved for First Bank's stockholders in a change in

control transaction and whether that value could exceed the valuation of the common stock if First Bank remained an independent entity and met its budgeted performance over the next several years. At the conclusion of the discussion, 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 would maximize stockholder value while providing a high level of banking services to the communities and customers that First Bank serves. To this end, the board established a special committee, consisting of independent directors, as well as Mr. Franklin and Mr. Carr serving as ex officio members (the "Special Committee"), to oversee management and First Bank's financial and legal advisors throughout the strategic process. Additionally, the board formally approved the engagement of Davidson as First Bank's financial advisor in the process.

Davidson began working with First Bank's management team to prepare due diligence materials and to develop a strategy to pursue possible merger partners. Davidson had several conversations with First Mid's management team and FIG regarding First Mid's interest in pursuing a possible strategic combination with First Bank. On August 23, 2017, First Mid entered into a standard confidentiality agreement allowing First Mid to begin its initial due diligence review of First Bank. At the end of August, First Mid submitted its initial due diligence requests to First Bank. In early September, the Special Committee was updated on the general process. On September 6, 2017, First Bank opened an on-line data room for First Mid to conduct due diligence. On September 13, 2017, First Mid's management met to discuss its initial review of the diligence materials and build model assumptions for valuation. On September 15, 2017, Mr. Dively, Mr. Taylor and Matthew K. Smith, Executive Vice President and Chief Financial Officer of First Mid, had a discussion, by telephone, with representatives of FIG about the current acquisition model and assumptions and next steps.

Over the next weeks, First Mid conducted preliminary, introductory due diligence on First Bank and numerous conversations ensued between Davidson, FIG and the management teams. On September 13, 2017, First Mid's management met to discuss its preliminary review of the diligence materials and build model assumptions for valuation. On September 15, 2017, Mr. Dively, Mr. Taylor and Mr. Smith, met with representatives of FIG, by telephone, to discuss the current acquisition model and assumptions and the next course of action.

Following these discussions and First Mid's preliminary due diligence review, on September 19, 2017, First Mid's board of directors held a special meeting and discussed, with representatives of FIG who joined the meeting by telephone, the merits of the potential acquisition of First Bank and parameters to be included in an indication of interest. After robust discussion, the board approved (with the exception of Robert S. Cook and Gary W. Melvin, who abstained from participating in any decision-making relating to the merger) the submission of a preliminary non-binding letter of intent proposing to acquire all of the shares of First Bank common stock for merger consideration of \$34.00 per share, 90% of which would be paid in shares of First Mid common stock and 10% of which would be paid in cash. The proposal also contained other standard and customary preliminary terms, including a term that First Bank would grant First Mid an exclusivity period during which First Mid would not allow First Bank to discuss a possible transaction with another financial institution. The preliminary non-binding letter of intent was delivered to First Bank on the same day.

On September 21, 2017, the board of directors of First Bank met at their regularly scheduled meeting. During the meeting, the Special Committee updated the board on the ongoing matters with First Mid and the board had a detailed and lengthy discussion regarding First Mid's letter of intent. Representatives from Barack Ferrazzano and Davidson participated in the meeting and led a discussion about various legal and financial considerations regarding the letter of intent. The First Bank board determined not to execute the letter of intent at this time, but instructed Davidson to continue discussions and negotiations with First Mid to increase the consideration and to allow First Mid to continue its due diligence.

On October 3, 2017, management and Davidson updated the Special Committee on First Mid's proposal, the ongoing conversations with First Mid and First Mid's continuing due diligence. The Special Committee discussed First Mid's pricing proposal from September 19, 2017 and, after a lengthy discussion of the pricing proposal and Davidson's financial analysis, it was the consensus of the members of the Special Committee to have Davidson continue to negotiate the proposed consideration to a point where First Mid was comfortable completing its formal and comprehensive due diligence of First Bank. Although there were no other identified strategic partners that would

likely be as strong of a partner as First Mid, it was the consensus of the Special Committee not to commit to First Mid on an exclusive basis at that time.

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Following the meeting, Davidson had discussions with FIG regarding the proposal and pricing and FIG indicated that First Mid would be willing to increase the cash portion of the proposed consideration and, subject to the completion of comprehensive due diligence and the negotiation of a definitive merger agreement, it would be willing to pay merger consideration consisting of 0.80 shares of First Mid common stock and \$5.00 in cash for each share of First Bank's common stock. As of that date, the consideration had an implied value of \$36.26 per share of First Bank common stock and consisted of approximately 85% shares First Mid common stock and 15% cash.

On October 4, 2017, the Special Committee met with Davidson and Barack Ferrazzano and discussed First Mid's latest proposal. Following further discussion and review of Davidson's financial analysis, the consensus of the members of the Special Committee was to instruct Davidson to notify First Mid that, pending the completion of comprehensive due diligence and negotiation of a definitive agreement, the Special Committee members supported moving forward on the proposed transaction with First Mid's latest proposed consideration and, given the continued strength of the proposed terms and the possibility of quickly finalizing a transaction with First Mid, the consensus of the Special Committee was to have Davidson further develop the terms of a transaction with First Mid and not approach other parties at that time. The Special Committee also supported locking in the proposed exchange rate of 0.80 shares at that time and allowing First Mid to conduct its comprehensive due diligence with the understanding that First Mid and First Bank were not working on an exclusive basis and that First Bank could approach third parties at a later time.

On October 6, 2017, First Mid's board of directors held a special board meeting to discuss the transaction and approved (with the exception of Robert S. Cook and Gary W. Melvin, who abstained from participating in any decision-making relating to the merger) moving forward with the comprehensive due diligence of First Bank to evaluate and confirm the valuation and merger consideration proposed by FIG and Davidson.

Over the next several weeks, First Mid and First Bank continued conducting comprehensive due diligence on one another's respective organizations. First Bank's management regularly updated the Special Committee regarding the due diligence process and the status of the ongoing negotiations. Davidson also updated the Special Committee on several occasions on the trading and market valuation of First Mid common stock. The management teams met in person on October 16, 2017 as part of the due diligence process. From November 6, 2017 through November 8, 2017, members of First Mid's management team conducted loan credit review at First Bank's facilities in Champaign, Illinois, and Paris, Illinois.

Following First Mid's evaluation of the results of its loan credit review and its comprehensive due diligence review to date, First Mid instructed Schiff Hardin to provide First Bank and Barack Ferrazzano with an initial draft merger agreement for the proposed transaction. The draft was provided by Schiff Hardin to Barack Ferrazzano in the late afternoon on November 9, 2017. 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 First Mid's board of directors and First Bank's Special Committee and full board of directors. The parties worked toward finalizing the terms of the transaction, including: the representations and warranties to be given by the parties; the operational covenants regarding First Bank'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 Bank does not meet a certain level of adjusted minimum tangible equity; the inclusion of a double-trigger termination provision and the different thresholds affecting termination; the level of severance and other rights of First Bank employees leading up to, and following, the proposed transaction; the treatment of various compensation and insurance arrangements for First Bank employees and directors; and the provisions regarding a termination fee and First Bank's ability to pursue other transactions if necessary to satisfy the First Bank board of directors' fiduciary duties. During this period of negotiation, the parties and their representatives continued to conduct ongoing, reciprocal comprehensive due diligence.

On November 13, 2017, First Mid and First Bank entered into a standard confidentiality agreement concerning the confidentiality of First Mid's confidential information in order to allow First Bank to conduct a more comprehensive diligence review of First Mid's non-public information.

On November 14, 2017, the Special Committee held a meeting with representatives from Davidson and Barack Ferrazzano to discuss the status of the due diligence and ongoing negotiations. Barack Ferrazzano summarized and outlined the key terms of the definitive agreement and led a discussion with the Special Committee and Davidson

regarding the termination provisions in the draft agreement. Davidson summarized the current economic environment and market, and discussed with the Special Committee the likelihood of finding another merger partner that would offer superior consideration and whether or not First Bank should approach other parties prior to finalizing the merger agreement with First Mid. After a lengthy discussion, it was the consensus of the

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Special Committee not to approach other parties at this time and to continue to move forward with First Mid to complete a definitive merger agreement. The Special Committee based this decision on, among other things, input from Davidson, the strength of First Mid's proposed per share consideration, the willingness of First Mid to structure the consideration to consist of a high proportion of common stock which was deemed to be more beneficial to First Bank's stockholders than cash, the perceived lack of other viable merger candidates, the importance of maintaining confidentiality and protecting First Bank's franchise value, the favorable termination provisions contained in the draft of the merger agreement, the recent market performance of First Mid's common stock and the likelihood that a definitive agreement could be quickly finalized with First Mid.

On November 21, 2017, the Special Committee held a meeting at which Barack Ferrazzano provided an update on the ongoing negotiations of the definitive merger agreement and related matters, including the termination provisions. Management provided the Special Committee with an update on proposed timing for completing the agreement and announcing the transaction, assuming a final agreement is approved by each of First Mid's and First Bank's boards of directors. The parties worked over the next three weeks to finalize the definitive agreement, disclosure schedules and related documentation.

On December 5, 2017, Barack Ferrazzano distributed a draft of the merger agreement to First Bank's board of directors for its review and consideration. On December 8, 2017, the First Bank held a special board meeting, at which there was full attendance, with representatives of Barack Ferrazzano and Davidson. At that meeting, representatives of Barack Ferrazzano discussed the terms of the merger agreement in detail and answered questions about the agreement. Additionally, representatives of Davidson led a discussion regarding the proposed financial terms of the transaction and the general economic and transactional environment. The board discussed at length the transaction, the pricing terms and the difficulties of being able to grow First Bank either organically or through acquisitions. In this regard, the board considered the financial analyses of Davidson regarding the valuation of First Bank as a stand-alone entity. The board discussed the attributes of First Mid's common stock, including its recent market performance and its trading volume. 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 Bank's reasons for the merger and recommendation of First Bank's board of directors", the directors agreed to continue to review the agreement and meet on December 11, 2017 to consider the final merger agreement and to consider the transactions contemplated thereby.

Also on December 8, 2017, First Mid's board of directors held a special board meeting to discuss the proposed transaction and to review the draft merger agreement. Representatives from Schiff Hardin, FIG and First Mid's management joined the meeting and reviewed in detail the proposed terms of the merger agreement with the board. FIG also reviewed with the board the financial aspects of the transaction. After asking questions of FIG, Schiff Hardin and First Mid's management, the board discussed the terms of the merger agreement and the fiduciary duties the board of directors owes First Mid's stockholders. Following this discussion and consideration, the board determined that the merger agreement and the transactions contemplated thereby was advisable and in the best interests of First Mid and its stockholders. The board then approved (with the exception of Robert S. Cook and Gary W. Melvin, who abstained from participating in any decision-making relating to the merger) the merger agreement and the transactions contemplated thereby.

Between December 8, 2017 and December 11, 2017, Schiff Hardin, Barack Ferrazzano, FIG and Davidson discussed and negotiated the final aspects of the merger agreement and its schedules. This included the management teams of First Mid and First Bank having various discussions with their respective advisors.

On December 11, 2017, the First Bank board of directors held a special meeting with representatives of management, Davidson and Barack Ferrazzano. The board discussed the agreement and confirmed that there were no substantive changes to the agreement or the rationales of the transaction that were discussed at the meeting held

on December 8, 2017. Davidson rendered its written opinion to the First Bank board 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 stockholders of First Bank common stock. Following further discussion, the First Bank board unanimously approved the final merger agreement and the transactions contemplated thereby.

Later in the day on December 11, 2017, First Mid and First Bank executed the merger agreement and First Mid executed the voting agreement entered into with certain of the directors of First Bank. After the closing of the market on December 11, 2017, First Mid and First Bank issued a joint press release announcing the execution of the merger agreement.

On January 18, 2018, First Mid, Merger Sub and First Bank entered into a First Amendment to Agreement and Plan of Merger, that was deemed necessary and appropriate by authorized representatives of each party, in order to reflect Merger Sub's conversion from a Delaware corporation to a Delaware limited liability company on January 18, 2018, and modify the structure of the merger so that First Bank will be merged with and into Merger Sub, with Merger Sub continuing as the surviving company and a wholly-owned subsidiary of First Mid.

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

At its meeting on December 11, 2017, the First Bank board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were in the best interests of First Bank and its stockholders. In deciding to approve the merger agreement and the transactions contemplated thereby, including the merger, First Bank's board of directors consulted with First Bank's management, as well as its legal counsel, Barack Ferrazzano, and financial advisor, Davidson, 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 Bank and First Mid, both individually and as a combined company;

- the value to be received by First Bank stockholders in the merger as compared to stockholder value projected for First Bank as a stand-alone entity over the next several years;

- the fact that the implied per share stock merger consideration of \$36.82, determined by applying the 0.80 exchange ratio to the \$39.77 closing price of First Mid's common stock on December 9, 2017 and including the per share cash consideration of \$5.00, represented a 70.4% premium over the \$21.60 closing price of First Bank's common stock on December 6, 2017;

- 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;

- the financial analyses of Davidson, First Bank's independent financial advisor, and its written opinion, dated as of December 11, 2017, delivered to the First Bank 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 Bank common stock;

- the cash component of the merger consideration offers First Bank stockholders the opportunity to realize cash for the value of their shares with immediate certainty of value;

- the stock component of the merger consideration offers First Bank stockholders the opportunity for enhanced liquidity and to participate as stockholders of First Mid in the future performance of the combined company;

- the historical performance of each of First Bank common stock and First Mid common stock and the dividend paid for each;

First Bank'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 Bank's operation as an independent banking organization, including the risks and uncertainties related to competition in First Bank's market area, increased operating and regulatory costs and potentially increased capital requirements; the increasing importance of operational scale and financial resources in maintaining efficiency and remaining competitive over the long term and in being able to capitalize on technological developments that significantly impact industry competitive conditions; the expected social and economic impact of the merger on the constituencies served by First Bank, including its borrowers, customers, depositors, employees, and communities;

- the effects of the merger on First Bank's employees, including the retention of a significant number of employees and their ability to participate in First Mid's benefit plans;

the low probability of securing a more attractive proposal from another institution capable of consummating a 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 Mid'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 Bank stockholders and to consider and pursue a better unsolicited acquisition proposal, subject to the potential payment by First Bank 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 Bank's board is not intended to be exhaustive, but includes a description of all material factors considered by First Bank's board. First Bank'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 Bank'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 Bank'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 Bank 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 Bank, the First Bank board of directors concluded that the anticipated benefits of the merger outweighed the anticipated risks of the transaction. Accordingly, First Bank's board of directors unanimously approved the merger agreement and the merger, and the board of directors unanimously

recommends that First Bank stockholders vote “FOR” approval of the merger agreement and the transactions contemplated therein.

Opinion of D.A. Davidson & Co.

On August 23, 2017, First Bank entered into an engagement agreement with D.A. Davidson & Co. to render financial advisory and investment banking services to First Bank. As part of its engagement, Davidson agreed to assist First Bank in analyzing, structuring, negotiating and, if appropriate, effecting a transaction between First Bank and another corporation or business entity. Davidson also agreed to provide First Bank’s Board of Directors with an opinion as to the fairness, from a financial point of view, to the holders of First Bank common stock of the consideration to be paid to the holders of First Bank common stock in the proposed merger. First Bank engaged Davidson because Davidson is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with First Bank and its business. As part of its investment banking business, Davidson is continually engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

On December 8, 2017, the First Bank board held a meeting to evaluate the proposed merger. At this meeting, Davidson reviewed in depth the financial aspects of the proposed merger. The First Bank board held an additional meeting on December 11, 2017, at which Davidson confirmed its financial presentation from December 8, 2017, and rendered an opinion to the First Bank board of directors that, as of such date and based upon and subject to assumptions made, procedures followed, matters considered and limitations on the review undertaken, the consideration to be paid to the holders of the First Bank common stock in the proposed merger was fair, from a financial point of view, to First Bank.

The full text of Davidson’s written opinion, dated December 11, 2017, is attached as Appendix D to this proxy statement/prospectus and is incorporated herein by reference. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. First Bank’s stockholders are urged to read the opinion in its entirety.

Davidson’s opinion speaks only as of the date of the opinion and Davidson undertakes no obligation to revise or update its opinion. The opinion is directed to the First Bank board of directors and addresses only the fairness, from a financial point of view, to the holders of First Bank common stock of the consideration to be paid to the holders of the First Bank common stock in the proposed merger. The opinion does not address, and Davidson expresses no view or opinion with respect to, (i) the underlying business decision of First Bank to engage in or proceed with the merger, (ii) the relative merits or effect of the merger as compared to any strategic alternatives or business strategies or combinations that may be or may have been available to or contemplated by First Bank or First Bank’s board of directors, or (iii) any legal, regulatory, accounting, tax or similar matters relating to First Bank or its stockholders or relating to or arising out of the merger. The opinion expresses no view or opinion as to any terms or other aspects of the merger. First Bank and First Mid determined the consideration through the negotiation process. The opinion does not constitute a recommendation to any First Bank stockholder as to how such stockholder should vote at the First Bank meeting on the merger or any related matter. The opinion does not express any view as to the fairness of the amount or nature of the compensation to any of First Bank’s or First Mid’s officers, directors or employees, or any class of such persons, relative to the merger consideration. The opinion has been reviewed and approved by Davidson’s Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

Davidson has reviewed the proxy statement/prospectus and consented to the inclusion of its opinion to the First Bank board of directors as Appendix D to this proxy statement/prospectus and to the references to Davidson and its opinion contained herein.

The merger agreement was amended on January 18, 2018, to reflect Merger Sub’s conversion from a Delaware corporation to a Delaware limited liability company on January 18, 2018, and modify the structure of the merger so that the surviving company in the merger would be the Merger Sub and not First Bank. This amendment did not have any effect on Davidson’s written opinion dated December 11, 2017, or to the summary of its financial analysis set forth below.

In connection with rendering its opinion, Davidson reviewed, analyzed and relied upon material bearing upon the merger and the financial and operating condition of First Bank and First Mid and the merger, including among other things, the following:

the draft merger agreement dated December 5, 2017;

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- certain financial statements and other historical financial and business information about First Bank and First Mid made available to us from published sources and/or from the internal records of First Bank and First Mid;
- certain internal financial projections and other financial and operating data concerning the business, operations and prospects of First Bank and First Mid prepared by or at the direction of management of First Bank and First Mid, as approved for our use by First Bank and First Mid, respectively;
- the current market environment generally and the banking environment in particular;
- the financial terms of certain other transactions in the financial institutions industry, to the extent publicly available;
- comparisons of the current and historical market prices and trading activity of First Bank common stock and First Mid common stock with that of certain other publicly-traded companies that we deemed relevant;
- the pro forma financial effects of the Merger, taking into consideration the amounts and timing of transaction costs, earnings estimates, potential cost savings, and other financial and accounting considerations in connection with the Merger;
- discussions and negotiations among representatives of First Bank and First Mid, and their respective financial and legal advisors;
- the net present value of First Bank with consideration of projected financial results through 2022;
- the relative contributions of First Bank and First Mid to the combined company;
- comparisons of the financial and operating performance of First Bank and First Mid with publicly available information concerning certain other companies that we deemed relevant; and,
- such other financial studies, analyses and investigations and financial, economic and market criteria and other information as we considered relevant including discussions with management and other representatives and advisors of First Bank and First Mid concerning the business, financial condition, results of operations and prospects of First Bank and First Mid.

In arriving at its opinion, Davidson has assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to Davidson, discussed with or reviewed by or for Davidson, or publicly available, and Davidson has not assumed responsibility for independently verifying such information or undertaken an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of First Bank or First Mid, nor did Davidson make an independent appraisal or analysis of First Bank or First Mid with respect to the merger. In addition, Davidson has not assumed any obligation to conduct, nor has Davidson conducted any physical inspection of the properties or facilities of First Bank or First Mid. Davidson has further relied on the assurances of management of First Bank and First Mid that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Davidson did not make an independent evaluation or appraisal of the specific assets or liabilities including the amount of any fair value adjustments per FASB 141(R). Davidson did not make an independent evaluation of the adequacy of the allowance for loan losses of First Bank or First Mid nor has Davidson reviewed any individual credit files relating to First Bank or First Mid. Davidson has assumed that the respective allowances for loan losses for both First Bank and First Mid are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. Davidson has assumed that there has been

no material change in First Bank's or First Mid's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements provided to Davidson. Davidson's analysis did not reflect or contemplate any proposed changes to the U.S. tax code that at the time were being deliberated by U.S. Congress. Davidson has assumed in all respects material to its analysis that First Bank and First Mid will remain as going concerns for all periods relevant to its analysis. Davidson has also assumed in all respects material to its analysis that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement are not waived. Davidson has assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendment or modifications, will be imposed that will have a material adverse effect on the contemplated benefits of the merger. Davidson's opinion is necessarily based upon information available to Davidson and economic, market, financial and other conditions as they exist and can be evaluated on the date the fairness opinion letter was delivered to First Bank's board of directors. Set forth below is a summary of the material financial analyses performed by Davidson in connection with rendering its opinion. The summary of the analyses of Davidson set forth below is not a complete description of the analysis underlying its opinion, and the order in which these analyses are described below is not indicative of any relative weight or importance given to those analyses by Davidson. The following summaries of financial analyses include information presented in tabular format. You should read these tables together with the full text of the summary financial analyses, as the tables alone are not a complete description of the analyses. Unless otherwise indicated, the following quantitative information, to the extent it is based on market data, is based on market data as of December 6, 2017, the last trading day prior to the date on which Davidson received approval from the Fairness Opinion Committee to deliver the fairness opinion letter to First Bank's Board of Directors, and is not necessarily indicative of market conditions after such date.

Summary of Proposal

Davidson reviewed the financial terms of the proposed merger. As described in the merger agreement, each outstanding share of First Bank common stock will be converted into the right to receive (i) 0.80 shares of First Mid common stock, and (ii) \$5.00, in cash, subject to a possible downward adjustment of the cash consideration based upon First Bank adjusted stockholders' equity as provided in the merger agreement. The terms and conditions of the merger are more fully described in the merger agreement. For purposes of the financial analyses described below, based on the closing price of First Mid common stock on December 6, 2017, of \$39.77, the consideration represented a value of \$36.82 per share of First Bank common stock. Based upon financial information as of or for the twelve month period ended September 30, 2017, Davidson calculated the following transaction ratios:

Transaction Ratios

	Aggregate
Transaction Price / Book Value	162.5%
Transaction Price / Tangible Book Value	164.4%
Transaction Price / Core Tangible Book Value	179.7%
Tangible Book Premium / Core Deposits (1)	10.4%
Transaction Price / Last Twelve Months Net income	23.5x
Transaction Price / Net Income (2017E) (2)	25.9x
Transaction Price / Net Income (2018E) (2)	21.3x

(1) Tangible book premium / core deposits calculated by dividing the excess or deficit of the aggregate transaction value compared to tangible book value by core deposits

(2) Projections based on FIRT management's forecast and D.A. Davidson & Co. assumptions

Price Sensitivity Analysis

Davidson analyzed the changes in the implied per share deal value by sensitizing First Mid's stock price from \$28.00 to \$44.00 while also noting First Mid's stock price as of December 6, 2017, 52-wk low, 52-wk high, 10-day volume weighted average price ("VWAP"), 20-day VWAP, 60-day VWAP and 90-day VWAP. The analysis also sensitized the implied aggregate deal value along with the implied stock / cash mix and implied price / tangible common equity ratio. Davidson also used First Mid's historical stock price performance to create a graph showing how the implied per share deal value changed over the last twelve months. The analysis resulted in an implied per share deal value range of \$29.57 to \$38.46 over the last twelve months.

Davidson reviewed First Mid's stock price performance compared to the S&P 500 Index, SNL Bank Index, and the S&P Regional Bank Index over the following time periods: 10-day, 30-day, 60-day, 90-day, 180-day, last twelve months, and since the 2016 election. In addition, Davidson analyzed First Mid's trading volume over similar time periods.

Dividend Reinvestment Analysis

Davidson analyzed First Mid's historical per share dividends declared for the years 2008 to 2016 and estimated First Mid's 2017 dividends per share. Davidson also reviewed the estimated annual pro forma dividends First Bank's stockholders would receive in accordance to the exchange ratio. In addition, Davidson reviewed First Mid's dividend yield over the last twelve months.

Contribution Analysis

Davidson analyzed the relative contribution of First Bank and First Mid to certain financial and operating metrics for the pro forma combined company. Such financial and operating metrics included: (i) branches; (ii) full time equivalent ("FTE") employees; (iii) assets per FTE employee; (iv) First Bank's net income for the twelve months ended September 30, 2017; (v) estimates for First Bank's net income for the twelve months ended December 31, 2017 based on First Bank management's forecast; (vi) estimates for First Bank net income for the twelve months ended December 31, 2018 and December 31, 2019 based on Davidson Investment Banking assumptions; (vii) total assets; (viii) total cash; (ix) total investment securities; (x) gross loans (including loans held for sale); (xi) loan loss reserve; (xii) total deposits; (xiii) total non-interest bearing deposits; (xiv) total non-maturity deposits; and (xv) total tangible common equity. The relative contribution analysis did not give effect to the impact of any synergies as a result of the proposed merger. The results of this analysis are summarized in the table below:

Contribution Analysis

	FMBH Stand-alone	FMBH % of Total	FIRT Stand-alone	FIRT % of Total	Total
Company Information					
Branches	52	86.7 %	8		60
Full Time Equivalent ("FTE") Employees	584	83.3 %	117		701
Assets per FTE Employee	\$ 4,785		\$ 3,979		\$4,651
Income Statement - Projections					
2017 Estimated Net Income (in thousands) (1)	\$ 29,557	91.0 %	\$ 2,924		\$32,481
2018 Estimated Net Income (in thousands) (2)	\$ 31,700	89.9 %	\$ 3,552		\$35,252
2019 Estimated Net Income (in thousands) (2)	\$ 35,424	89.8 %	\$ 4,034		\$39,458
Balance Sheet					
Total Assets (in thousands)	\$ 2,794,456	85.7 %	\$ 465,553		\$ 3,260,009
Total Cash (in thousands) (3)	\$ 71,328	81.1 %	\$ 16,588		\$87,916
Total Investment Securities (in thousands)	\$ 699,697	92.2 %	\$ 58,989		\$758,686
Gross Loans Incl. Loans HFS (in thousands)	\$ 1,867,562	83.5 %	\$ 368,167		\$2,235,729
Loan Loss Reserve (in thousands)	\$ 18,589	80.9 %	\$ 4,383		\$22,972
Total Deposits (in thousands)	\$ 2,217,477	85.4 %	\$ 377,845		\$2,595,322
Non-Interest Bearing Demand Deposits (in thousands)	\$ 430,036	91.3 %	\$ 41,147		\$471,183
Non-Maturity Deposits (in thousands)	\$ 1,896,101	90.6 %	\$ 196,899		\$2,093,000
Tangible Common Equity (in thousands)	\$ 240,980	84.0 %	\$ 46,017		\$286,997

Note: Pro forma contribution does not include any purchase accounting or merger adjustments

(1) Net income based on FIRT management's forecast

(2) Net income based on D.A. Davidson & Co. Investment Banking assumptions

(3) Total cash calculated by adding cash and cash equivalents plus certificates of deposit investments

Reinvestment Analysis

Davidson performed a reinvestment analysis for First Bank's stockholders reinvesting in First Mid based on an assumed exchange ratio of 100% stock election. The future cash flows in the analysis included First Mid's estimated future trading valuation in 2022 (based on 16.9x price to earnings per share valuation multiple) and cash dividends. The analysis resulted in 20.27% internal rate of return and 170.35% aggregate return through 2022 (returns based on First Bank's stock price as of December 6, 2017).

First Mid Comparable Companies Analysis - Central U.S.

Davidson used publicly available information to compare selected financial and market trading information for First Mid and a group of 23 financial institutions selected by Davidson which: (i) were banks with common stock listed on Nasdaq or the New York Stock Exchange (NYSE); (ii) were headquartered in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and (iii) had assets between \$2.0 billion and \$5.0 billion. These 23 financial institutions were as follows:

Republic Bancorp, Inc.	Merchants Bancorp
Great Southern Bancorp, Inc.	German American Bancorp, Inc.
Lakeland Financial Corporation	First Financial Corporation
Midland States Bancorp, Inc.	Nicolet Bankshares, Inc.
Community Trust Bancorp, Inc.	Independent Bank Corporation
Peoples Bancorp Inc.	First Internet Bancorp
QCR Holdings, Inc.	United Community Financial Corp.
Horizon Bancorp	Equity Bancshares, Inc.

Byline Bancorp, Inc.	Old Second Bancorp, Inc.
Mercantile Bank Corporation	Farmers National Banc Corp.
Stock Yards Bancorp, Inc.	West Bancorporation, Inc.
MidWestOne Financial Group, Inc.	

*Does not reflect impact from pending acquisitions or acquisitions closed after December 6, 2017

The analysis compared publicly available financial and market trading information for First Mid to the data for the 23 financial institutions identified above as of and for the twelve-month period ended September 30, 2017. The table below compares the data for First Mid and the data for the comparable companies, with pricing data as of December 6, 2017. The 2017 and 2018 earnings per share estimates used in the table below were based on average

S&P Global Market Intelligence consensus earnings estimates for First Mid and the 23 financial institutions identified above.

Financial Condition and Performance (1)

	FMBH	Comparable Companies				
		Median	Average	Minimum	Maximum	
Total Assets (in millions)	\$2,794	\$3,144	\$3,255	\$2,030	\$4,993	
Non-Performing Assets / Total Assets (2)	0.79 %	0.80 %	0.87 %	0.03 %	2.68 %	%
Tangible Common Equity Ratio	8.85 %	9.45 %	9.59 %	5.97 %	13.83 %	%
Net Interest Margin	3.62 %	3.76 %	3.65 %	2.51 %	4.27 %	%
Cost of Deposits	0.17 %	0.36 %	0.41 %	0.21 %	1.32 %	%
Non-Interest Income / Average Assets	1.04 %	1.18 %	1.09 %	0.41 %	1.70 %	%
Efficiency Ratio	53.60 %	58.30 %	57.70 %	28.70 %	69.40 %	%
Return on Average Equity	9.85 %	9.58 %	10.99 %	6.45 %	22.12 %	%
Return on Average Assets	1.02 %	1.07 %	1.16 %	0.71 %	2.67 %	%

Market Performance Multiples

	FMBH	Comparable Companies				
		Median	Average	Minimum	Maximum	
Market Capitalization (in millions)	\$501.8	\$598.0	\$626.4	\$331.0	\$1,242.6	
Price / LTM Earnings Per Share	17.1x	18.0x	17.9x	6.5x	25.4x	
Price / 2017 Est. Earnings Per Share (3)	17.0x	17.3x	17.6x	10.4x	24.9x	
Price / 2018 Est. Earnings Per Share (3)	16.3x	15.2x	15.7x	11.3x	20.4x	
Price / Tangible Book Value Per Share	208.2 %	192.1 %	200.4 %	139.5 %	271.0 %	%

(1) Operating ratios for FMBH sourced from S&P Global Market Intelligence as of 9/30/2017 for balance sheet data, and 9/30/2017 last twelve months for income statement data

(2) Non-performing assets / total assets includes performing troubled-debt restructurings (TDRs)

(3) Earnings per share estimates based on average S&P Global Market Intelligence consensus earnings estimates for FMBH

Premium to Market Analysis (OTC Listed)

Davidson reviewed a set of comparable merger and acquisition transactions that included publicly traded targets listed on the OTC exchanges.

The comparable transaction group included 34 transactions where:

• the transaction was announced between January 1, 2017 and December 6, 2017;

• the transaction involved banks and thrifts headquartered nationwide;

• the selling company's common stock was listed on the OTC exchanges;

• the selling company's total assets were between \$100.0 million and \$1.0 billion; and

• the transaction was not a merger of equals.

The following tables set forth the transactions included in "OTC Listed," and are sorted by announcement date:

OTC Listed Comparable Transactions

Announcement Date	Acquirer	Target
11/16/2017*	CB Financial Services, Inc.	First West Virginia Bancorp, Inc.
11/13/2017*	WesBanco, Inc.	First Sentry Bancshares, Inc.
11/07/2017*	First Federal Bancorp, MHC	Coastal Banking Company, Inc.
11/07/2017*	Suncrest Bank	CBBC Bancorp
11/06/2017*	1st Constitution Bancorp	New Jersey Community Bank
10/24/2017*	Bangor Bancorp, MHC	First Colebrook Bancorp, Inc.
10/24/2017*	Peoples Bancorp Inc.	ASB Financial Corp.
10/18/2017*	First Bank NJ**	Delanco Bancorp, Inc.
10/06/2017*	Business First Bancshares, Inc.	Minden Bancorp, Inc.
8/16/2017*	National Commerce Corporation	FirstAtlantic Financial Holdings, Inc.
8/01/2017*	PB Financial Corporation	CB Financial Corporation
7/31/2017	Bank of Marin Bancorp	Bank of Napa, N.A.
7/31/2017*	Community Financial Corporation	County First Bank
7/26/2017*	Heritage Financial Corporation	Puget Sound Bancorp, Inc.
7/21/2017*	Select Bancorp, Inc.	Premara Financial, Inc.
7/21/2017*	Delmar Bancorp	Liberty Bell Bank
6/27/2017	United Community Banks, Inc.	Four Oaks Fincorp, Inc.
6/26/2017*	Meridian Bancorp, Inc.	Meetinghouse Bancorp, Inc.
6/15/2017	First Foundation Inc.	Community 1st Bancorp
5/23/2017	Horizon Bancorp	Lafayette Community Bancorp
5/02/2017	Seacoast Commerce Banc Holdings	Capital Bank
4/27/2017	Central Valley Community Bancorp	Folsom Lake Bank
4/24/2017	Sierra Bancorp	OCB Bancorp
4/20/2017	United Community Banks, Inc.	HCSB Financial Corporation
4/12/2017	First Community Corporation	Cornerstone Bancorp
4/11/2017*	Sussex Bancorp	Community Bank of Bergen County, NJ
3/29/2017*	Mid Penn Bancorp, Inc.	Scottdale Bank & Trust Company
3/29/2017	First Bank NJ	Bucks County Bank
3/23/2017	Northwest Bancorporation, Inc.	CenterPointe Community Bank
3/17/2017	Citizens Community Bancorp, Inc.	Wells Financial Corp.
3/15/2017	Kinderhook Bank Corporation	Patriot Federal Bank
2/17/2017	West Town Bancorp, Inc.	Sound Banking Company
2/01/2017	Old Line Bancshares, Inc.	DCB Bancshares, Inc.
1/20/2017	HCBF Holding Company, Inc.	Jefferson Bankshares, Inc.

*Indicates the transaction was pending as of December 6, 2017

**First Bank NJ is not affiliated with First Bank.

For “OTC Listed” transactions referred to above, Davidson compared, among other things, the proposed merger premium to market to the premium to market of the comparable transaction groups. The premium to market is calculated by taking the proposed price per share for the transaction and comparing it to the target’s closing price one day prior to the announcement of the transaction. The table below sets forth the data for the comparable transaction group’s financial data as of the last twelve months ended prior to the transaction announcement and First Bank data for the last twelve months ended September 30, 2017.

Premium To Market Analysis

	FIRT	OTC Listed Banks			
		Median	Average	Minimum	Maximum
Total Assets (in millions)	\$465.6	\$265.9	\$293.6	\$103.6	\$736.7

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Return on Average Assets	0.70	% 0.56	% 0.61	% -1.21	% 2.57	%
Return on Average Equity	7.15	% 5.97	% 6.18	% -12.58	% 27.23	%
Tangible Common Equity Ratio	9.90	% 9.29	% 9.70	% 6.33	% 17.28	%
Core Deposits / Total Deposits	75.30	% 85.20	% 84.10	% 51.00	% 98.50	%
Non-Interest Income / Average Assets	0.95	% 0.34	% 0.56	% 0.12	% 3.90	%
Efficiency Ratio	68.10	% 76.50	% 78.20	% 36.90	% 138.70	%
Non-Performing Assets / Total Assets (1)	0.87	% 0.97	% 1.29	% 0.00	% 5.54	%
Loan Loss Reserves / Non-Performing Assets	108.70	% 61.50	% 84.70	% 17.50	% 302.00	%

Transaction Multiples

	OTC Listed Banks				
	FIRT	Median	Average	Minimum	Maximum
Premium to Market	70.4%	34.2%	38.4%	-61.9%	153.5%

(1) Non-performing assets / total assets includes performing troubled det restructurings (TDRs)

Precedent Transactions Analysis

The “Nationwide Banks” comparable transaction group included 54 transactions where:

- the transaction was announced between January 1, 2017 and December 6, 2017;
- the transaction involved banks and thrifts headquartered nationwide;
- the selling company’s last twelve months NPAs/Assets were below 2.00%;
- the selling company’s total assets were between \$100.0 million and \$1.0 billion; and
- the transaction was not a merger of equals.

The “Illinois Banks” comparable transaction group included 18 transactions where:

- the transaction was announced since January 1, 2011 and December 6, 2017;
- the transaction involved banks headquartered in Illinois;
- the selling company’s last twelve months ROAA were above 0.00%;
- the selling company’s total assets were between \$100.0 million and \$1.0 billion; and
- the transaction was not a merger of equals.

The following tables set forth the transactions included in “Nationwide Banks” and “Illinois Banks,” and are sorted by announcement date:

Nationwide Banks Comparable Transactions

Announcement Date	Acquirer	Target
12/04/2017*	Independent Bank Corporation	TCSB Bancorp, Inc.
11/28/2017*	Independent Bank Group, Inc.	Integrity Bancshares, Inc.
11/27/2017*	FCB Financial Holdings, Inc.	Floridian Community Holdings, Inc.
11/13/2017*	Heartland Financial USA, Inc.	Signature Bancshares, Inc.
11/07/2017*	Suncrest Bank	CBBC Bancorp
10/24/2017*	First Bancshares, Inc.	Southwest Banc Shares, Inc.
10/12/2017*	First Financial Bankshares, Inc.	Commercial Bancshares, Inc.
10/06/2017*	Business First Bancshares, Inc.	Minden Bancorp, Inc.
10/04/2017*	MutualFirst Financial, Inc.	Universal Bancorp
9/21/2017*	Brookline Bancorp, Inc.	First Commons Bank, NA
9/18/2017*	First American Bank Corporation	Southport Financial Corporation
8/23/2017*	Home Bancorp, Inc.	Saint Martin Bancshares, Inc.
8/23/2017*	Commerce Union Bancshares, Inc.	Community First, Inc.
8/14/2017*	CenterState Bank Corporation	Sunshine Bancorp, Inc.
8/07/2017*	Investar Holding Corporation	BOJ Bancshares, Inc.
8/02/2017*	Atlantic Community Bancshares, Inc.	BBN Financial Corporation
8/01/2017*	Veritex Holdings, Inc.	Liberty Bancshares, Inc.
7/31/2017*	Bank of Marin Bancorp	Bank of Napa, N.A.
7/26/2017*	Triumph Bancorp, Inc.	Valley Bancorp, Inc.
7/21/2017*	Select Bancorp, Inc.	Premara Financial, Inc.
7/19/2017	Guaranty Bancorp	Castle Rock Bank Holding Company
7/17/2017	Equity Bancshares, Inc.	Cache Holdings, Inc.
7/17/2017	Equity Bancshares, Inc.	Eastman National Bancshares, Inc.
6/27/2017	FSB LLC	First Southern Bancshares, Inc.
6/27/2017	Entegra Financial Corp.	Chattahoochee Bank of Georgia
6/27/2017	United Community Banks, Inc.	Four Oaks Fincorp, Inc.
6/15/2017	State Bank Financial Corporation	AloStar Bank of Commerce
6/14/2017	Horizon Bancorp	Wolverine Bancorp, Inc.
6/08/2017	QCR Holdings, Inc.	Guaranty Bank and Trust Company
6/06/2017*	Glacier Bancorp, Inc.	Columbine Capital Corporation
6/01/2017	Charter Financial Corporation	Resurgens Bancorp
5/31/2017	People's Utah Bancorp	Town & Country Bank, Inc.
5/23/2017	Horizon Bancorp	Lafayette Community Bancorp
5/22/2017	SmartFinancial, Inc.	Capstone Bancshares, Inc.
5/18/2017	Seacoast Banking Corporation of Florida	NorthStar Banking Corporation
5/04/2017	Seacoast Banking Corporation of Florida	Palm Beach Community Bank
5/02/2017	Seacoast Commerce Banc Holdings	Capital Bank
4/26/2017	Mid-America Financial Corporation	Morgan Financial Corporation
4/24/2017	National Commerce Corporation	Patriot Bank
4/12/2017	First Community Corporation	Cornerstone Bancorp
3/29/2017*	Mid Penn Bancorp, Inc.	Scottsdale Bank & Trust Company
3/23/2017	Northwest Bancorporation, Inc.	CenterPointe Community Bank
3/17/2017	Piedmont Bancorp, Inc.	Mountain Valley Bancshares, Inc.
3/15/2017	Kinderhook Bank Corporation	Patriot Federal Bank
3/13/2017	First Busey Corporation	Mid Illinois Bancorp, Inc.
3/08/2017	Investar Holding Corporation	Citizens Bancshares, Inc.
2/17/2017	West Town Bancorp, Inc.	Sound Banking Company

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2/14/2017	Progress Financial Corporation	First Partners Financial, Inc.
2/01/2017	Old Line Bancshares, Inc.	DCB Bancshares, Inc.
1/31/2017*	Bryn Mawr Bank Corporation	Royal Bancshares of Pennsylvania, Inc.
1/26/2017	Midland States Bancorp, Inc.	Centrue Financial Corporation
1/25/2017	First Merchants Corporation	Arlington Bank
1/20/2017	HCBF Holding Company, Inc.	Jefferson Bankshares, Inc.
1/11/2017	Southern Missouri Bancorp, Inc.	Tammcorp, Inc.

*Indicates the transaction was pending as of December 6, 2017

Illinois Banks Comparable Transactions

Announcement Date	Acquirer	Target
3/13/2017	Mid Illinois Bancorp, Inc.	First Busey Corporation
1/26/2017	Centrue Financial Corporation	Midland States Bancorp, Inc.
9/30/2016	Liberty Bancshares, Inc.	United Community Bancorp, Inc.
7/06/2016	First Community Financial Corporation	Wintrust Financial Corporation
6/08/2016	Illini Corporation	United Community Bancorp, Inc.
4/26/2016	First Clover Leaf Financial Corp.	First Mid-Illinois Bancshares, Inc.
11/12/2015	NI Bancshares Corporation	First Midwest Bancorp, Inc.
9/21/2015	Peoples Bancorp, Inc.	First Midwest Bancorp, Inc.
4/02/2015	Suburban Illinois Bancorp, Inc.	Wintrust Financial Corporation
3/30/2015	North Bank	Wintrust Financial Corporation
3/19/2015	Community First Bank	LINCO Bancshares, Inc.
3/02/2015	Community Financial Shares, Inc.	Wintrust Financial Corporation
9/26/2014	Herget Financial Corp.	First Busey Corporation
7/08/2014	Great Lakes Financial Resources, Inc.	First Midwest Bancorp, Inc.
1/22/2013	First Lansing Bancorp, Inc.	Wintrust Financial Corporation
9/18/2012	HPK Financial Corporation	Wintrust Financial Corporation
12/14/2011	First Citizens of Paris, Inc.	First Farmers Financial Corporation
10/11/2011	Freestar Bank, National Association	First Financial Corporation

*Indicates the transaction was pending as of December 6, 2017

For “Nationwide Banks” and “Illinois Banks” transactions referred to above, Davidson compared, among other things, the following implied ratios:

• transaction price compared to net income for the twelve months ended September 30, 2017;

• transaction price compared to tangible book value as of September 30, 2017; and

• tangible book premium to core deposits as of September 30, 2017.

As illustrated in the following table, Davidson compared the proposed merger multiples to the multiples of the comparable transaction groups and other operating financial data where relevant. The table below sets forth the data for the comparable transaction groups as of the last twelve months ended prior to the transaction announcement and First Bank data for the last twelve months ended September 30, 2017.

Financial Condition and Performance

	FIRT	Nationwide Banks				Illinois Banks			
		Median	Average	Minimum	Maximum	Median	Average	Minimum	Maximum
Total Assets (in millions)	\$465.6	\$307.3	\$358.4	\$112.7	\$977.8	\$337.1	\$405.6	\$107.9	\$977.8
Return on Average Assets	0.70 %	0.81 %	0.88 %	0.21 %	1.67 %	0.52 %	0.60 %	0.16 %	1.61 %
Return on Average Equity	7.15 %	7.42 %	8.11 %	1.23 %	15.92 %	5.16 %	5.90 %	1.98 %	22.20 %
Tangible Common Equity Ratio	9.90 %	10.14 %	10.70 %	6.28 %	20.47 %	10.49 %	9.93 %	2.76 %	14.11 %
Core Deposits / Total Deposits	75.3 %	80.5 %	79.6 %	17.5 %	98.5 %	88.0 %	87.4 %	72.7 %	99.3 %
Non Interest Income / Average Assets	0.95 %	0.48 %	0.66 %	0.08 %	4.76 %	0.57 %	0.69 %	0.15 %	1.55 %
Efficiency Ratio	68.1 %	67.2 %	67.2 %	36.9 %	92.6 %	79.0 %	76.0 %	58.3 %	88.6 %
Non-Performing Assets/Total Assets (1)	0.87 %	0.71 %	0.83 %	0.00 %	1.98 %	2.03 %	2.60 %	0.68 %	6.29 %
Loan Loss Reserves / Non-Performing Assets	108.7 %	87.4 %	139.3 %	31.5 %	601.1 %	38.6 %	51.3 %	7.1 %	164.4 %
Transaction Multiples									
	FIRT	Nationwide Banks				Illinois Banks			
		Median	Average	Minimum	Maximum	Median	Average	Minimum	Maximum
Transaction Price / Last Twelve Months Earnings	\$465.6	\$307.3	\$358.4	\$112.7	\$977.8	\$337.1	\$405.6	\$107.9	\$977.8
Transaction Price / Tangible Book Value	0.70 %	0.81 %	0.88 %	0.21 %	1.67 %	0.52 %	0.60 %	0.16 %	1.61 %
Tangible Book Premium / Core Deposits (2)	7.15 %	7.42 %	8.11 %	1.23 %	15.92 %	5.16 %	5.90 %	1.98 %	22.20 %

(1) Non-performing assets / total assets includes performing troubled debt restructurings (TDRs)

(2) Core deposits exclude time deposits with account balances greater than \$100,000. Tangible book premium / core deposits calculated by dividing the excess of the aggregate transaction value over tangible book value by core deposits

Net Present Value Analysis for First Bank

Davidson performed an analysis that estimated the net present value per share of First Bank common stock under various circumstances. The analysis assumed: (i) First Bank performed in accordance with First Bank management's financial forecasts for the year ended December 31, 2017; and (ii) First Bank performed in accordance with Davidson Investment Banking assumptions for the years ended December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021, and December 31, 2022, as discussed with and confirmed by First Bank management. To approximate the terminal value of First Bank common stock at December 31, 2022, Davidson applied multiples of tangible book value ranging from 150.0% to 175.0% and price to earnings multiples of 15.0x to 20.0x. The income streams and terminal values were then discounted to present values using different discount rates ranging from 10.00% to 12.00% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Bank's common stock. In evaluating the discount rate, Davidson used industry standard methods of adding the current risk-free rate, which is based on the 10-year Treasury yield, plus the published Duff & Phelps Industry Equity Risk Premium and plus the published Duff & Phelps Size Premium.

At the December 11, 2017 First Bank board of directors meeting, Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results. As illustrated in the following tables, the analysis indicates an imputed range of aggregate values of First Bank common stock of \$53.2 million to \$68.2 million when applying the multiples of tangible book value to the financial

forecasts and \$45.9 million to \$67.2 million when applying the price to earnings multiples to the financial forecasts.

Tangible Book Value Multiples

	Tangible Book Value Multiple				
Discount Rate	150.0%	156.3%	162.5%	168.8%	175.0%
10.00%	\$58,482	\$60,919	\$63,356	\$65,792	\$68,229
10.50%	\$57,105	\$59,484	\$61,864	\$64,243	\$66,622
11.00%	\$55,766	\$58,090	\$60,413	\$62,737	\$65,060
11.50%	\$54,464	\$56,736	\$59,003	\$61,273	\$63,542
12.00%	\$53,199	\$55,415	\$57,632	\$59,849	\$62,065

Earnings Per Share Multiples

	Earnings Multiple				
Discount Rate	15.0x	16.3x	17.5x	18.8x	20.0x
10.00%	\$50,415	\$54,617	\$58,818	\$63,019	\$67,221
10.50%	\$49,228	\$53,331	\$57,433	\$61,535	\$65,638
11.00%	\$48,074	\$52,080	\$56,086	\$60,093	\$64,099
11.50%	\$46,952	\$50,865	\$54,777	\$58,690	\$62,603
12.00%	\$45,861	\$49,683	\$53,504	\$57,326	\$61,148

Financial Impact Analysis

Davidson performed pro forma merger analyses that combined projected income statement and balance sheet information of First Bank and First Mid. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of First Mid. In the course of this analysis, Davidson used (i) First Bank management's financial forecasts for the year ended December 31, 2017; (ii) Davidson Investment Banking net income assumptions for First Bank for the years ended December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021, and December 31, 2022, as discussed with and confirmed by First Bank management; (iii) average S&P Global Market Intelligence consensus earnings estimates for First Mid for the years ended December 31, 2017, December 31, 2018, and December 31, 2019; and (iv) Davidson Investment Banking net income assumptions for First Mid for the years thereafter, as discussed with and confirmed by First Bank management. This analysis indicated that the merger is expected to be accretive to First Mid's estimated earnings per share in 2018. The analysis also indicated that the merger is expected to be dilutive to tangible book value per share for First Mid and that First Mid would maintain capital ratios in excess of those required for First Mid to be considered well-capitalized under existing regulations. For all of the above analyses, the actual results achieved by First Bank and First Mid prior to and following the merger will vary from the projected results, and the variations may be material.

Davidson prepared its analyses for purposes of providing its opinion to First Bank's board of directors as to the fairness, from a financial point of view, to the holders of First Bank common stock of the consideration to be paid to the holders of the First Bank common stock in the proposed merger and to assist First Bank's board of directors in analyzing the proposed merger. The analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties and their respective advisors, none of First Bank, First Mid or Davidson or any other person assumes responsibility if future results are materially different from those forecasted.

Davidson's opinion was one of many factors considered by the First Bank's board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the board of directors of First Bank or management with respect to the merger or the merger consideration.

Davidson and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions. Davidson acted as financial advisor to First Bank in connection with, and participated in certain of the negotiations leading to the merger. Davidson is a full service securities firm engaged, either directly or through its affiliates, in securities trading, investment management, financial planning and benefits counseling, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, Davidson and its affiliates may provide such services to First Bank, First Mid and their respective affiliates, may actively trade the debt and equity securities (or related derivative securities) of First Bank and First Mid for their own account and for the accounts of their customers and may at any time hold long and short positions of such securities. First Bank selected Davidson as its financial advisor because it is a recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement dated August 23, 2017, First Bank engaged Davidson as its financial advisor in connection with the contemplated transaction. Pursuant to the terms of the engagement letter, First Bank agreed to pay Davidson a cash fee of \$100,000 concurrently with the rendering of its opinion. First Bank will pay to Davidson at the time of closing of the merger a contingent cash fee equal to (i) 1.15% of the aggregate consideration paid to First Bank stockholders in the merger (the "Aggregate Consideration") up to or equal to \$35 per share; plus (ii) 3.00% of the Aggregate Consideration for any amount exceeding \$35 per share. First Bank has also agreed to reimburse Davidson for all reasonable out-of-pocket expenses, including fees of counsel, and to indemnify Davidson and certain related persons against specified liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement. During the two years preceding the date of this letter, we have provided investment banking and other financial services to First Bank for which we would have received customary compensation.

First Mid's reasons for the merger

First Mid's board of directors believes that the merger is in the best interests of First Mid and its stockholders. In deciding to approve the agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger, First Mid's board of directors after consulting with its management as well as its legal and financial advisors, considered a number of factors, including the following, which are not presented in order of priority:

its knowledge of First Mid's business, operations, financial condition, earnings and prospects and of First Bank's business, operations, financial condition, earnings and prospects, taking into account the results of First Mid's comprehensive due diligence process and loan review of First Bank;

the opportunity for First Mid to deepen its presence in the growing Champaign market and expand into contiguous counties;

the ability to expand First Mid's wealth management, trust and insurance services, which are not currently offered by First Bank;

management's view that First Bank's business, operations and commitment to community banking complement those of First Mid's and provide an opportunity to leverage existing operations for greater efficiencies and cost-savings and enhanced earnings per share;

management's belief that the combined institution will strengthen First Mid's ability to serve large customers and provide opportunities for loan growth;

the likelihood of a successful integration of First Bank's business operations and workforce with those of First Mid and management's view that the integration will be facilitated by the similarities between the cultures and business philosophies of First Mid and First Bank;

management's expectations regarding cost synergies, earnings accretion and internal rate of return;

the financial and other terms of the merger agreement, including the tax treatment, the split between stock and cash consideration and termination fee provisions, which it reviewed with its outside financial and legal advisors; the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating First Bank's business, operations and workforce with those of First Mid; the potential risk of diverting management attention and resources from the operation of First Mid's business and towards the completion of the merger; and the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

The above discussion of the information and factors considered by First Mid's board of directors is not intended to be exhaustive, but includes a description of material factors considered by the First Mid board of directors. In view of the wide variety of factors considered by the First Mid board of directors in connection with its evaluation of the merger, the First Mid board of directors 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 Mid's board of directors collectively made its determination with respect to the merger based on the conclusion reached by its members (other than Robert S. Cook and Gary W. Melvin who abstained from participating in any decision-making related to the merger) based on the factors that each of them considered appropriate, that the merger is in the best interests of First Mid's stockholders. Robert S. Cook and Gary W. Melvin, each members of the First Mid board of directors, each owns and/or has voting power over less than 0.8% and less than 1.6%, respectively, of the shares of common stock of First Bank. In order to avoid any potential conflicts of interest or the appearance of a potential conflict of interest, each of Mr. Cook and Mr. Melvin disclosed his respective ownership interest in First Bank to the First Mid board of directors and abstained from participating in any decision-making related to the merger.

Accounting treatment of the merger

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. Under the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of First Bank as of the effective time of the merger will be recorded at their respective fair values and added to those of First Mid. Any excess of purchase price over the fair values is recorded as goodwill. Consolidated financial statements of First Mid issued after the merger will reflect these fair values and will not be restated retroactively to reflect the historical consolidated financial position or results of operations of First Bank.

Regulatory approvals

The merger cannot proceed without obtaining all requisite regulatory approvals. First Mid and First Bank have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Mid and First Bank is subject to prior approval of the Federal Reserve and the IDFPR. First Mid submitted applications with the Federal Reserve and the IDFPR on January 19, 2018, seeking the necessary approvals.

In reviewing that application, the Federal Reserve is required to consider the following:

competitive factors, such as whether the merger will result in a monopoly or whether the benefits of the merger to the public in meeting the needs and convenience of the community clearly outweigh the merger's anticompetitive effects or restraints on trade; and

banking and community factors, which includes an evaluation of:

the financial and managerial resources of First Mid, including its subsidiaries, and of First Bank, and the effect of the proposed transaction on these resources;

management expertise;

internal control and risk management systems;

the capital of First Bank;

the convenience and needs of the communities to be served; and

the effectiveness of First Bank and First Mid in combating money laundering activities.

The application process includes publication and opportunity for comment by the public. The Federal Reserve may receive, and must consider, properly filed comments and protests from community groups and others regarding (among other issues) each institution's performance under the Community Reinvestment Act of 1977, as amended (which we refer to as the "Community Reinvestment Act"). The merger may not be consummated until at least 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 Bank & Trust with and into First Mid Bank, with First Mid Bank as the surviving bank. The bank merger will be subject to approval by the OCC. First Mid Bank intends to file an application with the OCC seeking approval in the near future. Regulatory approval of the bank merger is not required to complete the merger of First Mid and First Bank.

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.

Interests of certain persons in the merger

General. In considering the recommendations of the First Bank board of directors, First Bank stockholders should be aware that certain directors and executive officers of First Bank may have interests in the merger that are different from, or are in addition to, the interests of First Bank stockholders generally. The First Bank board of directors was aware of these interests to the extent these interests existed at the time the First Bank board of directors approved the merger agreement and considered them, among other matters, in approving the merger agreement and determining to recommend to First Bank stockholders to vote for approval of the merger agreement.

Stock Ownership. As of February 1, 2018, First Bank's directors controlled, in the aggregate, 208,483 shares of First Bank's common stock, representing approximately 10.1% of First Bank's outstanding shares of common stock.

Additionally, as of February 1, 2018, First Bank's directors, executive officers and their affiliates collectively controlled 284,845 shares, constituting approximately 13.9% of the shares then outstanding.

Employment Related Agreements between First Bank and Certain Executives. First Bank has previously entered into employment agreements with Jack R. Franklin and Matthew A. Carr and a severance agreement with Larry W. Strohm. The agreements provide for payments to each executive if his employment is terminated in certain circumstances as described below. Each of the agreements provide that payments to the executive are subject to reduction to the extent necessary to avoid an excess parachute payment under Internal Revenue Code Section 280G; however, no such reduction is necessary for any executive with respect to the payments to be made in connection with this merger, because no excess parachute payment amounts remain after reducing the severance payments to Mr. Franklin and Mr. Carr by the value assigned to the restrictive covenants described below.

Jack R. Franklin. First Bank has previously entered into an employment agreement with Mr. Franklin, its Chairman and Chief Executive Officer. Under the agreement, if Mr. Franklin's employment is terminated by First

Bank for other than cause or by Mr. Franklin for good reason within 24 months following the effective date of a change in control, First Bank would be obligated to (i) pay him a lump sum equal to three times his salary and three times his annual average cash bonus for the prior three year period and (ii) provide up to 18 months of employer-paid group health care continuation coverage. These amounts were \$697,062 and \$16,500, respectively, as of December 31, 2017. The agreement contains one-year post-termination restrictive covenants that prohibit Mr. Franklin from competing with First Bank and soliciting First Bank's customers or employees.

Matthew A. Carr. First Bank had previously entered into an employment agreement with Mr. Carr, its President and Chief Lending Officer. Under the agreement, if Mr. Carr's employment is terminated by First Bank for other than cause or by Mr. Carr for good reason within 24 months following the effective date of a change in control, First Bank would be obligated to (i) pay him a lump sum equal to three times his salary and three times his annual average cash bonus for the prior three year period and (ii) provide up to 18 months continuation of employer-paid group health care continuation coverage. These amounts were \$552,181 and \$16,500, respectively, as of December 31, 2017. The agreement contains one-year post-termination restrictive covenants that prohibit Mr. Carr from competing with First Bank and soliciting First Bank's customers or employees.

Larry W. Strohm. First Bank has previously entered into a severance agreement with Mr. Strohm, a Senior Vice President. Under the agreement, if Mr. Strohm's employment is terminated by First Bank without cause or by Mr. Strohm for good reason, First Bank would be obligated to (i) pay him a lump sum equal to one times the average annual compensation paid to him for the five preceding fiscal years and (ii) provide him with continued employee benefits for the remainder of the one year term of the agreement. These amounts were \$117,885 and \$12,951, respectively, as of December 31, 2017, assuming the agreement term ends September 11, 2018. The agreement contains one-year post-termination restrictive covenants that prohibit Mr. Strohm from competing with First Bank and soliciting First Bank's customers or employees.

2002 Recognition and Retention Plan. Mr. Franklin holds 9,333 shares of restricted stock and Mr. Carr holds 13,333 shares of unvested restricted stock, which was previously granted to each of them under First Bank's 2002 Recognition and Retention Plan. Under the Plan's terms, these awards will vest on the effective date of the change in control. Pursuant to the merger agreement, First Bank will terminate the Plan immediately prior to the effective time of the change in control, and the shares held by Mr. Franklin and Mr. Carr will vest and be exchanged for merger consideration as described in the merger agreement. The merger consideration received by Mr. Franklin would be \$333,300 and the merger consideration received by Mr. Carr would be \$476,148, which for purposes of this disclosure is based on a per share value of (i) \$5.00 plus (ii) \$38.39 (the average closing market price of a share of First Mid stock over the first five business days following the first public announcement of the merger) multiplied by the 0.8 exchange ratio).

Deferred Compensation Plan. Certain employees and directors have deferred their stock awards previously granted to them under the 2002 Recognition and Retention Plan. All of the awards (38,577 shares) are already fully vested and would be paid at a date elected by the employee or director, not later than termination of employment or service on the Board. Pursuant to the merger agreement, the Deferred Compensation Plan will be terminated immediately prior to the effective time of the change in control, and the shares will be exchanged for merger consideration as described in the merger agreement. The aggregate value of the shares for which distribution is accelerated is \$1,377,662 (which for purposes of this disclosure is based on a per share value of (i) \$5.00 plus (ii) \$38.39 (the average closing market price of a share of First Mid stock over the first five business days following the first public announcement of the merger) multiplied by the 0.8 exchange ratio).

Executive Deferred Compensation Plans. Pursuant to each of their deferred compensation plans with First Bank, Mr. Franklin and Mr. Carr previously elected to defer receipt of a portion of their compensation until termination of employment. Pursuant to the terms of the merger agreement, First Bank will terminate these plans, and each executive will be paid the deferred amounts within 12 months of the termination date of the plans. As of December 31, 2017, Mr. Franklin's account balance was \$123,574 and Mr. Carr's account balance was \$102,326.

Director Deferred Fee Plans. Pursuant to deferred compensation plans with First Bank, each director can elect to defer receipt of a portion of his or her fees earned for board service until termination of service on the board. Pursuant to

the terms of the merger agreement, First Bank will terminate these plans, and the directors will be paid

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the deferred amounts (which was an aggregate amount of \$1,665,557 as of December 31, 2017) within 12 months of the termination date of the plans.

Continued Director and Officer Liability Coverage. Pursuant to the terms of the merger agreement, First Mid agreed to maintain, for up to six years following the effective time, insurance coverage under the current policy of directors' and officers' liability insurance maintained by First Bank for actions taken prior to the effective time of the merger. The cost of such insurance coverage shall not exceed 150% of the premiums First Bank paid for its current policy term. Following the effective time, to the extent permitted by applicable law, First Mid has agreed to indemnify and hold harmless the current and former directors, officers and employees of First Bank and its subsidiaries for all actions taken by them prior to the effective time of the merger.

Post-Merger Compensation Arrangements with First Mid . Since execution of the merger agreement, First Mid has engaged, and it expects to continue to engage, in discussions with certain of First Bank executive officers regarding potential roles with the combined company after the consummation of the merger. As of the date of this proxy statement/prospectus, none of the executive officers and directors of First Bank have entered into agreements or arrangements with First Mid or its affiliates regarding continued service with First Mid, or its affiliates after the effective time of the merger. However, prior to the effective time of the merger, such agreements or arrangements may be entered into, which could amend, terminate or otherwise modify the existing First Bank arrangements with the executive officers that are described in this section and/or provide for the payment (or the right to future payment) of all or a portion of the benefits provided under such arrangements.

First Bank provides retiree life insurance benefits to employees and directors who retire after satisfying age and service requirements. The merger agreement provides that First Bank will terminate this coverage prior to the effective time and following the merger, First Mid will use commercially reasonable efforts to obtain replacement coverage, subject to the terms, cost and individuals participating being acceptable to First Mid.

Restrictions on resale of First Mid common stock

The shares of First Mid common stock to be issued in connection with the merger will be registered under the Securities Act, and will be freely transferable, except for shares issued to any stockholder who may be deemed to be an "affiliate" of First Mid for purposes of Rule 144 under the Securities Act. Persons who may be deemed to be affiliates of First Mid include individuals or entities that control, are controlled by, or are under common control with First Mid and may include the executive officers, directors and significant stockholders of First Mid.

First Bank stockholder dissenters' rights

The following discussion is a summary of the material statutory procedures to be followed by a holder of record of First Bank common stock to dissent from the merger and perfect appraisal rights. If you want to exercise appraisal rights, you should review carefully Section 262 of the DGCL and are urged to consult a legal advisor before electing or attempting to exercise these rights because the failure to precisely follow all the necessary legal requirements may result in the loss of such appraisal rights. This description is not complete and is qualified in its entirety by the full text of the relevant provisions of the DGCL, which are reprinted in their entirety as Appendix B to this document. First Bank stockholders seeking to exercise appraisal rights must strictly comply with these provisions.

Stockholders of record of First Bank as of the record date may exercise appraisal rights in connection with the merger by complying with Section 262 of the DGCL. If you are the holder of record of one or more shares of First Bank common stock, you are entitled to appraisal rights under Delaware law and have the right to dissent from the merger, have your shares appraised by the Delaware Court of Chancery and receive the "fair value" of such shares (exclusive of any element of value arising from the accomplishment or expectation of the merger) as of the completion of the merger in place of the merger consideration, as determined by the court, if you strictly comply with the procedures specified in Section 262 of the DGCL. Any such First Bank stockholder awarded "fair value" for such stockholder's shares by the Delaware Chancery Court would receive payment of that fair value in cash, together with interest, if any, in lieu of the right to receive the merger consideration, and accordingly, such stockholder awarded "fair value" for its shares would not receive any shares of First Mid stock following the completion of the merger. Such "fair value" could be more than the merger consideration but could also be less.

The following is a summary of the statutory procedures that you must follow if you elect to exercise your appraisal rights under the DGCL. The following summary does not constitute any legal or other advice, nor does it constitute a recommendation that you exercise your rights to seek appraisal under Section 262 of the DGCL. This summary is not complete and is qualified in its entirety by reference to Section 262 of the DGCL, the text of which is set forth in full in Appendix B to this proxy statement/prospectus.

Under Section 262 of the DGCL, where a merger agreement is to be submitted for adoption at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders who was a stockholder on the record date for notice of the meeting that appraisal rights are available and include in the notice a copy of Section 262 of the DGCL. This proxy statement/prospectus constitutes First Bank's notice to its stockholders that appraisal rights are available in connection with the merger, and the full text of Section 262 of the DGCL is attached to this proxy statement/prospectus as Appendix B. A holder of record of First Bank common stock who wishes to exercise appraisal rights or who wishes to preserve the right to do so should review the following discussion and Appendix B carefully. Failure to strictly comply with the procedures of Section 262 of the DGCL in a timely and proper manner will result in the loss of appraisal rights. A stockholder who loses his, her or its appraisal rights will be entitled to receive the applicable form of merger consideration.

How to exercise and perfect your right to dissent. First Bank stockholders wishing to exercise the rights to seek an appraisal of its shares must do ALL of the following:

you must not vote in favor of the adoption of the merger agreement. Because a proxy that is signed and submitted but does not otherwise contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement, if you vote by proxy and wish to exercise your appraisal rights you must vote against the adoption of the merger agreement or abstain from voting your shares;

you must deliver to First Bank a written demand for appraisal before the vote on the adoption of the merger agreement at the special meeting, and all demands for appraisal must reasonably inform First Bank of your identity and your intention to demand appraisal of your shares;

you must continuously hold the shares from the date of making the demand through the effective date of the merger. You will lose your appraisal rights if you transfer the shares before the effective date of the merger; and

you or the surviving company must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the effective date of the merger. The surviving company is under no obligation to file any such petition in the Delaware Court of Chancery and has no intention of doing so. Accordingly, it is the obligation of the First Bank stockholders to initiate all necessary action to perfect their appraisal rights in respect of shares of First Bank common stock within the time prescribed in Section 262 of the DGCL.

Voting, in person or by proxy, against, abstaining from voting on or failing to vote on the adoption of the merger agreement will not constitute a written demand for appraisal as required by Section 262 of the DGCL. The written demand for appraisal must be in addition to and separate from any proxy or vote.

Who may exercise appraisal rights. Any holder of record of shares of First Bank common stock wishing to exercise appraisal rights must deliver to First Bank, before the vote on the adoption of the merger agreement at the special meeting at which the merger proposal will be submitted to the First Bank stockholders, a written demand for the appraisal of such stockholder's shares, and that stockholder must not submit a blank proxy or vote in favor of the merger proposal. A holder of shares of First Bank common stock wishing to exercise appraisal rights must hold of record the shares on the date the written demand for appraisal is made and must continue to hold the shares of record through the effective date of the merger. A demand for appraisal must be executed by or on behalf of the stockholder of record and must reasonably inform First Bank of the identity of the stockholder and that the stockholder intends to demand appraisal of his, her or its shares of First Bank common stock.

Only a holder of record of shares of First Bank common stock is entitled to demand appraisal rights for the shares registered in that holder's name. Beneficial owners who do not also hold their shares of common stock of record may not directly make appraisal demands to First Bank. The beneficial holder must, in such cases, have the owner of record, such as a bank, brokerage firm or other nominee, submit the required demand in respect of those shares of common stock of record. A record owner, such as a bank, brokerage firm or other nominee, who holds shares of First Bank common stock as a nominee for others, may exercise his, her or its right of appraisal with respect to the shares of First Bank common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of First Bank common stock as to which appraisal is sought. Where no number of shares of First Bank common stock is expressly mentioned, the demand will be presumed to cover all shares of First Bank common stock held in the name of the record owner.

IF YOU HOLD YOUR SHARES IN BANK OR BROKERAGE ACCOUNTS OR OTHER NOMINEE FORMS, AND YOU WISH TO EXERCISE APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR BANK, BROKERAGE FIRM OR OTHER NOMINEE, AS APPLICABLE, TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE BANK, BROKERAGE FIRM OR OTHER NOMINEE TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES. IF YOU HAVE A BENEFICIAL INTEREST IN SHARES HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BANK, BROKERAGE FIRM OR OTHER NOMINEE, YOU MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT YOUR APPRAISAL RIGHTS.

If you own shares of First Bank common stock jointly with one or more other persons, as in a joint tenancy or tenancy in common, demand for appraisal must be executed by or for you and all other joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner and expressly disclose the fact that, in exercising the demand, such person is acting as agent for the record owner. If you hold shares of First Bank common stock through a broker who in turn holds the shares through a central securities depository nominee such as Cede & Co., a demand for appraisal of such shares must be made by or on behalf of the depository nominee and must identify the depository nominee as record holder.

If you elect to exercise appraisal rights under Section 262 of the DGCL, you should mail or deliver a written demand to:

First BancTrust Corporation
114 West Church Street
Champaign, Illinois 61824
(217) 398-0067

You should sign every communication.

First Mid's actions after completion of the merger. If the merger is completed, the surviving company will give written notice of the effective date of the merger within 10 days after the effective date to you if you did not vote in favor of the merger agreement and you made a written demand for appraisal in accordance with Section 262 of the DGCL. At any time within 60 days after the effective date of the merger, you have the right to withdraw the demand and to accept the merger consideration in accordance with the merger agreement for your shares of First Bank common stock, provided that you have not commenced an appraisal proceeding or joined an appraisal proceeding as a named party. Within 120 days after the effective date of the merger, but not later, either you, provided you have complied with the requirements of Section 262 of the DGCL, or the surviving company may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with a copy served on the surviving company in the case of a petition filed by you, demanding a determination of the value of the shares of First Bank common stock held by all stockholders entitled to appraisal rights. The surviving company is under no obligation to file an appraisal petition and has no intention of doing so. If you desire to have your shares appraised, you should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL.

Within 120 days after the effective date of the merger, provided you have complied with the provisions of Section 262 of the DGCL, you will be entitled to receive from the surviving company, upon written request, a statement setting forth the aggregate number of shares not voted in favor of the adoption of the merger agreement and with respect to which First Bank has received demands for appraisal, and the aggregate number of holders of those shares. The surviving company must mail this statement to you within the later of 10 days of receipt of the request or 10 days after expiration of the period for delivery of demands for appraisal. If you are the beneficial owner of shares of stock held in a voting trust or by a nominee on your behalf you may, in your own name, file an appraisal petition or request from the surviving company the statement described in this paragraph.

If a petition for appraisal is duly filed by you or another record holder of First Bank common stock who has properly exercised appraisal rights in accordance with the provisions of Section 262 of the DGCL, and a copy of the petition is delivered to the surviving company, the surviving company will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Delaware Court of Chancery with a duly verified list containing the names and addresses of all holders who have demanded an appraisal of their shares. The Delaware Court of Chancery will then determine which stockholders are entitled to appraisal rights and may require the stockholders demanding appraisal who hold certificated shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings, and the Delaware Court of Chancery may dismiss any stockholder who fails to comply with this direction from the appraisal proceedings. Where appraisal proceedings are not dismissed or the demand for appraisal is not successfully withdrawn, the appraisal proceeding will be conducted as to the shares of First Bank common stock owned by such stockholders, in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. The Delaware Court of Chancery will thereafter determine the fair value of the shares of First Bank common stock at the effective time held by stockholders entitled to appraisal rights, exclusive of any element of value arising from the accomplishment or expectation of the merger. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. When the value is determined, the Delaware Court of Chancery will direct the payment of such value, with interest thereon, if any, to the stockholders entitled to receive the same, upon surrender by such stockholders of their stock certificates.

In determining the fair value, the Delaware Court of Chancery is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that “proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court” should be considered and that “[f]air price obviously requires consideration of all relevant factors involving the value of a company.” The Delaware Supreme Court has stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other factors which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. Section 262 of the DGCL provides that fair value is to be “exclusive of any element of value arising from the accomplishment or expectation of the merger.” In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a “narrow exclusion [that] does not encompass known elements of value,” but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 of the DGCL to mean that “elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.”

An opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to, and does not in any manner address, fair value under Section 262 of the DGCL. The fair value of the shares as determined under Section 262 of the DGCL could be greater than, the same as, or less than the value of the merger consideration. We do not anticipate offering more than the per share merger

consideration to any stockholder exercising appraisal rights and reserve the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the “fair value” of a share of First Bank common stock is less than the per share merger consideration.

If no party files a petition for appraisal within 120 days after the effective time, then you will lose the right to an appraisal, and will instead receive the merger consideration described in the merger agreement, without interest thereon, less any withholding taxes.

The Delaware Court of Chancery may determine the costs of the appraisal proceeding and may allocate those costs to the parties as the Delaware Court of Chancery determines to be equitable under the circumstances. However, costs do not include attorneys and expert witness fees. Each stockholder exercising appraisal rights is responsible for its own attorneys and expert witnesses expenses, although, upon application of a stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal.

If you have duly demanded an appraisal in compliance with Section 262 of the DGCL you may not, after the effective date of the merger, vote the First Bank shares subject to the demand for any purpose or receive any dividends or other distributions on those shares, except dividends or other distributions payable to holders of record of shares of First Bank common stock as of a record date prior to the effective date of the merger.

If you have not commenced an appraisal proceeding or joined such a proceeding as a named party you may withdraw a demand for appraisal and accept the merger consideration by delivering a written withdrawal of the demand for appraisal to the surviving company, except that any attempt to withdraw made more than 60 days after the effective date of the merger will require written approval of the surviving company, and no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery. Such approval may be conditioned on the terms the Delaware Court of Chancery deems just, provided, however, that this provision will not affect the right of any stockholder who has not commenced an appraisal proceeding or joined such proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered in the merger within 60 days after the effective date of the merger. If you fail to perfect, successfully withdraw or lose the appraisal right, your shares will be converted into the right to receive the merger consideration, without interest thereon, less any withholding taxes.

Failure to follow the steps required by Section 262 of the DGCL for perfecting appraisal rights may result in the loss of appraisal rights. In that event, you will be entitled to receive the merger consideration for your shares in accordance with the merger agreement. In view of the complexity of the provisions of Section 262 of the DGCL, if you are a First Bank stockholder and are considering exercising your appraisal rights under the DGCL, you should consult your own legal advisor.

THE PROCESS OF DEMANDING AND EXERCISING APPRAISAL RIGHTS REQUIRES STRICT COMPLIANCE WITH TECHNICAL PREREQUISITES. IF YOU WISH TO EXERCISE YOUR APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR OWN LEGAL COUNSEL IN CONNECTION WITH COMPLIANCE UNDER SECTION 262 OF THE DGCL. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THE FOREGOING SUMMARY AND SECTION 262 OF THE DGCL, THE DGCL WILL GOVERN.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following summary describes the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of First Bank common stock. The summary is based upon the Internal Revenue Code, applicable Treasury Regulations, judicial decisions and administrative rulings and practice, all as in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not address any tax consequences of the merger under state, local or foreign laws, or any federal laws other than those pertaining to income tax.

For purposes of this discussion, the term “U.S. holder” means a beneficial owner that is: an individual citizen or resident of the United States; a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions; a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or an estate that is subject to U.S. federal income taxation on its income regardless of its source.

This discussion addresses only those U.S. holders of First Bank common stock that hold their First Bank common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code and does not address all the U.S. federal income tax consequences that may be relevant to particular holders of First Bank common stock in light of their individual circumstances or to holders of First Bank common stock that are subject to special rules, such as non-U.S. holders (as defined below) (except to the extent discussed under the subheading “Tax Implications to Non-U.S. Stockholders” below); financial institutions; investors in pass-through entities; persons who are subject to alternative minimum tax; insurance companies; mutual funds; tax-exempt organizations; dealers or brokers in securities or currencies; traders in securities that elect to use a mark-to-market method of accounting; persons that hold First Bank common stock as part of a straddle, hedge, constructive sale or conversion or other integrated transaction; regulated investment companies; real estate investment trusts; persons whose “functional currency” is not the U.S. dollar; U.S. expatriates or certain former citizens or long-term residents of the United States; and holders who acquired their shares of First Bank common stock through the exercise of an employee stock option or otherwise as compensation.

If a partnership (or other entity that is taxed as a partnership for federal income tax purposes) holds First Bank common stock, the tax treatment of a partner in that partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships and partners in partnerships should consult their own tax advisors about the tax consequences of the merger to them.

The parties intend for the merger to be treated as a “reorganization” for U.S. federal income tax purposes. Each of Barack Ferrazzano Kirschbaum & Nagelberg LLP and Schiff Hardin LLP have delivered opinions, dated January 22, 2018, and filed as exhibits to the registration statement of which this proxy statement/prospectus is a part, to the effect that, subject to the exceptions, qualification and limitations set forth therein, (i) the merger will constitute a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code, and (ii) First Bank and First Mid will each be a party to such reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Additionally, it is a condition to First Bank’s obligation to complete the merger that First Bank receive an opinion from Barack Ferrazzano Kirschbaum & Nagelberg LLP, dated the closing date of the merger, and it is a condition to First Mid’s obligation to complete the merger that First Mid receive an opinion from Schiff Hardin LLP, dated the closing date of the merger, each to the same effect as the opinions described in the preceding sentence. These conditions are waivable, and First Mid and First Bank undertake to recirculate and resolicit if either of these conditions is waived and the change in tax consequences is material. These opinions are and will be based upon representation letters provided by First Mid and First Bank and upon customary factual assumptions. Neither First Mid nor First Bank has sought, and neither of them will seek, any ruling from the Internal Revenue Service regarding any matters relating to the merger, and the opinions described above will not be binding on the Internal Revenue Service or any court. Consequently, there can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

The actual tax consequences of the merger to you may be complex and will depend upon your specific situation and upon factors that are not within the control of First Mid or First Bank. You should consult with your own tax advisor as to the tax consequences of the merger in light of your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws.

The following discussion summarizes the material U.S. federal income tax consequences of the merger to U.S. holders, assuming the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Tax Consequences of the Merger Generally. Except as discussed below, upon exchanging its shares of First Bank common stock for a combination of First Mid common stock and cash pursuant to the merger, a U.S. holder will recognize gain (but not loss) equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value of any First Mid common stock received in the merger, over such U.S. holder's adjusted tax basis in the shares of First Bank common stock surrendered by such U.S. holder in the merger and (ii) the amount of cash received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of First Mid common stock).

For purposes of this calculation, the fair market value of First Mid common stock is based on the trading price of that stock on the date of the merger. In the case of any U.S. holder who acquired different blocks of First Bank common stock at different times and at different prices, any realized gain or loss will be determined separately for each identifiable block of shares exchanged in the merger. A loss realized on the exchange of one block of shares cannot be used to offset a gain realized on the exchange of another block of shares, but a U.S. holder will generally be able to reduce its capital gains by capital losses in determining its income tax liability. Such U.S. holder should consult its tax advisor prior to the exchange with regard to identifying the basis or holding periods of the particular shares of First Mid common stock received in the merger.

Generally, a U.S. holder's aggregate tax basis in the First Mid common stock received by such U.S. holder in the merger in exchange for its First Bank common stock, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "-Cash in Lieu of Fractional Shares of First Mid Common Stock," will equal such U.S. holder's aggregate tax basis in the First Bank common stock surrendered in the merger, increased by the amount of taxable gain or dividend income (see below), if any, recognized by such U.S. holder in the merger (other than with respect to cash received in lieu of fractional shares of First Mid common stock), and decreased by the amount of cash, if any, received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of First Mid common stock). The holding period for the shares of First Mid common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "-Cash in Lieu of Fractional Shares of First Mid Common Stock," generally will include the holding period for the shares of First Bank common stock exchanged therefor.

Any capital gain generally will be long-term capital gain if the U.S. holder held the shares of First Bank common stock for more than one year at the effective time of the merger. The deductibility of capital losses is subject to limitations. It is possible that all or part of the gain that a U.S. holder of First Bank recognizes could be treated as dividend income rather than capital gain. The gain recognized in the merger generally will be treated as capital gain, and not a dividend, if the deemed redemption associated with payment of cash to a holder of First Bank common stock results in a meaningful reduction in such holder's deemed percentage share ownership of First Mid relative to what its percentage ownership would have been if it had received solely shares of First Mid common stock rather than a combination of cash and shares of First Mid common stock in the merger. The Internal Revenue Service has ruled that a stockholder in a publicly held corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs is generally considered to have a meaningful reduction if that stockholder has a relatively minor (e.g., approximately 3%) reduction in its percentage stock ownership as a result of the deemed redemption. These rules are complex and dependent upon specific factual circumstances particular to each U.S. holder. Each U.S. holder that owns First Mid common stock before the effective time of the merger should consult its tax advisor as to the application of these rules to the particular facts relevant to such U.S. holder.

Cash in Lieu of Fractional Shares of First Mid Common Stock. A U.S. holder who receives cash instead of a fractional share of First Mid common stock will be treated as having received the fractional share of First Mid

common stock pursuant to the merger and then as having exchanged the fractional share of First Mid common stock for cash in a redemption by First Mid. In general, this deemed redemption will be treated as a sale or exchange, and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of First Bank common stock allocable to such fractional interest. Such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for the First Bank common stock exchanged by such U.S. Holder is greater than one year as of the effective time of the merger.

Medicare Tax on Unearned Income. A U.S. holder that is an individual is subject to a 3.8% tax on the lesser of (i) his or her "net investment income" for the relevant taxable year or (ii) the excess of his or her modified adjusted gross income for the taxable year over a certain threshold (between \$125,000 and \$250,000 depending on the individual's U.S. federal income tax filing status). A similar regime applies to estates and trusts. Net investment income generally would include any capital gain incurred in connection with the merger.

Backup Withholding and Information Reporting. Payments of cash to a U.S. holder of First Bank common stock pursuant to the merger may, under certain circumstances, be subject to information reporting and backup withholding unless the holder provides proof of an applicable exemption satisfactory to First Mid and the exchange agent or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and generally will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

A U.S. holder of First Bank common stock, as a result of having received First Mid common stock in the merger, will be required to retain records pertaining to the merger. In addition, each U.S. holder of First Bank common stock who is a "significant holder" will be required to file a statement with such holder's U.S. federal income tax return in accordance with Treasury Regulations Section 1.368-3(b) setting forth such holder's basis in the First Bank common stock surrendered and the fair market value of the First Mid common stock and cash received in the merger. A "significant holder" is a holder of First Bank common stock who, immediately before the merger, owned at least 5% of the vote or value of the outstanding stock of First Bank or securities of First Bank with a basis for federal income taxes of at least \$1 million.

Tax Implications to Non-U.S. Stockholders. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of First Bank common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder. The rules governing the U.S. federal income taxation of non-U.S. holders are complex, and no attempt will be made herein to provide more than a limited summary of those rules. Any gain a non-U.S. holder recognizes from the exchange of First Bank common stock for First Mid common stock and cash in the merger generally will not be subject to U.S. federal income taxation unless (a) the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States, or (b) in the case of a non-U.S. holder who is an individual, such stockholder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met. Non-U.S. holders described in (a) above will be subject to tax on gain recognized at applicable U.S. federal income tax rates and, in addition, non-U.S. holders that are corporations (or treated as corporations for U.S. federal income tax purposes) may be subject to a branch profits tax equal to 30% (or a lesser rate under an applicable income tax treaty) on their effectively connected earnings and profits for the taxable year, which would include such gain. Non-U.S. holders described in (b) above will be subject to a flat 30% tax on any gain recognized, which may be offset by U.S. source capital losses.

This discussion does not address tax consequences that may vary with, or are contingent upon, individual circumstances. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to you will depend upon the facts of your particular situation. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local or foreign tax consequences to you of the merger.

DESCRIPTION OF THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement. This summary does not purport to describe all the terms of the merger agreement and is qualified by reference to the complete text of the merger agreement (including the first amendment to the merger agreement, which constitutes part of the merger agreement), which is attached as Appendix A to this proxy statement/prospectus and is incorporated by reference into this proxy statement/prospectus. You should read the merger agreement completely and carefully as it, rather than this description, is the legal document that governs the merger.

The text of the merger agreement has been included to provide you with information regarding its terms. The terms of the merger agreement (such as the representations and warranties) are intended to govern the contractual rights and relationships, and allocate risks, between the parties in relation to the merger. The merger agreement contains representations and warranties that First Mid and First Bank made to each other as of specific dates. The representations and warranties were negotiated between the parties with the principal purpose of setting forth their respective rights with respect to their obligations to complete the merger. The statements embodied in those representations and warranties may be subject to important limitations and qualifications as set forth therein, including a contractual standard of materiality different from that generally applicable under federal securities laws.

General

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, First Bank will merge with and into Merger Sub, a wholly owned subsidiary of First Mid. Merger Sub will be the surviving company in the merger and continue its corporate existence as a wholly-owned subsidiary of First Mid. Upon consummation of the merger, the separate corporate existence of First Bank will terminate. The merger is anticipated to be completed in mid-2018. After the merger is completed, First Mid plans to merge First Bank & Trust with and into First Mid Bank. At such time, First Bank & Trust's banking offices will become banking offices of First Mid Bank. Until the banks are merged, First Mid will own and operate First Bank & Trust and First Mid Bank as separate bank subsidiaries.

Closing and effective time

Closing. The closing of the merger will take place on the fifth business day following the satisfaction or waiver of the conditions to closing set forth in the merger agreement, or at another time that both parties mutually agree upon. See “-Conditions to completion of the merger” for a more complete description of the conditions that must be satisfied prior to closing. The date of the completion of the merger sometimes is referred to in this proxy statement/prospectus as the “closing date.”

Completion of the Merger. The merger will become effective as of the date and time specified in the certificate of merger that will be filed with the Delaware Secretary of State. The time at which the merger becomes effective is sometimes referred to in this proxy statement/prospectus as the “effective time.”

Merger Consideration

If the merger is completed, each share of First Bank common stock which First Bank stockholders own immediately before the completion of the merger will be converted into the right to receive (a) \$5.00 in cash and (b) 0.80 shares of common stock, par value \$4.00 per share, of First Mid, subject to certain adjustments as set forth in the merger agreement. Based on the number of shares of First Bank common stock outstanding as of December 11, 2017, the date of the merger agreement, and the closing price of First Mid's common stock of \$39.09 on December 11, 2017, and assuming no adjustments to merger consideration, First Bank stockholders are expected to receive total aggregate merger consideration of approximately \$74,534,716, consisting of approximately \$10,274,415 in cash and \$64,260,301 in First Mid common stock, subject to receipt of cash in respect of fractional shares. Shares of First Bank common stock held by First Bank stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

The merger consideration is subject to the following adjustments:

First Bank Consolidated Stockholders' Equity is Less than \$47,100,000. If the closing consolidated balance sheet delivered by First Bank 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 (as computed and adjusted in accordance with the merger agreement) less than \$47,100,000, for every \$50,000 shortfall thereof, the cash consideration will be reduced by \$0.00339 per share. As of September 30, 2017, First Bank's consolidated stockholders' equity as computed in accordance with GAAP was \$46,558,343. As of the date of this proxy statement/prospectus, the parties are not aware of any existing facts or circumstances that would cause the consolidated stockholders' equity included in the closing consolidated balance sheet to be less than \$47,100,000. For the purposes of this potential adjustment, the consolidated stockholders' equity of First Bank reflected on the closing consolidated balance sheet shall be computed and adjusted in accordance with the terms of the merger agreement to reflect that the following amounts (which amounts cannot be known until the date of the closing consolidated balance sheet) shall be disregarded, and not be taken into account or otherwise reduce such consolidated stockholders' equity reflected on the closing consolidated balance sheet: (A) any changes to the valuation of the First Bank's investment portfolio attributed to ASC 320, whether upward or downward, from September 30, 2017 until the date of the closing consolidated balance sheet, (B) any changes to the valuation of First Bank's deferred tax asset resulting from any amendments or changes to the Internal Revenue Code enacted after the date of the merger agreement, (C) the aggregate fees and expenses of attorneys, accountants, consultants, financial advisors and other professional advisors incurred by First Bank and its subsidiaries in connection with the merger agreement or the transactions contemplated thereby, (D) any amounts paid or payable to any director, officer or employee of First Bank or any of its subsidiaries under any contract, severance arrangement, benefit plan or employment practice of First Bank or any of its subsidiaries and all other payroll and non-payroll related costs and expenses incurred by First Bank or any of its subsidiaries in connection with the merger agreement or the transactions contemplated thereby, (E) costs associated with the termination of First Bank's 401(k) plan, employee stock ownership plan, recognition and retention plan, and any other employee benefit plan, (F) any costs associated with the termination of First Bank's data processing agreement, (G) any negative provisions for loan losses taken by First Bank from the date of the merger agreement until the date of the closing consolidated balance sheet, and (H) any other expenses incurred solely in connection with the transactions contemplated by the merger agreement, in each case incurred or to be incurred by First Bank or any of its subsidiaries through closing in connection with the merger agreement and the transactions contemplated thereby.

Decrease in Market Price of First Mid Common Stock. If at any time during the five business day period commencing on the tenth business day immediately preceding the effective time of the merger (which we refer to as the "determination date"), the average closing price of a share of First Mid common stock (we refer to such average closing price as the "First Mid market value") is less than \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank will have the right to terminate the merger agreement unless First Mid elects to increase the exchange ratio within five business days of First Bank's notice of termination. First Mid may elect to increase the exchange ratio to equal the lesser of (i) a quotient, the numerator of which is equal to the product of (A) \$36.88, (B) the exchange ratio and (C) the quotient of the average daily closing value of the Nasdaq Bank Index for the ten consecutive trading days immediately preceding the determination date divided by the average daily closing value of the Nasdaq Bank Index for the ten consecutive trading days immediately preceding December 11, 2017 minus 0.175 and the denominator of which is equal to the average daily closing sales price of First Mid for the ten consecutive trading days immediately preceding the determination date; or (ii) the quotient determined by dividing \$36.88 by the First Mid market value on the determination date, and multiplying the quotient by the product of the exchange ratio and 0.825. If First Mid elects to increase the exchange ratio, the merger agreement will remain in effect in accordance with its terms, except that the consideration for the merger will be increased to reflect the revised exchange ratio. If First Mid declines to increase the exchange ratio, the merger will

be abandoned. If First Mid or any company belonging to the Nasdaq Bank Index declares or effects a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction between December 11, 2017 and the determination date, the prices for the common stock of such company shall be appropriately adjusted for the purposes of adjusting the exchange ratio pursuant to this paragraph.

Reclassification, Recapitalization or other Readjustment to First Mid Common Stock. 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 because of 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 Bank common stock with the same economic effect as contemplated by the merger agreement prior to such event.

Exchange Ratio Adjustment. If any of the foregoing adjustments to the exchange ratio would require First Mid to issue more than 19.9% of the issued and outstanding shares of First Mid common stock at the effective time of the merger, First Mid shall have the right to adjust the ratio so that First Mid would not be required to issue more than 19.9% of its outstanding common stock and to increase the cash consideration to reflect, on a per share basis, the aggregate value of the total number of shares of First Mid common stock that otherwise would have been issuable pursuant to the terms of the merger agreement.

The market prices of both First Mid common stock and First Bank common stock will fluctuate before the completion of the merger, and the market price of First Mid common stock may also fluctuate between the completion of the merger and the time holders of First Bank common stock receive any First Mid common stock. Holders of First Bank common stock should obtain current stock price quotations for First Mid common stock and First Bank common stock before voting on the merger.

No fractional shares of First Mid common stock will be issued in the merger. Instead, First Mid will pay to each holder of First Bank common stock who would otherwise be entitled to a fractional share of First Mid common stock an amount in cash (without interest) rounded to the nearest whole cent, determined by multiplying the weighted average of the daily closing sales prices of a share of First Mid Common Stock as reported on the Nasdaq Global Market for the ten consecutive trading days immediately preceding the Closing Date by the fractional share of First Mid common stock to which such former holder would otherwise be entitled.

Dissenting Shares

Holders of First Bank common stock who perfect their appraisal rights (also referred to as dissenters' rights) under the DGCL (who we refer to as "dissenting stockholders") will have the right to receive "fair value" of their shares of First Bank common stock, determined as of the date of the meeting at which the merger is approved. This "fair value" could be more than the merger consideration but could also be less. Dissenting stockholders will not have the right to receive merger consideration in the merger and will only be entitled to their rights as dissenting stockholders under the DGCL. If any dissenting stockholder effectively withdraws or loses his, her or its right to dissenters' rights of appraisal, such holder will have the right to receive merger consideration in the merger. See "The Merger - First Bank stockholder dissenters' rights."

Exchange Procedures

First Mid has engaged Computershare to act as its exchange agent to handle the exchange of First Bank common stock for the merger consideration and the payment of cash for any fractional share interest.

Within two business days after the closing date, the exchange agent will mail to each holder of record of First Bank common stock, other than dissenting stockholders, a letter of transmittal containing instructions for surrendering First Bank common stock certificates to the exchange agent and obtaining the aggregate merger consideration that the stockholder is entitled to receive pursuant to the merger.

You must carefully follow the instructions in the letter of transmittal and return a properly executed letter of transmittal and your First Bank stock certificates, if any, to the exchange agent in order to receive the merger consideration for your shares. First Bank stock certificates submitted for exchange must be in a form that is acceptable for transfer (as explained in the letter of transmittal). Neither First Mid nor its exchange agent will be under any obligation to notify any person of any defects in the letter of transmittal.

Holders of First Bank common stock who cannot locate their stock certificates, should follow the instructions set forth in the letter of transmittal for lost or stolen stock certificates. Holders of First Bank common stock who hold their shares in book-entry form should follow the instructions set forth in the letter of transmittal with respect to shares of First Bank common stock held in book-entry form.

As soon as reasonably practicable after its receipt of properly completed and signed letters of transmittal and accompanying First Bank stock certificates, First Mid's exchange agent will issue by book-entry transfer shares of First Mid common stock and the cash representing the merger consideration, together with cash in lieu of fractional share interests. No interest will be paid on any cash payment.

Until the certificates representing First Bank common stock are surrendered for exchange, holders of such certificates will not receive the merger consideration or dividends or distributions on the First Mid common stock into which such First Bank common stock have been converted. When the certificates are surrendered to First Mid's exchange agent, any unpaid dividends or other distribution will be paid without interest. In no event will First Mid, the exchange agent, or any other person be liable to any former holder of shares of First Bank common stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

Holders of First Bank common stock should follow the instructions in the letter of transmittal for sending their stock certificates to the exchange agent.

Voting agreement

On December 11, 2017, certain of the directors of First Bank entered into a voting agreement with First Mid. Under this agreement, these stockholders have each agreed to vote, subject to their fiduciary duties, their respective shares of First Bank common stock:

- in favor of the transactions contemplated by the merger agreement;
- against any action or agreement which would result in a breach of any term of, or any other obligation of First Bank under the merger agreement; and
- against any action or agreement which would impede, interfere with or attempt to discourage the transactions contemplated by the merger agreement.

Furthermore, each of these stockholders agreed not to sell, assign or transfer any shares of First Bank common stock that they own without the prior written consent of First Mid. The 185,714 shares of First Bank common stock subject to the voting agreement represent approximately 9.0% of First Bank's outstanding shares of common stock as of December 11, 2017. The voting obligations under the voting agreement will automatically terminate upon the earlier of the effective time or the termination of the merger agreement in accordance with its terms. A copy of the form of voting agreement is attached to this proxy statement/prospectus as Appendix C.

Trust preferred securities

At or before the effective time of the merger, First Mid will assume and discharge First Bank's outstanding debt, guarantees, securities, and (to the extent necessary) other agreements under and relating to First Bank's trust preferred securities.

Conduct of business pending the merger

Conduct of Business of First Bank. Under the merger agreement, First Bank has agreed to certain restrictions on its activities and the activities of its subsidiaries until the merger is completed or the merger agreement is terminated. In general, First Bank and its subsidiaries are required to conduct their business in the ordinary course of business and use commercially reasonable efforts to maintain and preserve intact its business organization and advantageous business relationships.

The following is a summary of the more significant restrictions imposed upon First Bank, subject to the exceptions set forth in the merger agreement. First Bank will not (and neither it nor its subsidiaries will agree to take, make any commitment to take or adopt any resolutions in support of any action to), without First Mid's prior written consent: effect a change in the capitalization of First Bank or issue, grant, or sell any options, equity appreciation or purchase rights, warrants, conversion rights or other rights, securities or commitments obligating First Bank to issue, sell or register any equity securities, or any securities or obligations convertible into, or exercisable or exchangeable for, any equity securities;

• pay any dividends or other distributions on any equity securities, except First Bank is permitted to continue paying its regular quarterly dividend of \$0.11 per share of First Bank common stock in the ordinary course of business;

• amend the material terms of, waive any rights under, terminate, knowingly violate the terms of or enter into any contract material to First Bank;

• amend its articles of incorporation or by-laws, the certificate of incorporation or by-laws of certain of its subsidiaries, the charter or by-laws of First Bank, or the certificate of trust or trust agreement of FBTC Statutory Trust I;

• increase the compensation of First Bank's officers or key employees, pay any bonuses except in the ordinary course of business, or hire any employee with an annual salary in excess of \$100,000;

• establish, amend, or terminate any employee benefit plan;

• fail to use commercially reasonable efforts to maintain present insurance coverage in respect of their properties and business;

• incur or guarantee any indebtedness for borrowed money, except with respect to indebtedness to the Federal Home Loan Bank, trade payables and similar liabilities and obligations incurred in the ordinary course of business;

• maintain an allowance for loan and lease losses which is not adequate in all material respects under the requirements of GAAP to provide for possible losses, net of recoveries relating to loans previously charged off, on loans and leases outstanding (including accrued interest receivable);

• enter into any new credit or lending relationships in an amount over \$750,000 that would require an exception to First Bank's formal loan policy or to extend additional credit to any person unless within exceptions provided in the merger agreement;

• apply or consent to any extension of time for filing any tax return or any extension of the period of limitations applicable thereto;

• implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or applicable regulatory accounting requirements;

• make any expenditure for fixed assets in excess of \$100,000 for any single item, or \$250,000 in the aggregate, or enter into leases of fixed assets having an annual rental in excess of \$100,000 in the aggregate;

• incur any liabilities or obligations, make any commitments or disbursements, acquire (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business) or dispose of any property or asset, make any contract or agreement, or engage in any transaction except in the ordinary course of business consistent with prudent banking practices and the current policies of First Bank and its subsidiaries;

• enter into any new line of business or materially change its lending, investment, underwriting, risk and asset liability management and other banking and operating policies;

• settle any action, suit, claim or proceeding against it or any of its subsidiaries in excess of \$100,000 or, if less than \$100,000 that would impose a material restriction of the business of First Bank or any of its subsidiaries or create precedent for claims that are reasonably likely to be material to First Bank;

• make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility;

• enter into any employment, consulting or similar agreements that are not terminable by 30 days' or fewer notice without penalty or obligation;

• become a party to, establish, amend, commence participation in, terminate or commit itself to the adoption of any stock option plan or other stock-based compensation plan, compensation, severance, pension, consulting, non-competition, change in control, retirement, profit-sharing, welfare benefit, or other employee benefit plan or agreement or employment agreement with or for the benefit of any Employee (or newly hired employees), director or stockholder; accelerate the vesting of or lapsing of restrictions with respect to any long-term incentive compensation under any benefit plans; cause the funding of any rabbi trust or similar arrangement or take any action to fund or in any other way secure the payment of compensation or benefits under any company benefit plan; or materially change any actuarial assumptions used to calculate funding obligations with respect to any company benefit plans that is required by applicable law to be funded or change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP or any applicable law;

• engaging or agreeing to engage in any "covered transaction" within the meaning of Sections 23A or 23B of the Federal Reserve Act or any transactions of the kind referred to in Section; or

• agreeing to take, making an agreement to take or adopting any resolutions in support of the actions described above.

Conduct of Business of First Mid. Under the merger agreement, First Mid has agreed to certain restrictions on its activities and the activities of its subsidiaries until the merger is completed or the merger agreement is terminated. In general, First Mid is required to conduct its business in the ordinary course of business and use commercially reasonable efforts to maintain and preserve intact its business organization and advantageous business relationships. The following is a summary of the more significant restrictions imposed upon First Mid, subject to the exceptions set forth in the merger agreement. First Mid will not (and neither it nor its subsidiaries will agree to take, make any commitment to take or adopt any resolutions in support of any action to), without First Bank's prior written consent:

amend its certificate of incorporation or by-laws or similar governing documents of any of its subsidiaries, in a manner that would materially and adversely affect the benefits of the merger to the stockholders of First Bank; implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or applicable regulatory accounting requirements; or

agree to take, make any commitment to take or adopt any resolutions in support of the actions described above.

Certain covenants of the parties

In addition to the restrictions noted above, the merger agreement contains certain other covenants and agreements, including, among other things, the following:

First Mid agreed to file its applications with the Federal Reserve and the IDFPFR and take all other appropriate actions necessary to obtain the regulatory approvals required for the merger within 45 days of execution of the merger agreement and First Bank and First Bank & Trust agreed to use all reasonable and diligent efforts to assist in obtaining such approvals.

First Mid and First Bank each agreed to use their respective commercially reasonable efforts in good faith to satisfy the conditions required to close the merger and to consummate the merger as soon as practicable and not to intentionally take or intentionally permit to be taken any action that would be in breach of the terms or provisions of the merger agreement (including any action that would impair or impede the timely obtainment of the required regulatory approvals) or that would cause any of the representations contained in the merger agreement to be or become untrue.

First Mid and First Bank each agreed to coordinate with the other the declaration of, record date and payment date for any dividends on either party's common stock.

First Bank agreed to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining approval of the merger agreement and the transactions contemplated therein.

First Mid and First Bank each agreed to coordinate any public statement regarding the transactions contemplated by the merger agreement to the media.

The merger agreement also contains certain covenants relating to employee benefits and other matters pertaining to officers and directors. See "The Merger-Interests of certain persons in the merger" on page 49.

No solicitation of or discussions relating to an acquisition proposal

Except as described below, First Bank has agreed in the merger agreement that it will not, and will cause First Bank & Trust to not, solicit, initiate or knowingly encourage or facilitate (including by way of furnishing information) any inquiries regarding, or the making of any proposal or offer that constitutes an acquisition proposal. First Bank also agreed to cause each of its each of its officers, directors, employees, consultants, accountants, brokers, financial advisors, legal counsel, agents, advisors and other representatives to cease immediately and cause to be immediately terminated all soliciting activities, discussions and negotiations and access to nonpublic information with, to or by any person (other than First Mid) regarding any proposal that constitutes, or could reasonably be expected to lead to, any acquisition proposal.

Notwithstanding the foregoing restrictions, prior to obtaining approval of the merger from the First Bank stockholders, in the event that the First Bank board of directors determines in good faith and after consultation with outside counsel, that in light of an acquisition proposal, it is necessary to provide such information or engage in such negotiations or discussions in order to act in a manner consistent with its fiduciary duties, First Bank's board of directors may, in response to an unsolicited acquisition proposal that constitutes or is reasonably expected to result

in a superior acquisition proposal, subject to certain conditions, including notice to First Mid, (i) furnish information with respect to First Bank or First Bank & Trust to such person making such acquisition proposal pursuant to a customary confidentiality agreement and (ii) participate in discussions or negotiations regarding such acquisition proposal and/or (iii) terminate merger agreement in order to concurrently enter into an agreement with respect to such superior acquisition proposal. However, prior to terminating the merger agreement pursuant to this provision, First Bank must provide First Mid at least three days' notice thereof and provide First Mid with an opportunity, pursuant to procedures set forth in the merger agreement, to make an offer that is more favorable to the First Bank stockholders. Under the merger agreement, "superior acquisition proposal" means an acquisition proposal containing terms that the board of directors of First Bank determines in its good faith judgment (based on the advice of an independent financial advisor) to be more favorable to the Company's stockholders than the merger and for which financing, to the extent required, is then committed or which, in the good faith judgment of the First Bank board of directors, is reasonably capable of being obtained by such third party.

If First Mid terminates the merger agreement because First Bank breaches its covenant not to solicit an acquisition proposal from a third party or if First Bank terminates the merger agreement in order to enter into an agreement for a superior proposal, First Bank will pay to First Mid a termination fee equal to \$2,215,000. See "-Termination fee."

Representations and warranties

The merger agreement contains representations and warranties made by First Bank and First Mid. These include, among other things, representations relating to:

- valid corporate organization and existence;
- ownership of their respective subsidiaries;
- corporate power and authority to enter into the merger and the merger agreement;
- absence of any breach of organizational documents or law as a result of the merger;
- capitalization;
- consents and approvals;
- financial statements;
- filing of necessary reports with regulatory authorities;
- books of minutes and stock records;
- loans and allowance for loan losses;
- compliance with
 - laws; and
- broker/finder fees.

First Bank made additional representations and warranties to First Mid in the merger agreement relating to, among other things:

- undisclosed liabilities;

- real property, personal property and other material assets;
- compliance with, absence of default under and information regarding, material contracts;
- affiliate transactions;
- environmental matters;
- employee matters;
- employee benefit plans;
- intellectual property;
- certain tax matters;
- insurance matters;
- compliance with the Community Reinvestment Act;
- investment securities;
- performance of duties with respect to fiduciary accounts; and
- performance of obligations with respect to its trust preferred securities.

Conditions to completion of the merger

Closing Conditions for the Benefit of First Mid and Merger Sub. The obligations of First Mid and Merger Sub are subject to fulfillment of certain conditions, including:

- accuracy of representations and warranties of First Bank in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;
- performance by First Bank in all material respects of its obligations under the merger agreement;
- approval of the merger agreement and the transactions contemplated therein at the meeting of First Bank stockholders;
- execution and delivery of the certificate of merger, in form suitable for filing with the Delaware Secretary of State;
- 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 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 Bank certifying (i) the accuracy of the representations and warranties of First Bank in the merger agreement and (ii) performance by First Bank 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 Bank will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code;

- approval of the listing of the shares of First Mid common stock issuable pursuant to the merger agreement on the Nasdaq Global Select Market; and

no material adverse change in First Bank or business conduct by First Bank outside of the ordinary course of business of First Bank, except as required under the merger agreement, or inconsistent with prudent banking practices since December 11, 2017.

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

accuracy of representations and warranties of First Mid and Merger Sub in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;

performance by each of First Mid and Merger Sub in all material respects of its respective obligations under the merger agreement;

approval of the merger agreement and the transactions contemplated therein at the meeting of First Bank stockholders;

execution and delivery of the certificate of merger, in form suitable for filing with the Delaware Secretary of State;

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 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 representations and warranties of First Mid and Merger Sub in the merger agreement and (ii) performance by each of First Mid and Merger Sub in all material respects of its respective 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 Bank will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code;

- approval of the listing of the shares of First Mid common stock issuable pursuant to the merger agreement on the Nasdaq Global Select Market; and

no material adverse change in First Mid since December 11, 2017.

Termination

First Mid and First Bank 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 Bank 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 September 30, 2018 (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;

approval of the First Bank stockholders 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 Bank may terminate the merger agreement as follows:

if First Bank 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 causes 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 Bank;

prior to First Bank’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 Bank stockholders, and further provided that the termination fee is paid by First Bank to First Mid; or

if at any time during the five business day period commencing on the tenth 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 \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank 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 Bank 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 Bank of any of its covenants or agreements in the merger agreement causes 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 Bank from First Mid; or

prior to First Bank's stockholders meeting if First Bank's board of directors (i) approves or recommends, or proposes publicly to approve or recommend, any acquisition of First Bank by a third-party, and/or permits First Bank to enter into an acquisition agreement with a third party or (ii) recommends that the stockholders of First Bank tender their shares of First Bank common stock in a tender offer or exchange offer for First Bank 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.

Any termination of the merger agreement will not relieve the breaching party from liability resulting from its fraud or any willful and material breach by that party of the merger agreement.

Termination fee

First Bank has agreed to pay First Mid a termination fee of \$2,215,000 if the merger agreement is terminated:

by First Mid or First Bank if the merger has not been consummated by September 30, 2018 because of a breach by First Bank of its covenant not to solicit acquisition proposals and, prior to such termination, an alternative proposal (substituting 50% for the 15% threshold in the definition thereof, which we refer to as a "qualifying transaction") was publicly announced or otherwise communicated to First Mid and is not withdrawn or otherwise abandoned and such qualifying transaction is consummated within 12 months following the termination of the merger agreement;

by First Mid or First Bank if the First Bank stockholder approval has not been obtained because of a breach by First Bank of its covenant not to solicit acquisition proposals and prior to the special meeting a qualifying transaction was publicly announced or otherwise communicated to First Mid and is not withdrawn or otherwise abandoned and such qualifying transaction is consummated within 12 months following the termination of the merger agreement;

by First Mid if First Bank has breached its covenant not to solicit acquisition proposals and prior to such termination an alternative proposal was publicly announced or otherwise communicated to First Mid and is not withdrawn or otherwise abandoned and such alternative offer is consummated within 12 months following the termination of the merger agreement;

by First Bank in connection with accepting a superior proposal; or

by First Mid if (i) the First Bank board of directors fails to include in the proxy statement/prospectus the recommendation that the stockholders approve the merger agreement and the transactions contemplated thereby, including the merger, or makes a company recommendation change, (ii) the First Bank board of directors approves or recommends an alternative proposal or superior proposal and/or permits First Bank to enter into an alternative acquisition agreement related to an alternative proposal or a superior proposal, (iii) First Bank fails to call a special meeting of its stockholders or to deliver the proxy statement/prospectus to its stockholders in material breach of specified provisions of the merger agreement, or (iv) a tender offer or exchange offer for the outstanding shares of First Bank common stock is commenced and the First Bank board of directors recommends that the First Bank stockholders tender their shares in connection with such offer or within ten business days after the commencement of such tender or exchange offer, the First Bank board of directors fails to recommend rejection of such offer.

Management of First Mid after the merger

The First Mid executive officers and board of directors will remain the same following the merger. First Bank will be merged with and into Merger Sub, the sole member of which is First Mid.

Nasdaq stock listing

First Mid common stock currently is listed on the Nasdaq Global Select Market under the symbol “FMBH.” The shares to be issued to First Bank’s stockholders as merger consideration also will be eligible for trading on the Nasdaq Global Select Market. If the merger is completed, First Bank common stock will be removed from trading on the OTCQX.

Amendment

On January 18, 2018, First Mid, Merger Sub and First Bank entered into a First Amendment to Agreement and Plan of Merger reflecting Merger Sub’s conversion from a Delaware corporation to a Delaware limited liability company on January 18, 2018, and modifying the structure of the merger so that First Bank will be merged with and into Merger Sub, with Merger Sub continuing as the surviving company and a wholly-owned subsidiary of First Bank. The First Amendment to Agreement and Plan of Merger is included in Appendix A to this proxy statement/prospectus. Unless otherwise specified, all references to the “merger agreement” in this proxy statement/prospectus refer to the merger agreement as amended by the First Amendment to Agreement and Plan of Merger. The merger agreement may be further amended in writing by the parties.

SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS AND CERTAIN BENEFICIAL OWNERS OF FIRST BANK

The following table sets forth, as of January 1, 2018, the shares of common stock beneficially owned by First Bank's executive officers and directors individually and as a group.

Name and Address of Beneficial Owners	Amount of Shares Owned and Nature of Beneficial Ownership (1)	Percent of Shares of Common Stock Outstanding
Directors and Executive Officers: (2)		
Vick N. Bowyer (3)	11,093	*
John Brinkerhoff (4)	4,104	*
Matthew A. Carr (5)	22,969	1.1%
David W. Dick (6)	28,724	1.4%
Jack R. Franklin (7)	44,592	2.2%
John P. Graham	12,460	*
Hans L. Grotelueschen	15,475	*
Terry T. Hutchison (8)	14,739	*
Ellen M. Litteral (9)	19,414	*
James D. Motley	4,601	*
Joseph R. Schroeder (10)	34,687	1.7%
Larry W. Strohm (11)	34,378	1.7%
Phyllis Webster (12)	18,466	*
John W. Welborn (13)	19,143	*
All Directors and Executive Officers as a Group (14 persons)	284,845	13.9%

* Less than 1%.

In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner for purposes of this table, of any shares of our common stock if he or she has or shares voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from January 1, 2018. As used herein, "voting power" is the power to vote or direct the voting of shares, and "investment power" is the power to dispose or direct the disposition of shares. The shares set forth in this table include all shares held directly, as well as by spouses and minor children, in trust and in other forms of indirect ownership. The nature of beneficial ownership for shares shown in this column, unless otherwise noted, represents sole voting and investment power.

(2) The business address of each director and executive officer is 114 West Church Street, Champaign, Illinois 61824.

(3) Includes 1,602 shares in two trusts over which Mr. Bowyer has power as trustee.

(4) Includes 470 shares in Mr. Brinkerhoff's name and 624 shares vested under First Bank's Recognition and Retention Plan.

(5) Includes 351 shares held by the ESOP and 6,575 shares vested under First Bank's Recognition and Retention Plan and 13,333 shares of unvested share awards under First Bank's Recognition and Retention Plan.

(6) Includes 15,000 shares owned by Mr. Dick's wife's trust, 1,100 shares held by Mr. Dick's wife's IRA and 7,586 shares of restricted stock vested under First Bank's Recognition and Retention Plan.

(7) Includes 5,973 held by Mr. Franklin's wife, 13,587 held by the Bank's 401(k) plan, 6,405 shares held by the ESOP 5,056 shares vested under First Bank's Recognition and Retention Plan and 9,333 shares of unvested share awards under First Bank's Recognition and Retention Plan.

(8) Includes 4,576 shares held in Mr. Hutchison's IRA, and 7,586 shares of restricted stock vested under First Bank's Recognition and Retention Plan.

- Includes 5,000 shares jointly held with Ms. Litteral's husband, 2,196 held by the First Bank's 401(k) plan, 6,074 shares held by the ESOP and 3,242 shares of restricted stock vested under First Bank's Recognition and Retention Plan.
- (9)
- (10) Includes 7,500 shares held in Mr. Schroeder's IRA and 7,586 shares of restricted stock vested under First Bank's Recognition and Retention Plan.
- (11) Includes 500 shares held in Mr. Strohm's wife's account, 6,425 held by the Bank's 401(k) plan, 8,891 shares held by the ESOP and 1,247 shares of restricted stock under First Bank's Recognition and Retention Plan.
- (12) Includes 13,468 held by the Bank's 401(k) plan, 3,125 shares held by the ESOP for the account of Ms. Webster and 1,247 shares of restricted stock under First Bank's Recognition and Retention Plan.
- (13) Includes 9,556 shares which are held in Mr. Welborn's wife's IRA and 7,586 shares of restricted stock under First Bank's Recognition and Retention Plan.