

Edgar Filing: First Clover Leaf Financial Corp. - Form 425

First Clover Leaf Financial Corp.  
Form 425  
April 27, 2016

Filed by First Mid-Illinois Bancshares, Inc.  
pursuant to Rule 425 under the Securities Act of 1933,  
as amended, and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934, as amended

Subject Company: First Clover Leaf Financial Corp.  
Commission File No.: 0-50820

To: All First Mid Employees  
From: Joe Dively, Chairman and CEO  
Date: April 26, 2016  
Re: First Mid to Acquire First Clover Leaf Financial Corporation

We are very pleased to announce today that we entered into a definitive agreement to acquire First Clover Leaf Financial Corporation (Nasdaq: FCLF) ("First Clover Leaf"), the holding company for First Clover Leaf Bank. The news release is attached.

First Clover Leaf, headquartered in Edwardsville, Illinois, operates as the holding company for First Clover Leaf Bank, which has six banking centers in Illinois: Edwardsville (3), Wood River, Swansea, Highland; and one in Clayton, Missouri. Deposits total about \$533 million and \$427 million in net loans. The company has about 100 employees.

Like First Mid-Illinois Bank & Trust, First Clover Leaf Bank is a community bank, more than a century old, and is committed to its customers, employees and communities. They have a strong share of deposits in their legacy markets of Edwardsville and are overall a strong lending organization.

This acquisition will allow us to expand our existing geographic presence in the metro east area of St. Louis through an established bank with a strong community presence. The demographics and relatively stable economy in Madison and St. Clair counties make them appealing markets. As a combined company we can achieve greater scale and scope and in the future we can bring expanded services to First Clover Leaf Bank's customers in the areas of Trust & Wealth Management and Insurance.

For the first time, First Mid will establish a presence outside the state of Illinois, which offers greater diversity of our business and more growth opportunities. As we recently discussed at our All Employee Meetings, we plan to grow, both organically and through acquisitions. This acquisition meets our financial, risk, regulatory and market potential criteria and we believe it is a good fit for First Mid.

We expect the transaction to close by fourth quarter and to begin system conversion in early 2017. In the meantime, we must continue to keep our focus on our customers. Taking care of their needs and reinforcing their choice of First Mid as their financial services provider has never been more important. As essential information becomes available about the sale closing and your involvement with the integration and conversion processes, we will provide updates. Questions should be directed to your supervisor or manager.

If you receive any inquiries from the media or the public, please forward them to Laura ZuHone in Marketing at lzuhone@firstmid.com or 217-258-0675.

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Thanks to all of you for your diligence and hard work to provide services of which we can be proud and for all your contributions to our Company's future.

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## Safe Harbor

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

## Proxy Statement/Prospectus

This material is not a substitute for the proxy statement/prospectus that First Mid and First Clover Leaf will file with the Securities and Exchange Commission. Investors in First Mid or First Clover Leaf are urged to read the proxy statement/prospectus, which will contain important information, including detailed risk factors, when it becomes available. The proxy statement/prospectus and other documents which will be filed by First Mid and First Clover Leaf with the Securities and Exchange Commission will be available free of charge at the Securities and Exchange Commission's website, [www.sec.gov](http://www.sec.gov), or by directing a request when such a filing is made to First Mid-Illinois Bancshares, P.O. Box 499, Mattoon, IL 61938, Attention: Secretary; or to First Clover Leaf Financial Corp., P.O. Box 540, Edwardsville, IL 62025, Attention: Secretary. A final proxy statement/prospectus will be mailed to the stockholders of each of First Mid and First Clover Leaf.

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

## Proxy Solicitation

First Mid and First Clover Leaf, and certain of their respective directors, executive officers and other members of management and employees are participants in the solicitation of proxies in connection with the proposed transactions. Information about the directors and executive officers of First Mid is set forth in the proxy statement for its 2016 annual meeting of stockholders. Information about the directors and executive officers of First Clover Leaf is set forth in its proxy statement for its 2015 annual meeting of stockholders. Investors may obtain additional information regarding the interests of such participants in the proposed transactions by reading the proxy statement/prospectus for such proposed transactions when it becomes available.