



## First BancTrust Corporation

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### **FIRST BANCTRUST CORPORATION REPORTS FOURTH QUARTER RESULTS and DECLARES QUARTERLY CASH DIVIDEND**

- **Loans Increase 5.4% for the Year**
- **Deposits Increase 8.4% for the Year**
- **Net Interest Income Improves**
- **Provision for Loan Losses Increased Significantly**
- **Fourth Quarter Net Income Increases**

**PARIS, Illinois, March 8, 2010** – First BancTrust Corporation (Pink Sheets: FIRT - News) today reported a net income available to common stockholders for the fourth quarter of 2009 of \$327,548 or .16 cents per diluted share. This compares with net loss of \$382,128 or (.18) cents per diluted share in the fourth quarter a year ago, for a year over year improvement of \$709,676 for the quarter. For the fiscal year ended December 31, 2009, the Company posted a net loss available to common stockholders of \$125,368, or (.06) cents per diluted share, compared with net income of \$481,273, or .22 cents per diluted share a year earlier.

“To state the obvious, 2009 was an extremely challenging year for financial institutions, as well as the economy in general. Our earnings were significantly impacted by net loan charge-offs of \$5.0 million for the year with five credit relationships accounting for \$4.4 million of this total. The bulk of these losses were taken in the second and third quarters of the year with a return to more normalized, albeit still elevated levels in the fourth quarter. We increased the balance of our loan portfolio by \$14.7 million from \$269.8 million at year end 2008 to \$284.5 million at year end 2009. We were able to improve Net Interest Income, before provision for loan losses, over the prior year from \$9.7 million in 2008 to \$11.5 million in 2009. The positive change in the loan balances, as well as the aggressive management of interest expense enhanced our efforts to improve net interest income,” stated Jack R. Franklin, president and chief executive officer.

Franklin continued, “Much of the year was spent identifying and managing credits that deteriorated as the current recession deepened. The continued enhancement of our credit analysis and review function will elevate our ability to maintain the processes and controls needed to operate in the current economic environment. The recognition of credits which were weakened by both economic and non-economic events required significant accelerated contributions to the provision for loan losses. The total amount of the provision for loan losses for 2009 of \$5.3 million was \$2.7 million greater than 2008.

Consequently, while net earnings for the fourth quarter of 2009 were greatly improved over 2008, net earnings for the year were reduced compared to net earnings for last year. As a result of the continued aggressive and prudent contribution to provision for loan losses, an additional \$805,000 was allocated to the provision for loan losses during the fourth quarter. At year-end, the Allowance for Loan Losses of \$3.8 million as a percentage of total loans was 1.33%. In addition, the Bank ended the year with an improved non-performing assets to total loans ratio of .99%.

Total assets increased by \$28.1 million or 7.8% to \$389.8 million as of December 31, 2009 from \$361.7 million as of December 31, 2008. This growth was funded primarily through increases of \$29.5 million in core deposits with an accompanying reduction in brokered deposits of \$7.1 million.

### **Net Interest Income**

Net interest income grew by \$1.8 million year over year. The increase in net interest income for the year was primarily the result of the increase in average interest earning assets of \$36.1 million and interest expense management. Interest income grew modestly by \$455,000 from \$20.0 million in the prior year to \$20.5 million in 2009; however, interest expense decreased significantly by \$1.4 million as a result of a vigorous funds management process in a low rate environment.

### **Non-interest Income**

Non-interest income for 2009 was \$5.0 million compared to \$3.9 million for 2008, an increase of \$1.1 million. The increase was primarily a result of increases in net realized gains on sales of available-for-sale securities, gains on loan sales (as a result of increased levels of mortgage loan activity in the secondary market), and an increase in other service charges and fees, partially offset by a decrease in brokerage fees and customer service fees.

### **Non-interest Expense**

Non-interest expense for 2009 was \$11.1 million compared to \$10.4 million for 2008, an increase of \$763,681, or 7.4%. The increase was primarily due to increases in FDIC premium expenses, other expenses, and increases in salaries and benefits. The increase in the FDIC insurance premium contributed the majority of this increase with the premium being \$504,170 greater year over year. The increase in salaries and benefits expense was primarily the result of a one time expense incurred in the first quarter of 2009, as well as an increase in personnel to staff the new Champaign branch. Other Expenses increased mainly due to costs associated with the increased levels of mortgage loan activity in 2009 which was directly offset by income generated from these activities.

### **Outlook**

“As in 2009, the outlook for 2010 would continue to indicate considerable uncertainties in the financial sector and the economy in general. While encouraging signs are beginning to appear in the economy, the recovery has a long way to go especially in the all important employment outlook. With this in mind, while net income for 2009 was depressed as a result of the cleansing of specific asset issues, we continue to make progress in the areas of net interest income, non-interest income, deposit growth and loan growth. Net interest income increased significantly during the year primarily due to increased margins resulting from the managed growth of quality credits in our loan portfolio and the improved management of our cost of funds. Funding for the asset growth is concentrated in gathering lower-cost

local core deposits that assist in the ongoing growth of this income stream while at the same time reducing our level of brokered funding,” Franklin noted.

“While the financial crisis has had a wide and varied affect on the financial community and the economy in general, First Bank has continued to weather the storm with a strong capital position of 9.82% Tier 1 and 14.67% Total Risk-Based Capital, as well as a 5 Star rating from Bauer Financial rating service. Although uncertainties still exist, we are well positioned to enter 2010 as a strong community bank focused on the needs of the communities we serve,” Franklin concluded.

### **Quarterly Dividend**

Franklin also announced that the Board of Directors had declared a quarterly cash dividend of 1 cent per common share, payable March 12, 2010 to stockholders of record at the close of business on February 22, 2010. This marks the 34th consecutive quarterly dividend the Company has paid.

### **About First BancTrust**

First BancTrust Corporation is a holding company that owns all of the capital stock of First Bank & Trust, S. B., an Illinois-chartered savings bank that conducts business from its main office located in Paris, Illinois, and branch banks in Marshall, Savoy, Rantoul, Champaign and Martinsville, Illinois.

*Except for the historical information contained herein, this press release contains matters which may be deemed forward-looking statements that involve risks and uncertainties, including changes in economic conditions in the Company's market area, changes in policies by regulatory agencies, fluctuations in interest rates, the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and charge-offs and changes in estimates of the adequacy of the allowance for loan losses, demand for loans and deposits in the Company's market area and competition. Actual strategies and results in future periods may differ materially from those currently expected. These forward-looking statements represent the Company's judgment as of the date of this release. The Company disclaims however, any intent or obligation to update these forward-looking statements.*

... tables follow ...

**First BancTrust Corporation**  
**Selected Financial Information**  
(in thousands of dollars except share data)

<b>Balance Sheet Data</b>	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>		
	(unaudited)			
Total Assets	\$ 389,841	\$ 361,655		
Cash And Cash Equivalents	15,669	12,796		
Investment Securities	54,813	49,590		
FHLB Stock	3,749	3,749		
Loans Held For Sale	322	1,457		
Loans, Net of Allowance for Loan Losses of \$3,848 and \$3,520	284,450	269,794		
Deposits	287,650	265,248		
Federal Home Loan Bank Advances	59,000	59,000		
Stockholders' Equity	33,954	26,215		
Book Value Per Common Share	\$12.52	\$12.36		
 <b>Summary Of Operations</b>	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>12/31/2009</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
	(unaudited)		(unaudited)	
Interest Income	\$ 5,165	\$ 5,119	\$ 20,483	\$ 20,028
Interest Expense	2,045	2,555	8,964	10,334
Net Interest Income	3,120	2,564	11,519	9,694
Provision For Loan Losses	805	1,319	5,319	2,590
Net Interest Income After Provision For Loan Losses	2,315	1,245	6,200	7,104
Noninterest Income	1,129	988	5,026	3,884
Noninterest Expense	2,728	2,830	11,125	10,361
Income (Loss) Before Income Tax	716	(597)	101	627
Income Tax Expense (Benefit)	226	(215)	(181)	146
Net Income (Loss)	\$ 490	\$ (382)	\$ 282	\$ 481
Preferred Stock Dividends and Accretion	\$ 163	\$ -	\$ 407	\$ -
Net Income (Loss) Available to Common Stockholders	\$ 327	\$ (382)	\$ (125)	\$ 481
 <b>Share Data</b>				
Weighted Avg. Shares Outstanding - Basic	2,068,497	2,056,868	2,067,615	2,094,561
Weighted Avg. Shares Outstanding - Diluted	2,068,497	2,056,868	2,067,615	2,148,616
Basic Net Income (Loss) Available to Common Shareholders Per Share	\$ 0.16	\$ (0.18)	\$ (0.06)	\$ 0.23
Diluted Net Income (Loss) Available to Common Shareholders Per Share	\$ 0.16	\$ (0.18)	\$ (0.06)	\$ 0.22
 <b>Ratios Based On Net Income</b>				
Return on Average Common Shareholders' Equity	4.97%	-5.73%	-0.48%	1.79%
Return on Average Assets	0.51%	-0.43%	0.07%	0.14%

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