



First Bankers Trustshares, Inc.

1201 Broadway
P.O. Box 3566
Quincy, IL 62305-3566

July 27 2018

2nd Quarter 2018 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. (the Company) produced a net income for the quarter ending June 30, 2018 totaling \$1,907,000 or \$0.62 per share.

Net income was down 7.07% when compared to the second quarter of 2017.

Assets were down 1.35%, loans were up 1.63% and deposits were down 4.21% for the second quarter of 2018 compared to the second quarter of 2017.

Net interest income decreased 1.55% for the second quarter of 2018 compared to the second quarter of 2017.

Non-interest income was up 12.14% in the second quarter of 2018 over the same period in 2017. The increase was primarily the result of higher trust fees.

For the second quarter 2018 compared to the second quarter of 2017, non-interest expense was down 10.08%. Lower legal expenses were a primary driver of the lower expenses.

Provision for loan loss was \$1,825,000 higher in the second quarter of 2018 than the second quarter of 2017. Additional provision was deemed appropriate due to a few troubled commercial real estate loans.

The Company also benefited from the new lower corporate tax rates.

Return on average assets and return on average equity were 0.84% and 8.60% respectively for the second quarter of 2018 compared to 0.89% and 9.99% for the second quarter of 2017.

Enclosed, please find your regular dividend check; or the funds have been deposited to your account as previously directed. The Board approved a dividend of \$.15 per share.

Thank you for your ongoing support.

Yours Sincerely,

Allen W. Shafer
President/CEO

This release contains information and "forward-looking statements" that relate to matters that are not historical facts and which are usually preceded by words "may," "will," "should," "could," "would," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target" and similar expressions. These forward-looking statements are subject to significant risks, assumptions and uncertainties. Because of these and other uncertainties, our actual results may be materially different from those described in these forward-looking statements. The forward-looking statements in this release speak only as of the date of the release, and we do not assume any obligation to update the forward-looking statements or to update the reasons why actual results could differ from those contained in the forward-looking statements.

Investor Information

Stock Transfer Agent:

American Stock Transfer & Trust
Company, LLC
Operations Center
6201 15th Avenue
Brooklyn, NY 11219
(800) 937-5449

Market Makers:

Raymond James
Chicago, IL 60606
(800.800.4693)

Wells Fargo Advisors
Quincy, IL 62306
(800.223.1037)

Stifel Nicolas & Co., Inc.
Chicago, IL 60606
(800.745.7110)

Monroe Securities, Inc.
Chicago, IL 60606
(312.327.2530)

FIG Partners, LLC
Chicago, IL 60606
(312.242.0433)

Corporate Information:

First Bankers Trustshares, Inc.
Phone: (217.228.8000)
Fax: (217.228.8091)
Email: fbti@firstbankers.com

Corporate Officers:

Chairman of the Board of Directors
William D. Daniels
President/Chief Executive Officer
Allen W. Shafer
Treasurer
Brian Ippensen
Secretary
Steven E. Siebers

Directors:

Carl W. Adams Jr.
Scott A. Cisel
William D. Daniels
Mark E. Freiburg
Charles M. Gnuse
Arthur E. Greenbank
Phyllis J. Hofmeister
John E. Laverdiere
Kemia M. Sarraf, M.D., MPH
Allen W. Shafer
Steven E. Siebers
Dennis R. Williams
Chairman Emeritus
David E. Connor
Board Emeritus
Donald K. Gnuse



Financial Highlights (Dollars in thousands, except per share data) (Unaudited)

	For The Three Months Period Ended June 30,			For the Six Months Period Ended June 30,		
Income Statement Data	2018	2017	% Chg	2018	2017	2016
Net interest income	\$ 6,467	\$ 6,569	(1.55) %	\$ 13,078	\$ 12,776	\$ 12,477
Provision for loan losses	2,175	350	521.43 %	2,550	700	300
Noninterest income	4,443	3,962	12.14 %	8,814	8,689	8,454
Noninterest expense	6,397	7,114	(10.08) %	13,470	14,529	13,674
Income taxes	431	1,015	(57.54) %	1,253	2,052	2,209
Net Income	\$ 1,907	\$ 2,052	(7.07) %	\$ 4,619	\$ 4,184	\$ 4,748

	For The Three Months Period Ended June 30,			For the Six Months Period Ended June 30,		
Ratios	2018	2017	% Chg	2018	2017	2016
Return on average assets (Excludes preferred stock dividends/accretion.)	0.84 %	0.89 %	(5.62) %	1.01 %	0.92 %	1.08 %
Return on average common stockholders' equity (Calculated by dividing net income, excluding preferred stock dividends/accretion, by average common stockholders' equity. Common stockholders' equity is defined as equity less preferred stock and accumulated other comprehensive income or loss.)	8.60 %	9.99 %	(13.91) %	10.61 %	10.34 %	12.85 %
Net interest margin	2.97 %	3.02 %	(1.66) %	3.01 %	2.98 %	3.01 %
Allowance as a percent of total loans	2.22 %	1.81 %	22.65 %	2.22 %	1.81 %	1.73 %
Dividends per common share paid	\$ 0.15	\$ 0.14	7.14 %	\$ 0.30	\$ 0.28	\$ 0.26
Earnings per common share (Calculated by dividing net income less dividends and accretion on preferred stock by the weighted average number of common stock shares outstanding.)	\$ 0.62	\$ 0.66	(6.06) %	\$ 1.50	\$ 1.36	\$ 1.54
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 28.87	\$ 26.95	7.12 %	\$ 28.87	\$ 26.95	\$ 24.76

	At June 30,			At December 31,		
Balance Sheet	2018	2017	% Chg	2017	2016	2015
Assets	\$ 936,454	\$ 949,278	(1.35) %	\$ 942,949	\$ 930,935	\$ 906,672
Investment securities	\$ 358,349	\$ 356,875	0.41 %	\$ 371,168	\$ 329,796	\$ 301,795
Loans, net of unearned income	\$ 506,409	\$ 498,309	1.63 %	\$ 506,341	\$ 513,798	\$ 511,932
Deposits	\$ 734,765	\$ 767,050	(4.21) %	\$ 756,833	\$ 727,445	\$ 717,464
Short-term and other borrowings	\$ 97,741	\$ 73,575	32.85 %	\$ 80,394	\$ 104,407	\$ 83,278
Junior subordinated debentures	\$ 10,310	\$ 10,310	0.00 %	\$ 10,310	\$ 10,310	\$ 10,310
Preferred stock equity	\$ 0	\$ 0	0.00 %	\$ 0	\$ 0	\$ 10,000
Stockholders' equity (Includes preferred stock and excludes accumulated other comprehensive income or loss.)	\$ 89,147	\$ 83,219	7.12 %	\$ 85,548	\$ 79,839	\$ 82,326

	For The Six Months Period Ended June 30,			For The Years Ended December 31,		
Stock Value Per Common Share Information	2018	2017	% Chg	2017	2016	2015
Price/earnings ratio	12.2	9.8	24.49 %	12.8	10.1	8.2
Stock price—High	\$ 37.05	\$ 31.00		\$ 31.00	\$ 30.00	\$ 24.60
Low	\$ 31.25	\$ 29.10		\$ 28.00	\$ 23.00	\$ 22.61
Ending	\$ 37.00	\$ 35.50	4.23 %	\$ 30.75	\$ 30.00	\$ 23.65
Book value per common share	\$ 28.87	\$ 26.95	7.12 %	\$ 27.71	\$ 25.87	\$ 23.49
Price/book value per common share	1.28	0.99	29.29 %	1.11	1.16	1.01
Common shares outstanding	3,087,488	3,085,986		3,087,488	3,085,986	3,079,521