



First Bankers Trustshares, Inc.

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

January 26, 2018

4th Quarter 2017 Financial Highlights

Dear Shareholders,

In 2017, First Bankers Trustshares, Inc. (the Company) produced the third largest net income in its history earning \$7,392,000 or \$2.40 per share.

Net income was down for 2017 from the record earnings achieved in 2016, however the Company made significant progress in several key areas. First Bankers Trust Services, Inc. (the Trust subsidiary) successfully settled three significant legal matters. First Bankers Trust Co, N.A. (The Bank subsidiary) increased the Allowance for Loan Loss to address weaknesses in a few commercial loan relationships and reduced its reliance on earnings generated by security gains. These actions help position the Company for its future success.

Deposits were up 4.04% and loans and assets were relatively unchanged for the year ending December 31, 2017.

First Bankers Trustshares, Inc. earned \$1,732,000 or \$0.56 per share in the fourth quarter of 2017.

Net interest income increased 3.03% for the fourth quarter of 2017 compared to the fourth quarter of 2016.

Provision for loan losses increased \$1,000,000 in the fourth quarter of 2017 over the same period in 2016. The Allowance as a percent of total loans stands at 1.80%.

Non-interest income was down 19.68% in the fourth quarter of 2017 over the same period in 2016. The decline was primarily the result of lower trust fees. The last quarter of 2016 was a record fee income

quarter for the Trust subsidiary. The trust fees for the fourth quarter of 2017 were at a more typical level.

For the fourth quarter 2017 compared to the fourth quarter of 2016, non-interest expense was down 13.68% primarily due to bonuses being adjusted downward with the lower company earnings. Net income was down 17.95%.

Return on average assets and return on average equity were 0.74% and 8.05% respectively for the fourth quarter of 2017. The net interest margin for the fourth quarter of 2017 improved to 2.99% from 2.90% for the fourth quarter of 2016.

Soon you will receive our annual report with more detail on our year. Our annual meeting will be held May 15, 2018 at our 12th and Broadway headquarters in Quincy, Illinois. I hope you can attend. Enclosed, please find your regular dividend check; or the funds have been deposited to your account as previously directed. The Board voted to raise the dividend to \$.15 per share from \$.14 or up more than 7%.

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:

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Brooklyn, NY 11219
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Market Makers:

Raymond James
Chicago, IL 60606
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Wells Fargo Advisors
Quincy, IL 62306
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Stifel Nicolas & Co., Inc.
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Monroe Securities, Inc.
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FIG Partners, LLC
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Corporate Information:

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Corporate Officers:

Chairman of the Board of Directors
Donald K. Gnuse
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
Donald K. 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

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

Income Statement Data	For The Three Months Period Ended December 31,			For the Twelve Months Period Ended December 31,		
	2017	2016	% Chg	2017	2016	2015
Net interest income	\$ 6,631	\$ 6,436	3.03 %	\$ 26,000	\$ 25,220	\$ 24,040
Provision for loan losses	1,150	150	666.67 %	2,250	600	675
Noninterest income	4,183	5,208	(19.68) %	17,179	17,747	16,995
Noninterest expense	6,876	7,966	(13.68) %	29,790	28,485	27,600
Income taxes	1,056	1,417	(25.48) %	3,747	4,737	3,777
Net Income	\$ 1,732	\$ 2,111	(17.95) %	\$ 7,392	\$ 9,145	\$ 8,983

Ratios	For The Three Months Period Ended December 31,			For the Twelve Months Period Ended December 31,		
	2017	2016	% Chg	2017	2016	2015
Return on average assets (Excludes preferred stock dividends/accretion.)	0.74 %	0.90 %	(17.78) %	0.80 %	1.01 %	1.02 %
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.)	8.05 %	10.58 %	(23.91) %	8.88 %	11.95 %	12.95 %
Net interest margin	2.99 %	2.90 %	3.10 %	2.98 %	2.95 %	2.93 %
Allowance as a percent of total loans	1.80 %	1.63 %	10.43 %	1.80 %	1.63 %	1.69 %
Dividends per common share paid	\$ 0.14	\$ 0.13	7.69 %	\$ 0.56	\$ 0.52	\$ 0.48
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.)	\$ 0.56	\$ 0.69	(18.84) %	\$ 2.40	\$ 2.96	\$ 2.89
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 27.71	\$ 25.87	7.11 %	\$ 27.71	\$ 25.87	\$ 23.49

Balance Sheet	At December 31,			At December 31,		
	2017	2016	% Chg	2015	2014	2013
Assets	\$ 942,949	\$ 930,935	1.29 %	\$ 906,672	\$ 842,305	\$ 775,640
Investment securities	\$ 371,168	\$ 329,796	12.54 %	\$ 301,795	\$ 298,042	\$ 274,227
Loans, net of unearned income	\$ 506,341	\$ 513,798	(1.45) %	\$ 511,932	\$ 475,534	\$ 442,498
Deposits	\$ 756,833	\$ 727,445	4.04 %	\$ 717,464	\$ 667,668	\$ 627,789
Short-term and other borrowings	\$ 80,394	\$ 104,407	(23.00) %	\$ 83,278	\$ 77,048	\$ 60,934
Junior subordinated debentures	\$ 10,310	\$ 10,310	0.00 %	\$ 10,310	\$ 10,310	\$ 10,310
Preferred stock equity	\$ 0	\$ 0	0.00 %	\$ 10,000	\$ 10,000	\$ 10,000
Stockholders' equity (Includes preferred stock and excludes accumulated other comprehensive income or loss.)	\$ 85,548	\$ 79,839	7.15 %	\$ 82,326	\$ 74,952	\$ 69,193

Stock Value Per Common Share Information	For The Twelve Months Period Ended December 31,			For The Years Ended December 31,		
	2017	2016	% Chg	2015	2014	2013
Price/earnings ratio	12.8	10.1	26.73 %	8.2	9.8	10.4
Stock price—High	\$ 31.00	\$ 30.00		\$ 24.60	\$ 24.00	\$ 23.33
Low	\$ 28.00	\$ 23.00		\$ 22.61	\$ 21.00	\$ 17.43
Ending	\$ 30.75	\$ 30.00	2.50 %	\$ 23.65	\$ 22.76	\$ 19.00
Book value per common share	\$ 27.71	\$ 25.87	7.11 %	\$ 23.49	\$ 21.09	\$ 19.22
Price/book value per common share	1.11	1.16	(4.31) %	1.01	1.08	0.99
Common shares outstanding	3,087,488	3,085,986		3,079,521	3,079,521	3,079,521