



First Bankers Trustshares, Inc.

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

July 28, 2017

2nd Quarter 2017 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. produced second quarter 2017 earnings of \$2,052,000 or \$0.66 per share.

This compares to earnings totaling \$2,132,000 for the quarter ending March 31, 2017 and \$2,394,000 for the second quarter of 2016. Return on average assets and return on average equity were 0.89% and 9.99% respectively for the second quarter of 2017.

Net interest income increased nearly 5% for the second quarter of 2017 as total assets grew over 7%.

Provision for Loan Losses increased \$200,000 in the second quarter of 2017 over the same period in 2016. As in the first quarter, the increase in Provision for Loan Losses is related to one commercial construction project that is experiencing difficulties. The Allowance as a percent of total loans is up slightly at 1.81%.

Non-interest income was down 9% in the second quarter compared to 2016. A \$484,000 reduction in security gain income accounted for nearly all of the decrease in non-interest income. Non-interest expense was well controlled increasing just over 2% from the same quarter the prior year. The Bank subsidiary accounted for slightly more than 91% of the Company's consolidated earnings in the second quarter and 83% year to date for 2017.

The Trust subsidiary has four pending lawsuits with the Department of Labor. The Trust subsidiary is in mediation with the Department of Labor regarding three of these lawsuits. As mediation is in process, we cannot make further comments at this time. The fourth case with the Department

of Labor is in preliminary stages. At this stage of the litigation on the fourth case, it is difficult to estimate any potential loss, however the Company believes the trust subsidiary has numerous and meritorious defenses to the claims and anticipates contesting the matter vigorously.

Loan demand remained soft for the quarter with balances down slightly. The net interest margin is unchanged from the second quarter of 2016 at 3.02%.

Thank you to our Shareholders for your support. Enclosed please find your regular dividend check; or the funds have been deposited to your account as previously directed. The Board approved a continuation of the quarterly dividend of \$0.14 per share.

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

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Market Makers:

Raymond James
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Wells Fargo Advisors

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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 June 30,			For the Six Months Period Ended June 30,		
	2017	2016	% Chg	2017	2016	2015
Net interest income	\$ 6,569	\$ 6,260	4.94 %	\$ 12,776	\$ 12,477	\$ 11,676
Provision for loan losses	350	150	133.33 %	700	300	375
Noninterest income	3,962	4,362	(9.17) %	8,689	8,454	8,382
Noninterest expense	7,114	6,948	2.39 %	14,529	13,674	13,307
Income taxes	1,015	1,130	(10.18) %	2,052	2,209	1,876
Net Income	\$ 2,052	\$ 2,394	(14.29) %	\$ 4,184	\$ 4,748	\$ 4,500

Ratios	For The Three Months Period Ended June 30,			For the Six Months Period Ended June 30,		
	2017	2016	% Chg	2017	2016	2015
Return on average assets (Excludes preferred stock dividends/accretion.)	0.89 %	1.08 %	(17.59) %	0.92 %	1.08 %	1.04 %
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.)	9.99 %	12.82 %	(22.07) %	10.34 %	12.85 %	13.44 %
Net interest margin	3.02 %	3.02 %	0.00 %	2.98 %	3.01 %	2.91 %
Allowance as a percent of total loans	1.81 %	1.73 %	4.62 %	1.81 %	1.73 %	1.75 %
Dividends per common share paid	\$ 0.14	\$ 0.13	7.69 %	\$ 0.28	\$ 0.26	\$ 0.24
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.)	\$ 0.66	\$ 0.78	(15.38) %	\$ 1.36	\$ 1.54	\$ 1.45
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 26.95	\$ 24.76	8.84 %	\$ 26.95	\$ 24.76	\$ 22.30

Balance Sheet	At June 30,			At December 31,		
	2017	2016	% Chg	2016	2015	2014
Assets	\$ 949,278	\$ 885,048	7.26 %	\$ 930,935	\$ 906,672	\$ 842,305
Investment securities	\$ 356,875	\$ 299,757	19.05 %	\$ 329,796	\$ 301,795	\$ 298,042
Loans, net of unearned income	\$ 498,309	\$ 516,910	(3.60) %	\$ 513,798	\$ 511,932	\$ 475,534
Deposits	\$ 767,050	\$ 680,256	12.76 %	\$ 727,445	\$ 717,464	\$ 667,668
Short-term and other borrowings	\$ 73,575	\$ 100,067	(26.47) %	\$ 104,407	\$ 83,278	\$ 77,048
Junior subordinated debentures	\$ 10,310	\$ 10,310	0.00 %	\$ 10,310	\$ 10,310	\$ 10,310
Preferred stock equity	\$ 0	\$ 0	0.00 %	\$ 0	\$ 10,000	\$ 10,000
Stockholders' equity (Includes preferred stock and excludes accumulated other comprehensive income or loss.)	\$ 83,219	\$ 76,256	9.13 %	\$ 79,839	\$ 82,326	\$ 74,952

Stock Value Per Common Share Information	For The Six Months Period Ended June 30,			For The Years Ended December 31,		
	2017	2016	% Chg	2016	2015	2014
Price/earnings ratio	9.8	7.9	24.05 %	10.1	8.2	9.8
Stock price—High	\$ 30.75	\$ 27.00		\$ 30.00	\$ 24.60	\$ 24.00
Low	\$ 26.75	\$ 23.00		\$ 23.00	\$ 22.61	\$ 21.00
Ending	\$ 30.55	\$ 26.25	16.38 %	\$ 30.00	\$ 23.65	\$ 22.76
Book value per common share	\$ 26.95	\$ 24.76	8.84 %	\$ 25.87	\$ 23.49	\$ 21.09
Price/book value per common share	0.99	0.99	0.00 %	1.16	1.01	1.08
Common shares outstanding	3,087,488	3,085,986		3,085,986	3,079,521	3,079,521