



# First Bankers Trustshares, Inc.

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

April 27, 2018

## 1st Quarter 2018 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. (the Company) produced a solid first quarter in 2018. Net income for the quarter ending March 31, 2018 totaled \$2,712,000 or \$0.88 per share. Net income was up 27% when compared to the first quarter of 2017.

Assets were up 2.50%, loans were down 2.09% and deposits were up 5.20% for the first quarter of 2018 compared to the first quarter of 2017.

Net interest income increased 6.53% for the first quarter of 2018 compared to the first quarter of 2017.

Non-interest income was down 7.53% in the first quarter of 2018 over the same period in 2017. The decline was primarily the result of lower trust fees.

For the first quarter 2018 compared to the first quarter of 2017, non-interest expense was down 4.61% as expenses were well controlled.

The Company benefited from the new corporate tax rates as income taxes declined 20.62% for the first quarter of 2018 compared to first quarter of 2017.

Return on average assets and return on average equity were 1.19% and 12.69% respectively for the first quarter of 2018 compared to 0.95% and 10.70% for the first quarter of 2017.

The net interest margin for the first quarter of 2018 improved to 3.05% from 2.93% for the first quarter of 2017.

Our annual meeting will be held Tuesday, May 15, 2018 at our 12<sup>th</sup> and Broadway headquarters in Quincy, Illinois. The meeting will begin at 9:00 a.m. 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 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:

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Phone: (217.228.8000)  
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Email: [fbt@firstbankers.com](mailto:fbt@firstbankers.com)

#### 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 March 31,			For the Years Ended December 31,		
	2018	2017	% Chg	2017	2016	2015
Net interest income	\$ 6,611	\$ 6,206	6.53 %	\$ 26,000	\$ 25,220	\$ 24,040
Provision for loan losses	375	350	7.14 %	2,250	600	675
Noninterest income	4,371	4,727	(7.53) %	17,179	17,747	16,995
Noninterest expense	7,071	7,413	(4.61) %	29,790	28,485	27,600
Income taxes	824	1,038	(20.62) %	3,747	4,737	3,777
Net Income	\$ 2,712	\$ 2,132	27.21 %	\$ 7,392	\$ 9,145	\$ 8,983

Ratios	For The Three Months Period Ended March 31,			For the Years Ended December 31,		
	2018	2017	% Chg	2017	2016	2015
Return on average assets (Excludes preferred stock dividends/accretion.)	1.19 %	0.95 %	25.26 %	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.)	12.69 %	10.70 %	18.60 %	8.88 %	11.95 %	12.95 %
Net interest margin	3.05 %	2.93 %	4.10 %	2.98 %	2.95 %	2.93 %
Allowance as a percent of total loans	1.91 %	1.74 %	9.77 %	1.80 %	1.63 %	1.69 %
Dividends per common share paid	\$ 0.15	\$ 0.14	7.14 %	\$ 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.)	\$ 0.88	\$ 0.69	27.54 %	\$ 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.)	\$ 28.40	\$ 26.42	7.49 %	\$ 27.71	\$ 25.87	\$ 23.49

Balance Sheet	At March 31,			At December 31,		
	2018	2017	% Chg	2017	2016	2015
Assets	\$ 917,118	\$ 894,720	2.50 %	\$ 942,949	\$ 930,935	\$ 906,672
Investment securities	\$ 353,179	\$ 323,846	9.06 %	\$ 371,168	\$ 329,796	\$ 301,795
Loans, net of unearned income	\$ 491,707	\$ 502,201	(2.09) %	\$ 506,341	\$ 513,798	\$ 511,932
Deposits	\$ 730,076	\$ 693,964	5.20 %	\$ 756,833	\$ 727,445	\$ 717,464
Short-term and other borrowings	\$ 82,690	\$ 95,095	(13.04) %	\$ 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.)	\$ 87,695	\$ 81,546	7.54 %	\$ 85,548	\$ 79,839	\$ 82,326

Stock Value Per Common Share Information	For The Three Months Period Ended March 31,			For The Years Ended December 31,		
	2018	2017	% Chg	2017	2016	2015
Price/earnings ratio	9.9	10.9	(9.17) %	12.8	10.1	8.2
Stock price—High	\$ 36.00	\$ 31.00		\$ 31.00	\$ 30.00	\$ 24.60
Low	\$ 31.25	\$ 29.10		\$ 28.00	\$ 23.00	\$ 22.61
Ending	\$ 35.50	\$ 30.55	16.20 %	\$ 30.75	\$ 30.00	\$ 23.65
Book value per common share	\$ 28.40	\$ 26.42	7.49 %	\$ 27.71	\$ 25.87	\$ 23.49
Price/book value per common share	1.25	1.16	7.76 %	1.11	1.16	1.01
Common shares outstanding	3,087,488	3,085,986		3,087,488	3,085,986	3,079,521