

# First Bankers Trustshares, Inc.

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

July 18, 2002

## Investor Information

## Second Quarter 2002 Financial Highlights

Dear Shareholders,

Your Company's Earnings Per Share (EPS) of \$.47 for the three months period ending June 30, 2002 exceeded the \$.42 EPS reported for the same period in 2001. This increase pushed EPS for the year to \$.75, a slight improvement over 2001 figures. The core earnings generator, net interest income, improved both for the three months period and the six months period ended June 30, 2002 over the same period in 2001 by 4.5% and 7.2%, respectively.

The shortfall of noninterest income for the six months period ended June 30, 2002 when compared to the same period in 2001 can be contributed to the one-time security gains received during 2001 on agency securities where the call options were exercised by the issuers.

Operating expenses for the first six months of 2002, though lower than industry standards, increased over that experienced in the like period in 2001. Employee benefits, that included an additional pay period over that in 2001 and a one time medical insurance claim, were the largest contributing factors.

Although net income is less than that earned one year ago, core bank earnings have improved when comparing the two time periods, if one-time occurrences are factored out.

In May your Bank's Board of Directors announced two important promotions, the naming of Arthur Greenbank as the new President/CEO of the Bank, and Joe Leenerts' election as Executive Vice President/COO of the Bank. These two dedicated executives are most deserving of the promotions and will assist the Bank's need for additional management support as our company continues to grow. I will now be able to focus my attention on the formation of a new national bank charter trust company. This trust company is being formed to take responsibility for trust assets now approaching one billion dollars. All of our energies will continue to focus on maximizing shareholder value.

We are enclosing your quarterly cash dividend, recently declared by the Board of Directors. Thank you for your continued investment in First Bankers Trustshares, Inc.

Yours sincerely,

Donald K. Gnuse  
President/Chief Executive Officer

### Stock Transfer Agent:

First Bankers Trust Company, N.A.  
1201 Broadway—P.O. Box 3566  
Quincy, IL 62305-3566  
(217.228.8000)

### Market Makers:

Howe Barnes Investment, Inc.  
135 South La Salle Street  
Chicago, IL 60603  
(800.800.4693)

First Union Securities, Inc.  
Maine Center, 535 Maine  
Quincy, IL 62301  
(800.223.1037)

Monroe Securities, Inc.  
47 State Street  
Rochester, NY 14614  
(585.546.5560)

Stifel Nicolas & Co., Inc.  
Sears Tower  
233 Wacker Drive, Suite 850  
Chicago, IL 60606-6300  
(800.745.7110)

### Corporate Information:

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

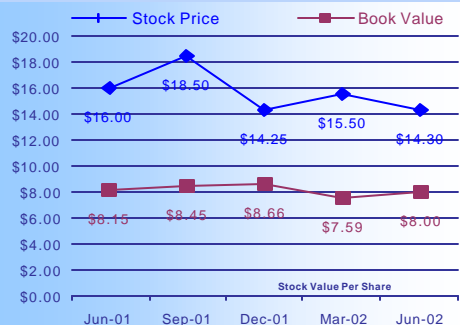
### Corporate Officers:

Chairman of the Board of Directors  
William D. Daniels  
President/Chief Executive Officer  
Donald K. Gnuse  
Senior Vice President/Treasurer  
Joe J. Leenerts  
Secretary  
Steven E. Siebers

### Directors:

Carl Adams Jr.  
William D. Daniels  
Mark E. Freiburg  
Donald K. Gnuse  
Phyllis J. Hofmeister  
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, |          |          |
|---------------------------|--|----------|----------|--|----------|----------|
|                           | 2002                                       | 2001     | % Chg    | 2002                                     | 2001     | % Chg    |
| Net interest income       | \$ 2,498                                   | \$ 2,390 | 4.52 %   | \$ 4,938                                 | \$ 4,607 | 7.18 %   |
| Provision for loan losses | 135  | 120      | 12.50 %  | 270                                      | 240      | 12.50 %  |
| Noninterest income        | 948  | 937      | 1.17 %   | 1,748                                    | 1,855    | (5.77)%  |
| Noninterest expense       | 2,021                                      | 1,718    | 17.64 %  | 4,006                                    | 3,541    | 13.13 %  |
| Income taxes              | 338  | 400      | (15.50)% | 672                                      | 779      | (13.74)% |
| Net Income                | \$ 952                                     | \$ 1,089 | (12.58)% | \$ 1,738                                 | \$ 1,902 | (8.62)%  |

| Ratios  | For The Three Months Period Ended June 30, |         |          | For The Six Months Period Ended June 30, |         |          |
|---|--|---------|----------|--|---------|----------|
|   | 2002                                       | 2001    | % Chg    | 2002                                     | 2001    | % Chg    |
| Return on average assets  | 1.29 %                                     | 1.52 %  | (15.13)% | 1.17 %                                   | 1.32 %  | (11.36)% |
| Return on average stockholders' equity (Calculated by subtracting preferred stock dividends from net income and dividing by average common stockholders' equity. Common stockholders' equity is defined as equity minus preferred stock equity and plus or minus accumulated other comprehensive income (loss)) | 23.85 %                                    | 21.09%  | 13.09 %  | 18.23 %                                  | 18.94 % | (3.75)%  |
| Net interest margin   | 3.56 %                                     | 3.49 %  | 2.01 %   | 3.50 %                                   | 3.36 %  | 4.17 %   |
| Allowance as a percent of total loans   | 1.09 %                                     | 1.14 %  | (4.39)%  | 1.09 %                                   | 1.14 %  | (4.39)%  |
| Dividends per share   | \$ .055                                    | \$ .045 | 22.22 %  | \$ .11                                   | \$ .09  | 22.22 %  |
| Earnings per share  | \$ .47                                     | \$ .42  | 11.90 %  | \$ .75                                   | \$ .74  | 1.35 %   |
| Book value per share (Calculated by dividing stockholders' equity excluding accumulated other comprehensive income (loss), by outstanding shares).  | \$ 8.00                                    | \$ 8.15 | (1.84)%  | \$ 8.00                                  | \$ 8.15 | (1.84)%  |

| Balance Sheet  | At June 30, |            |          | At December 31, |            |            |
|--|-------------|------------|----------|-----------------|------------|------------|
|  | 2002        | 2001       | % Chg    | 2001            | 2000       | 1999       |
| Assets   | \$ 306,217  | \$ 289,522 | 5.77 %   | \$ 310,668      | \$ 298,497 | \$ 258,503 |
| Investment securities  | 70,795      | 82,044     | (13.71)% | 76,062          | 71,897     | 72,680     |
| Loans, net of unearned income  | 206,569     | 184,004    | 12.26 %  | 189,531         | 176,455    | 156,439    |
| Deposits   | 254,687     | 240,126    | 6.06 %   | 256,609         | 244,362    | 199,477    |
| Short-term and other borrowings  | 21,771      | 20,631     | 5.53 %   | 23,473          | 26,828     | 38,436     |
| Note payable   | 5,500       | -          | 100.00 % | -               | -          | 2,780      |
| Company obligated mandatorily redeemable preferred securities of subsidiary trust holding solely subordinated debentures | 5,000       | 5,000      | -        | 5,000           | 5,000      | -          |
| Stockholders' equity (Does not include accumulated other comprehensive income (loss)).                                   | \$ 16,378   | \$ 21,027  | (22.11)% | \$ 22,324       | \$ 19,357  | \$ 16,737  |

| Stock Value Per Share Information | For The Six Months Period Ended June 30, |           |          | For The Years Ended December 31, |           |           |
|-----------------------------------|--|-----------|----------|----------------------------------|-----------|-----------|
|                                   | 2002                                     | 2001      | % Chg    | 2001                             | 2000      | 1999      |
| Price/earnings ratio              | 9.4                                      | 10.8      | (12.96)% | 10.6                             | 16.2      | 12.5      |
| Stock price—High                  | \$ 16.50                                 | \$ 20.00  |          | \$ 20.00                         | \$ 19.00  | \$ 13.75  |
| Low                               | \$ 14.25                                 | \$ 15.00  |          | \$ 14.00                         | \$ 13.13  | \$ 11.50  |
| Ending                            | \$ 14.30                                 | \$ 16.00  | (10.63)% | \$ 14.25                         | \$ 19.00  | \$ 13.13  |
| Book value                        | \$ 8.00                                  | \$ 8.15   | (1.84)%  | \$ 8.66                          | \$ 7.51   | \$ 6.49   |
| Price/book value                  | 1.79                                     | 1.96      | (8.67)%  | 1.65                             | 2.53      | 2.02      |
| Shares outstanding                | 2,048,574                                | 2,579,230 |          | 2,579,230                        | 2,579,230 | 2,579,230 |