

# First Bankers Trustshares, Inc.

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

July 18, 2003

## Investor Information

## Second Quarter 2003 Financial Highlights

Dear Shareholders,

We are pleased to report Earnings Per Share (EPS) for the six months period ended June 30, 2003 of \$.79, an increase over the \$.75 earned for the same period last year. The current interest rate environment has a significant impact on our financial performance. Though net interest income and net interest margin have declined when compared to last year's performance, these categories have shown improvement when compared to that experienced during the first quarter of this year. Management maintains a high focus in these areas and has taken steps to minimize our long-term risk to the fluctuations of interest rates.

Non-interest income increased 17.16% when compared to the six months period ended June 30, 2002. Loan origination and trust fees continue to exceed expectations and last year's performance. Non-interest expense increased slightly over 2002 performance. Professional service expenses relating to profit improvement consulting is the primary factor for the increase. The results of these studies should provide future returns as the recommendations are implemented.

First Bankers Trust Company purchased \$4,000,000 of Bank Owned Life Insurance. The earnings related to this purchase will assist management in reducing the cost of employee benefit programs that are currently in place.

In 2002, First Bankers Trust Company invested in a title insurance company. I am pleased to report that this investment has been more rewarding than we anticipated. In less than one year of operations, the company has reached profitability. A return in excess of our initial investment is expected prior to the end of this fiscal period.

We look forward to the challenges and opportunities that will present themselves in the last half of 2003.

Your Board of Directors declared a \$.065 per share cash dividend for stockholders of record on May 13, 2003. We 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, Ill 62305-3566  
(217.228.8000)

### Market Makers:

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

**Wachovia Securities**  
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)

**Baird, Patrick & Co.**  
20 Exchange Place  
New York, NY 10005  
(800.421.0123)

### Corporate Information:

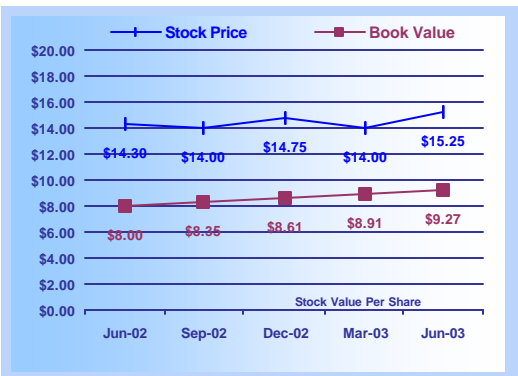
First Bankers Trustshares, Inc.  
Phone: (217.228.8000)  
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### Corporate Officers:

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  
Arthur E. Greenbank  
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,		
	2003	2002	% Chg	2003	2002	% Chg
Net interest income	\$ 2,576	\$ 2,631	(2.09)%	\$ 5,037	\$ 5,203	(3.19)%
Provision for loan losses	210	135	55.56 %	400	270	48.15 %
Noninterest income	1,000	948	5.49 %	2,048	1,748	17.16 %
Noninterest expense	1,959	2,021	(3.07)%	4,044	4,006	.95 %
Income taxes	416	338	23.08 %	763	672	13.54 %
Minority interest in net income of subsidiary	133	133	- %	265	265	- %
Net Income	\$ 858	\$ 952	(9.87)%	\$ 1,613	\$ 1,738	(7.19)%

Ratios	For The Three Months Period Ended June 30,			For The Six Months Period Ended June 30,		
	2003	2002	% Chg	2003	2002	% Chg
Return on average assets	1.10 %	1.29 %	(14.73)%	1.04 %	1.17 %	(11.11)%
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))	18.43 %	23.85 %	(22.73)%	17.68 %	18.23 %	(3.02)%
Net interest margin	3.52 %	3.75 %	(6.13)%	3.43 %	3.68 %	(6.79)%
Allowance as a percent of total loans	1.13 %	1.09 %	3.67 %	1.13 %	1.09 %	3.67 %
Dividends per share	\$ .065	\$ .055	18.18 %	\$ .13	\$ .11	18.18 %
Earnings per share	\$ .42	\$ .47	(10.64)%	\$ .79	\$ .75	5.33 %
Book value per share (Calculated by dividing stockholders' equity excluding accumulated other comprehensive income (loss), by outstanding shares).	\$ 9.27	\$ 8.00	15.88 %	\$ 9.27	\$ 8.00	15.88 %

Balance Sheet	At June 30,			At December 31,		
	2003	2002	% Chg	2002	2001	2000
Assets	\$ 318,295	\$ 306,217	3.94 %	\$ 311,920	\$ 310,668	\$ 298,497
Investment securities	75,796	70,795	7.06 %	54,567	76,062	71,897
Loans, net of unearned income	207,343	206,569	.37 %	201,931	189,531	176,455
Deposits	265,140	254,687	4.10 %	258,170	256,609	244,362
Short-term and other borrowings	21,535	21,771	(1.08)%	23,200	23,473	26,828
Note payable	4,500	5,500	(18.18)%	4,500	-	-
Company obligated mandatorily redeemable preferred securities of subsidiary trust holding solely subordinated debentures	5,000	5,000	- %	5,000	5,000	5,000
Stockholders' equity (Does not include accumulated other comprehensive income (loss)).	\$ 18,982	\$ 16,378	15.90 %	\$ 17,636	\$ 22,324	\$ 19,357

Stock Value Per Share Information	For The Six Months Period Ended June 30,			For The Years Ended December 31,		
	2003	2002	% Chg	2002	2001	2000
Price/earnings ratio	9.6	9.4	2.13 %	9.9	10.6	16.2
Stock price—High	\$ 16.00	\$ 16.50		\$ 16.50	\$ 20.00	\$ 19.00
Low	\$ 14.00	\$ 14.25		\$ 14.00	\$ 14.00	\$ 13.13
Ending	\$ 15.25	\$ 14.30	6.64 %	\$ 14.75	\$ 14.25	\$ 19.00
Book value	\$ 9.27	\$ 8.00	15.88 %	\$ 8.61	\$ 8.66	\$ 7.51
Price/book value	1.65	1.79	(7.82)%	1.71	1.65	2.53
Shares outstanding	2,048,574	2,048,574		2,048,574	2,579,230	2,579,230