



First Bankers Trustshares, Inc.

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

July 16, 2004

Second Quarter 2004 Financial Highlights

Dear Shareholders:

We have an abundance of good news to share with you. Each share of First Bankers Trustshares, Inc. stock has earned \$.86 per share for the first six months of 2004 compared to \$.79 for the like period in 2003. Second quarter earnings also rose on a comparison basis as illustrated on page two of this report.

It is a pleasure to call to your attention that the earnings growth was fueled by a rising net interest margin, a significant growth of over 20% in non-interest income while at the same time expenses were being well contained.

We are also excited to tell you that on July 1, after a two year, two month, design, development, and formal implementation process, your company received regulatory approval to form its new trust company. The new trust company will be known as First Bankers Trust Services, Inc.

Meanwhile, the Bank's acquisition, as recently announced, of five Union Bank offices is proceeding with many hours of necessary conversion details being addressed by Bank personnel. The projected closing date of the acquisition is slated for September 10, 2004.

Your Board of Directors has declared a \$.075 per share cash dividend for stockholders of record as of May 11, 2004. We thank you for your continued investment in First Bankers Trustshares, Inc.

Sincerely,

President & Chief Executive Officer

Investor Information

Stock Transfer Agent:

First Bankers Trust Services, Inc.
2321 Kochs Lane—P.O. Box 4005
Quincy, IL 62305-4005
(217.228.8060)

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:

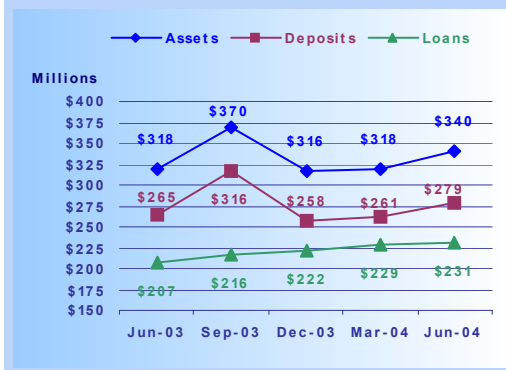
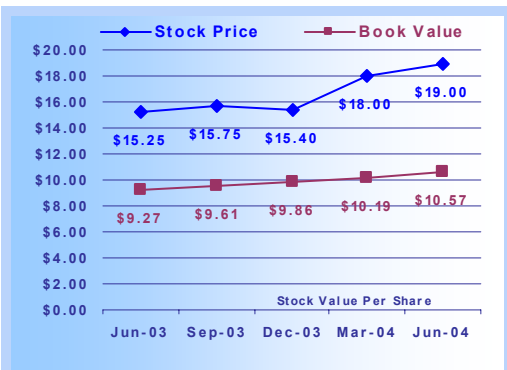
First Bankers Trustshares, Inc.
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Corporate Officers:

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,		
	2004	2003	% Chg	2004	2003	% Chg
Net interest income	\$ 2,701	\$ 2,576	4.85 %	\$ 5,384	\$ 5,037	6.89 %
Provision for loan losses	225	210	7.14 %	450	400	12.50 %
Noninterest income	1,237	1,000	23.70 %	2,464	2,048	20.31 %
Noninterest expense	2,152	1,959	9.85 %	4,337	4,044	7.25 %
Income taxes	446	416	7.21 %	938	763	22.94 %
Minority interest in net income of subsidiary	185	133	39.10 %	369	265	39.25 %
Net Income	\$ 930	\$ 858	8.39 %	\$ 1,754	\$ 1,613	8.74 %

Ratios	For The Three Months Period Ended June 30,			For The Six Months Period Ended June 30,		
	2004	2003	% Chg	2004	2003	% Chg
Return on average assets	1.16 %	1.10 %	5.45 %	1.11 %	1.04 %	6.73 %
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))	17.52 %	18.43 %	(4.94)%	16.77 %	17.68 %	(5.15)%
Net interest margin	3.60 %	3.48 %	3.45 %	3.61 %	3.43 %	5.25 %
Allowance as a percent of total loans	.99 %	1.13 %	(12.39)%	.99 %	1.13 %	(12.39)%
Dividends per share	\$.075	\$.065	15.38 %	\$.15	\$.13	15.38 %
Earnings per share	\$.45	\$.42	7.14 %	\$.86	\$.79	8.86 %
Book value per share (Calculated by dividing stockholders' equity excluding accumulated other comprehensive income (loss), by outstanding shares).	\$ 10.57	\$ 9.27	14.02 %	\$ 10.57	\$ 9.27	14.02 %

Balance Sheet	At June 30,			At December 31,		
	2004	2003	% Chg	2003	2002	2001
Assets	\$ 339,837	\$ 318,295	6.77 %	\$ 315,670	\$ 311,920	\$ 310,668
Investment securities	49,728	62,446	(20.37)%	53,582	54,567	76,062
Loans, net of unearned income	231,903	207,343	11.85 %	221,808	201,931	189,531
Deposits	279,297	265,140	5.74 %	258,413	258,170	256,609
Short-term and other borrowings	22,261	21,535	3.37 %	24,114	23,200	23,473
Note payable	4,000	4,500	(11.11)%	-	4,500	-
Company obligated mandatorily redeemable preferred securities of subsidiary trust holding solely subordinated debentures	10,000	5,000	100.00 %	10,000	5,000	5,000
Stockholders' equity (Does not include accumulated other comprehensive income (loss)).	\$ 21,653	\$ 18,982	14.07 %	\$ 20,206	\$ 17,636	\$ 22,324

Stock Value Per Share Information	For The Six Months Period Ended June 30,			For The Years Ended December 31,		
	2004	2003	% Chg	2003	2002	2001
Price/earnings ratio	11.0	9.6	14.58 %	7.6	9.9	10.6
Stock price—High	\$ 21.00	\$ 16.00		\$ 17.00	\$ 16.50	\$ 20.00
Low	\$ 15.40	\$ 14.00		\$ 14.00	\$ 14.00	\$ 14.00
Ending	\$ 19.00	\$ 15.25	24.59 %	\$ 15.40	\$ 14.75	\$ 14.25
Book value	\$ 10.57	\$ 9.27	14.02 %	\$ 9.86	\$ 8.61	\$ 8.66
Price/book value	1.80	1.65	9.09 %	1.65	1.71	1.65
Shares outstanding	2,048,574	2,048,574		2,048,574	2,048,574	2,579,230