



# First Bankers Trustshares, Inc.

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

January 25, 2019

## 4th Quarter 2018 Financial Highlights

Dear Shareholders,

In 2018, First Bankers Trustshares, Inc. (the Company) produced the third largest net income in its history earning \$8,382,000 or \$2.72 per share.

Net income for 2018 was up 13.39% compared to 2017. Loans and deposits were down 5.05% and 3.73% respectively for the year ending December 31, 2018 compared to December 31, 2017.

First Bankers Trustshares, Inc. earned \$2,959,000 or \$0.96 per share in the fourth quarter of 2018 which is a 70.84% increase compared to the fourth quarter of 2017. Provision for loan losses returned to a more typical level and declined \$625,000 in the fourth quarter of 2018 compared to the same period in 2017. The Allowance as a percent of total loans stands at 2.66%.

Net interest income increased 1.78% for the fourth quarter of 2018 compared to the fourth quarter of 2017.

Non-interest income was up 4.49% and non-interest expense was up 1.73% in the fourth quarter of 2018 over the same period in 2017.

Return on average assets, return on average equity, and net interest margin all improved in the fourth quarter of 2018 compared to same quarter in 2017 and were 1.26% , 12.92% , and 3.00% respectively.

Soon you will receive our annual report with more detail on our year. Our annual meeting will be held in May at our 12<sup>th</sup> and Broadway headquarters in Quincy, Illinois. 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 voted to raise the dividend to \$0.16 per share from \$0.15 or up more than 6%.

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

### Corporate Officers:

Chairman of the Board of Directors  
William D. Daniels  
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  
Charles M. 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  
Board Emeritus  
Donald K. Gnuse

## Financial Highlights (Dollars in thousands, except per share data) (Unaudited)

Income Statement Data	For The Three Months Period Ended December 31,			For the Twelve Months Period Ended December 31,		
	2018	2017	% Chg	2018	2017	2016
Net interest income	\$ 6,749	\$ 6,631	1.78 %	\$ 26,741	\$ 26,000	\$ 25,220
Provision for loan losses	525	1,150	(54.35) %	6,550	2,250	600
Noninterest income	4,371	4,183	4.49 %	17,524	17,179	17,747
Noninterest expense	6,995	6,876	1.73 %	27,349	29,790	28,485
Income taxes	641	1,056	(39.30) %	1,984	3,747	4,737
Net Income	\$ 2,959	\$ 1,732	70.84 %	\$ 8,382	\$ 7,392	\$ 9,145

Ratios	For The Three Months Period Ended December 31,			For the Twelve Months Period Ended December 31,		
	2018	2017	% Chg	2018	2017	2016
Return on average assets (Excludes preferred stock dividends/accretion.)	1.26 %	0.74 %	70.27 %	0.89 %	0.80 %	1.01 %
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.)	12.92 %	8.05 %	60.50 %	9.40 %	8.88 %	11.95 %
Net interest margin	3.00 %	2.99 %	0.33 %	2.98 %	2.98 %	2.95 %
Allowance as a percent of total loans	2.66 %	1.80 %	47.78 %	2.66 %	1.80 %	1.63 %
Dividends per common share paid	\$ 0.15	\$ 0.14	7.14 %	\$ 0.60	\$ 0.56	\$ 0.52
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.)	\$ 0.96	\$ 0.56	71.43 %	\$ 2.72	\$ 2.40	\$ 2.96
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 29.79	\$ 27.67	7.66 %	\$ 29.79	\$ 27.67	\$ 25.87

Balance Sheet	At December 31,			At December 31,		
	2018	2017	% Chg	2016	2015	2014
Assets	\$ 930,044	\$ 942,949	(1.37) %	\$ 930,935	\$ 906,672	\$ 842,305
Investment securities	\$ 357,311	\$ 371,168	(3.73) %	\$ 329,796	\$ 301,795	\$ 298,042
Loans, net of unearned income	\$ 480,792	\$ 506,341	(5.05) %	\$ 513,798	\$ 511,932	\$ 475,534
Deposits	\$ 733,435	\$ 756,833	(3.09) %	\$ 727,445	\$ 717,464	\$ 667,668
Short-term and other borrowings	\$ 88,559	\$ 80,394	10.16 %	\$ 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.)	\$ 91,968	\$ 85,438	7.64 %	\$ 79,839	\$ 82,326	\$ 74,952

Stock Value Per Common Share Information	For The Twelve Months Period Ended December 31,			For The Years Ended December 31,		
	2018	2017	% Chg	2016	2015	2014
Price/earnings ratio	11.8	12.8	(7.81) %	10.1	8.2	9.8
Stock price—High	\$ 37.95	\$ 31.00		\$ 30.00	\$ 24.60	\$ 24.60
Low	\$ 30.01	\$ 28.00		\$ 23.00	\$ 22.61	\$ 21.00
Ending	\$ 32.00	\$ 30.75	4.07 %	\$ 30.00	\$ 23.65	\$ 22.76
Book value per common share	\$ 29.79	\$ 27.67	7.66 %	\$ 25.87	\$ 23.49	\$ 21.09
Price/book value per common share	1.07	1.11	(3.60) %	1.16	1.01	1.08
Common shares outstanding	3,087,488	3,087,488		3,085,986	3,079,521	3,079,521