



First Bankers Trustshares, Inc.

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

January 31, 2020

4th Quarter 2019 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. (the Company) produced solid results for the full year of 2019. Net income was \$8,319,000 or \$2.69 per share. Return on average assets and return on average common equity were 0.90% and 8.99%, respectively. As previously reported, on July 1, 2019, First Bankers Trust Services, Inc. (the Trust Subsidiary) was spun off into a separate company named TI-Trust, Inc. The Company's year to date consolidated results include TI-Trust's results through June 30, 2019.

As highlighted on page 3 of our report, net income was up 29.96% for 2019 compared to 2018 when excluding the Trust Subsidiary's results from the consolidated numbers.

The Company produced mixed financial results for the fourth quarter of 2019. Net income totaled \$1,407,000 or \$0.46 per share in the fourth quarter of 2019. Net income was down \$1,552,000 for the fourth quarter compared to the fourth quarter of 2018.

The decrease in net income was primarily driven by the reduction in non-interest income due to the separation from the Trust Subsidiary, onetime expenses with the migration to a hosted core computer system, and a slightly higher provision for loan losses. The allowance as a percentage of total loans stands at 2.35%.

Net interest income was down 3.16% in the fourth quarter of 2019 over the same period in 2018. Net interest margin had a modest increase

to 3.03% for the fourth quarter of 2019 compared to 3.00% in the fourth quarter of 2018. Year over year, non-interest income and non-interest expense were both down for the fourth quarter of 2019 compared to the same period in 2018 as TI-Trust's income and expense are not included in the Company's fourth quarter 2019 results.

Assets in the fourth quarter of 2019 were largely unchanged compared to the fourth quarter of 2018. Loans increased nicely in the fourth quarter of 2019 and were up 4.12% compared to the fourth quarter of 2018.

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 \$0.17 per share from \$0.16 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:

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Operations Center
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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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Corporate Officers:

Chairman of the Board of Directors
William D. Daniels
President/Chief Executive Officer
Allen W. Shafer
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
Richard W. Schulte
Allen W. Shafer
Steven E. Siebers

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 Ended Ended December 31,		
	2019	2018	% Chg	2019	2018	2017
Net interest income	\$ 6,536	\$ 6,749	(3.16) %	\$ 26,329	\$ 26,741	\$ 26,000
Provision for loan losses	700	525	33.33 %	2,400	6,550	2,250
Noninterest income	1,701	4,371	(61.08) %	13,153	17,524	17,179
Noninterest expense	5,809	6,995	(16.95) %	26,538	27,349	29,790
Income taxes	321	641	(49.92) %	2,225	1,984	3,747
Net Income	\$ 1,407	\$ 2,959	(52.45) %	\$ 8,319	\$ 8,382	\$ 7,392

Ratios	For The Three Months Period Ended December 31,			For the Twelve Months Period Ended December 31,		
	2019	2018	% Chg	2019	2018	2017
Return on average assets (Excludes preferred stock dividends/accretion.)	0.62 %	1.26 %	(50.79) %	0.90 %	0.89 %	0.80 %
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.)	6.08 %	12.92 %	(52.94) %	8.99 %	9.40 %	8.88 %
Net interest margin	3.03 %	3.00 %	1.00 %	3.01 %	2.98 %	2.98 %
Allowance as a percent of total loans	2.35 %	2.66 %	(11.65) %	2.35 %	2.66 %	1.80 %
Dividends per common share paid	\$ 0.16	\$ 0.15	6.67 %	\$ 0.64	\$ 0.60	\$ 0.56
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.)	\$ 0.46	\$ 0.96	(52.08) %	\$ 2.69	\$ 2.72	\$ 2.40
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 29.68	\$ 29.79	(0.37) %	\$ 29.68	\$ 29.79	\$ 27.67

Balance Sheet	At December 31,			At December 31,		
	2019	2018	% Chg	2017	2016	2015
Assets	\$ 922,579	\$ 930,044	(0.80) %	\$ 942,949	\$ 930,935	\$ 906,672
Investment securities	\$ 345,140	\$ 357,311	(3.41) %	\$ 371,168	\$ 329,796	\$ 301,795
Loans, net of unearned income	\$ 500,599	\$ 480,792	4.12 %	\$ 506,341	\$ 513,798	\$ 511,932
Deposits	\$ 727,656	\$ 733,435	(0.79) %	\$ 756,833	\$ 727,445	\$ 717,464
Short-term and other borrowings	\$ 81,572	\$ 88,559	(7.89) %	\$ 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 (excludes accumulated other comprehensive income or loss.)	\$ 91,711	\$ 91,968	(0.28) %	\$ 85,438	\$ 79,839	\$ 82,326

Stock Value Per Common Share Information	For The Twelve Months Period Ended December 31,			For The Years Ended December 31,		
	2019	2018	% Chg	2017	2016	2015
Price/earnings ratio	11.6	11.8	(1.69) %	12.8	10.1	8.2
Stock price—High	\$ 36.00	\$ 37.95		\$ 31.00	\$ 30.00	\$ 24.60
Low	\$ 30.25	\$ 30.01		\$ 28.00	\$ 23.00	\$ 22.61
Ending	\$ 31.20	\$ 32.00	(2.50) %	\$ 30.75	\$ 30.00	\$ 23.65
Book value per common share	\$ 29.68	\$ 29.79	(0.37) %	\$ 27.67	\$ 25.87	\$ 23.49
Price/book value per common share	1.05	1.07	(1.87) %	1.11	1.16	1.01
Common shares outstanding	3,089,773	3,087,488		3,087,488	3,085,986	3,079,521



Income Statement Data	For The Three Months Period Ended December 31,			For the Twelve Month Period Ended December 31,		
	2019	2018	% Chg	2019	2018	% Chg
Net interest income	\$ 6,536	\$ 6,696	(2.39) %	\$ 26,206	\$ 26,540	(1.26) %
Provision for loan losses	700	525	33.33 %	2,400	6,550	(63.36) %
Noninterest income	1,701	1,525	11.54 %	6,799	6,454	5.35 %
Noninterest expense	5,809	4,929	17.85 %	22,397	20,285	10.41 %
Income taxes	321	610	(47.38) %	1,562	1,045	49.47 %
Net Income	\$ 1,407	\$ 2,157	(34.77) %	\$ 6,646	\$ 5,114	29.96 %

Balance Sheet	At December 31,		
	2019	2018	% Chg
Assets	\$ 922,579	\$ 918,788	0.41 %
Investment securities	\$ 345,140	\$ 351,687	(1.86) %
Loans, net of unearned income	\$ 500,599	\$ 480,792	4.12 %
Deposits	\$ 727,656	\$ 733,722	(0.83) %
Short-term and other borrowings	\$ 81,572	\$ 88,559	(7.89) %
Junior subordinated debentures	\$ 10,310	\$ 10,310	0.00 %
Stockholders' equity (excludes accumulated other comprehensive income or loss)	\$ 91,711	\$ 83,771	9.48 %