



First Bankers Trustshares, Inc.

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

April 28, 2017

1st Quarter 2017 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. produced a solid first quarter in 2017. Earnings for the quarter ending March 31, 2017 totaled \$2,132,000 or \$0.69 per share. This is comparable to the prior quarter ending December 31, 2016 when earnings totaled \$2,111,000, but down from the first quarter of 2016 when earnings totaled \$2,354,000. Return on average assets and return on average equity were 0.95% and 10.70% respectively for the first quarter of 2017.

Historically low Provision for Loan Losses was expensed in 2016. Provision for Loan Losses increased \$200,000 in the first quarter. This increase is related to one commercial construction project that is experiencing difficulties. The Allowance as a percent of total loans is up slightly at 1.74%.

Non-Interest Income grew 15% in the first quarter but this growth was offset by an increase in non-interest expense. The trust subsidiary had an adverse judgment on April 1, 2017 in an employee benefit trial. We have adequate insurance coverage and reserves for this judgment. Nonetheless, we are coordinating with our insurance carrier to appeal. If this judgment is upheld, we anticipate one time administrative costs to have an impact to earnings of up to \$0.37 per share. The trust subsidiary has other pending employee benefit litigation which may adversely impact performance.

Loan demand remains soft for the quarter with balances largely unchanged. The net interest margin is down from a year earlier at 2.93% compared to 3.01%. Net margin did improve from the fourth quarter of 2016 when it was 2.90%.

Thank you to our Shareholders for your support.

Enclosed, please find your regular dividend check; or the funds have been deposited to your account as previously directed. The Board approved a continuation of the quarterly dividend of \$0.14 per share.

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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Corporate Officers:

Chairman of the Board of Directors
Donald K. Gnuse
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
Donald K. 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

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

Income Statement Data	For The Three Months Period Ended March 31,			For the Years Ended December 31,		
	2017	2016	% Chg	2016	2015	2014
Net interest income	\$ 6,206	\$ 6,216	(0.16) %	\$ 25,220	\$ 24,040	\$ 22,802
Provision for loan losses	350	150	133.33 %	600	675	1,170
Noninterest income	4,727	4,092	15.52 %	17,747	16,995	14,432
Noninterest expense	7,413	6,725	10.23 %	28,485	27,600	25,707
Income taxes	1,038	1,079	(3.80) %	4,737	3,777	3,112
Net Income	\$ 2,132	\$ 2,354	(9.43) %	\$ 9,145	\$ 8,983	\$ 7,245

Ratios	For The Three Months Period Ended March 31,			For the Years Ended December 31,		
	2017	2016	% Chg	2016	2015	2014
Return on average assets (Excludes preferred stock dividends/accretion.)	0.95 %	1.06 %	(10.38) %	1.01 %	1.02 %	0.87 %
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.)	10.70 %	12.79 %	(16.34) %	11.95 %	12.95 %	11.48 %
Net interest margin	2.93 %	3.01 %	(2.66) %	2.95 %	2.93 %	2.95 %
Allowance as a percent of total loans	1.74 %	1.71 %	1.75 %	1.63 %	1.69 %	1.72 %
Dividends per common share paid	\$ 0.14	\$ 0.13	7.69 %	\$ 0.52	\$ 0.48	\$ 0.44
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.)	\$ 0.69	\$ 0.76	(9.21) %	\$ 2.96	\$ 2.89	\$ 2.32
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 26.42	\$ 24.12	9.54 %	\$ 25.87	\$ 23.49	\$ 21.09

Balance Sheet	At March 31,			At December 31,		
	2017	2016	% Chg	2016	2015	2014
Assets	\$ 894,720	\$ 891,649	0.34 %	\$ 930,935	\$ 906,672	\$ 842,305
Investment securities	\$ 323,846	\$ 303,267	6.79 %	\$ 329,796	\$ 301,795	\$ 298,042
Loans, net of unearned income	\$ 502,201	\$ 513,871	(2.27) %	\$ 513,798	\$ 511,932	\$ 475,534
Deposits	\$ 693,964	\$ 688,658	0.77 %	\$ 727,445	\$ 717,464	\$ 667,668
Short-term and other borrowings	\$ 95,095	\$ 101,380	(6.20) %	\$ 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.)	\$ 81,546	\$ 74,262	9.81 %	\$ 79,839	\$ 82,326	\$ 74,952

Stock Value Per Common Share Information	For The Three Months Period Ended March 31,			For The Years Ended December 31,		
	2017	2016	% Chg	2016	2015	2014
Price/earnings ratio	10.9	8.0	36.25 %	10.1	8.2	9.8
Stock price—High	\$ 31.00	\$ 24.50		\$ 30.00	\$ 24.60	\$ 24.00
Low	\$ 29.10	\$ 23.00		\$ 23.00	\$ 22.61	\$ 21.00
Ending	\$ 30.55	\$ 24.50	24.69 %	\$ 30.00	\$ 23.65	\$ 22.76
Book value per common share	\$ 26.42	\$ 24.12	9.54 %	\$ 25.87	\$ 23.49	\$ 21.09
Price/book value per common share	1.16	1.02	13.73 %	1.16	1.01	1.08
Common shares outstanding	3,085,986	3,085,986		3,085,986	3,079,521	3,079,521