



First Bankers Trustshares, Inc.

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

January 27, 2017

4th Quarter 2016 Financial Highlights

Dear Shareholders,

It is my privilege to announce that First Bankers Trustshares, Inc. has completed another successful year.

Both the Bank (First Bankers Trust Company, N.A.) and the Trust Company (First Bankers Trust Services, Inc.) produced good fourth quarter and full year results. Earnings for the quarter ending December 31, 2016 totaled \$2,111,000 or \$0.69 per share. Net income for the full year totaled \$9,145,000 which was a record for the company and a 1.8% increase over last year. Year over year net income was impacted by higher income taxes due to timing and accelerated depreciation items. Pre-tax income increased 8.8% in 2016 over 2015. Return on average assets and return on average equity were 0.90% and 1.01% for the fourth quarter and 10.58% and 11.95% for 2016. Loan demand remains soft for the quarter with balances flat to the prior year. The net interest margin is largely unchanged for the fourth quarter and the year at 2.90% and 2.95% respectively. Asset quality remains good and allowance for loan loss was at 1.63% of loans. The Trust Company continues to experience strong results generating net income for 2016 of \$1,635,000 compared to \$1,268,000 for 2015.

In addition to our regular daily activities, both the Bank and the Trust company have conducted a strategic planning process. We have had great engagement by our Board and Senior

Management as we look into our Company's future. First Bankers is a well run company and so we are evaluating our future from a position of strength. We are not anticipating radical changes but rather making adjustments and increasing focus on key areas to meet the changing needs of our customers and our industry.

Thank you to our Shareholders for the on-going support of our Company.

Enclosed, please find your regular dividend check; or the funds have been deposited to your account as previously directed. The Board approved an increase to the dividend to \$0.14 per share from \$0.13 which is over a 7% increase.

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:

First Bankers Trustshares, Inc.
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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 December 31,			For the Twelve Months Period Ended December 31,		
	2016	2015	% Chg	2016	2015	2014
Net interest income	\$ 6,436	\$ 6,226	3.37 %	\$ 25,220	\$ 24,040	\$ 22,802
Provision for loan losses	150	150	0.00 %	600	675	1,170
Noninterest income	5,208	4,630	12.48 %	17,747	16,995	14,432
Noninterest expense	7,966	7,621	4.53 %	28,485	27,600	25,707
Income taxes	1,417	911	55.54 %	4,737	3,777	3,112
Net Income	\$ 2,111	\$ 2,174	(2.90) %	\$ 9,145	\$ 8,983	\$ 7,245

Ratios	For The Three Months Period Ended December 31,			For the Twelve Months Period Ended December 31,		
	2016	2015	% Chg	2016	2015	2014
Return on average assets (Excludes preferred stock dividends/accretion.)	0.90 %	0.96 %	(6.25) %	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.)	10.58 %	11.95 %	(11.46) %	11.95 %	12.95 %	11.48 %
Net interest margin	2.90 %	2.95 %	(1.69) %	2.95 %	2.93 %	2.95 %
Allowance as a percent of total loans	1.63 %	1.69 %	(3.55) %	1.63 %	1.69 %	1.72 %
Dividends per common share paid	\$ 0.13	\$ 0.12	8.33 %	\$ 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	\$ 0.70	(1.43) %	\$ 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.)	\$ 25.87	\$ 23.49	10.13 %	\$ 25.87	\$ 23.49	\$ 21.09

Balance Sheet	At December 31,			At December 31,		
	2016	2015	% Chg	2014	2013	2012
Assets	\$ 930,935	\$ 906,672	2.68 %	\$ 842,305	\$ 775,640	\$ 804,568
Investment securities	\$ 329,796	\$ 301,795	9.28 %	\$ 298,042	\$ 274,227	\$ 327,325
Loans, net of unearned income	\$ 513,798	\$ 511,932	0.36 %	\$ 475,534	\$ 442,498	\$ 406,803
Deposits	\$ 727,445	\$ 717,464	1.39 %	\$ 667,668	\$ 627,789	\$ 658,498
Short-term and other borrowings	\$ 104,407	\$ 83,278	25.37 %	\$ 77,048	\$ 60,934	\$ 51,985
Junior subordinated debentures	\$ 10,310	\$ 10,310	0.00 %	\$ 10,310	\$ 10,310	\$ 15,465
Preferred stock equity	\$ 0	\$ 10,000	(100.00) %	\$ 10,000	\$ 10,000	\$ 10,000
Stockholders' equity (Includes preferred stock and excludes accumulated other comprehensive income or loss.)	\$ 79,839	\$ 82,326	(3.02) %	\$ 74,952	\$ 69,193	\$ 64,933

Stock Value Per Common Share Information	For The Twelve Months Period Ended December 31,			For The Years Ended December 31,		
	2016	2015	% Chg	2014	2013	2012
Price/earnings ratio	10.1	8.2	23.17 %	9.8	10.4	8.0
Stock price—High	\$ 30.00	\$ 24.60		\$ 24.00	\$ 23.33	\$ 17.67
Low	\$ 23.00	\$ 22.61		\$ 21.00	\$ 17.43	\$ 14.03
Ending	\$ 30.00	\$ 23.65	26.85 %	\$ 22.76	\$ 19.00	\$ 17.43
Book value per common share	\$ 25.87	\$ 23.49	10.13 %	\$ 21.09	\$ 19.22	\$ 17.84
Price/book value per common share	1.16	1.01	14.85 %	1.08	0.99	0.98
Common shares outstanding	3,085,986	3,079,521		3,079,521	3,079,521	3,079,521