



First Bankers Trustshares, Inc.

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

October 26, 2018

3rd Quarter 2018 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. (the Company) continued its steady growth as total assets were up 4.47%, loans were down 1.82% and deposits were up 3.68% for the third quarter of 2018 compared to the third quarter of 2017.

Net interest income increased 4.88% for the third quarter of 2018 compared to the third quarter of 2017.

Non-interest income was largely unchanged in the third quarter of 2018 over the same period in 2017. For the third quarter 2018 compared to the third quarter of 2017, non-interest expense decreased by 17.81%.

Net income for the quarter ending September 30, 2018 totaled \$804,000 or \$0.26 per share, bringing our year-to-date net income to \$5,423,000 or \$1.76 per share. Our provision for loan loss was \$3,075,000 higher in the third quarter of 2018 than the third quarter of 2017. Management believes additional provision was warranted due to up-dated collateral values for certain commercial real estate loans.

Harvest is progressing, but has recently been slowed by heavy rains. Our farm customers have been pleased by their higher than expected yields.

Enclosed, please find your regular dividend check; or the funds have been deposited to your account as previously directed. The Board approved a dividend of \$0.15 per share.

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:

First Bankers Trustshares, Inc.
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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 September 30,			For the Nine Months Period Ended September 30,		
	2018	2017	% Chg	2018	2017	2016
Net interest income	\$ 6,915	\$ 6,593	4.88 %	\$ 19,992	\$ 19,369	\$ 18,784
Provision for loan losses	3,475	400	768.75 %	6,025	1,100	450
Noninterest income	4,338	4,312	0.60 %	13,152	13,003	12,537
Noninterest expense	6,885	8,377	(17.81) %	20,354	22,908	20,516
Income taxes	89	639	(86.07) %	1,342	2,691	3,321
Net Income	\$ 804	\$ 1,489	(46.00) %	\$ 5,423	\$ 5,673	\$ 7,034

Ratios	For The Three Months Period Ended September 30,			For the Nine Months Period Ended September 30,		
	2018	2017	% Chg	2018	2017	2016
Return on average assets (Excludes preferred stock dividends/accretion.)	0.32 %	0.64 %	(50.00) %	0.77 %	0.83 %	1.05 %
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.)	3.53 %	7.01 %	(49.64) %	8.18 %	9.19 %	12.47 %
Net interest margin	2.89 %	2.98 %	(3.02) %	2.97 %	2.98 %	2.97 %
Allowance as a percent of total loans	2.97 %	1.85 %	60.54 %	2.97 %	1.85 %	1.70 %
Dividends per common share paid	\$ 0.15	\$ 0.14	7.14 %	\$ 0.45	\$ 0.42	\$ 0.39
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.)	\$ 0.26	\$ 0.48	(45.83) %	\$ 1.76	\$ 1.84	\$ 2.28
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 28.99	\$ 27.30	6.19 %	\$ 28.99	\$ 27.30	\$ 25.50

Balance Sheet	At September 30,			At December 31,		
	2018	2017	% Chg	2017	2016	2015
Assets	\$ 986,969	\$ 944,766	4.47 %	\$ 942,949	\$ 930,935	\$ 906,672
Investment securities	\$ 363,288	\$ 360,354	0.81 %	\$ 371,168	\$ 329,796	\$ 301,795
Loans, net of unearned income	\$ 492,596	\$ 501,740	(1.82) %	\$ 506,341	\$ 513,798	\$ 511,932
Deposits	\$ 776,089	\$ 748,566	3.68 %	\$ 756,833	\$ 727,445	\$ 717,464
Short-term and other borrowings	\$ 108,182	\$ 74,090	46.01 %	\$ 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 (Includes preferred stock and excludes accumulated other comprehensive income or loss.)	\$ 89,496	\$ 84,284	6.18 %	\$ 85,548	\$ 79,839	\$ 82,326

Stock Value Per Common Share Information	For The Nine Months Period Ended September 30,			For The Years Ended December 31,		
	2018	2017	% Chg	2017	2016	2015
Price/earnings ratio	15.7	11.4	37.72 %	12.8	10.1	8.2
Stock price—High	\$ 37.95	\$ 30.75		\$ 31.00	\$ 30.00	\$ 24.60
Low	\$ 31.25	\$ 26.75		\$ 28.00	\$ 23.00	\$ 22.61
Ending	\$ 35.79	\$ 28.00	27.82 %	\$ 30.75	\$ 30.00	\$ 23.65
Book value per common share	\$ 28.99	\$ 27.30	6.19 %	\$ 27.71	\$ 25.87	\$ 23.49
Price/book value per common share	1.28	1.03	24.27 %	1.11	1.16	1.01
Common shares outstanding	3,087,488	3,085,986		3,087,488	3,085,986	3,079,521