



First Bankers Trustshares, Inc.

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

July 26, 2013

Second Quarter 2013 Financial Highlights

Dear Shareholders,

Net income per common share for the three and six month period ending 6/30/13 was \$0.86 and \$1.43 versus \$0.86 and \$1.83 for the same period last year. A quick review of the numbers on the back of this newsletter highlights the struggle with our net interest income (in particular, our net interest margin) which is having an impact on our profitability. Fortunately, as interest rates begin to move higher, this should allow our margins to improve and be reflected in increased earnings per share. I believe this process is beginning. Therefore, I am optimistic about our future results.

Over the years, our two operating companies, First Bankers Trust Company, N.A. (Bank) and First Bankers Trust Services, Inc. (Trust Company) have increased its market share in the markets where we compete. The Bank was recently listed as the 51st largest bank in Illinois and we have continually grown our footprint in each of our major markets—Quincy, Macomb, and Springfield. We currently have over a 30% market share in the Quincy/Adams County Market. Our Trust Company has grown to the eighth largest trust company in Illinois at close to \$4.7 billion in assets under management. Twenty years ago this function was around \$50 million. Our Company was recently listed as the 74th best performing Bank Holding Company of all 851 other companies under \$2 billion in assets based on return on shareholder investment. We are pleased with our past results and will continue to work towards future successes.

Twenty-five years ago on August 25, 1988, First Bankers Trustshares, Inc. was incorporated and many of you, our shareholders, invested in our Company. Shortly thereafter in 1989, we purchased a bank with your invested capital, a good chunk of preferred stock, and a significant

Holding Company loan. In those 25 years, our Company has grown in assets, profitability, new markets and different product lines. We have split our stock eight to one (meaning you have eight shares for each share you originally purchased in 1988). The adjusted price of your initial investment of \$1.875 per share is now, as of today, worth approximately \$28 per share; an annual compounded growth rate of 11.5% per year without counting dividends paid to you. Congratulations!!

In recognition of this good news and our 25th anniversary, we will split our stock again on a three for two bases (a 50% stock split). On August 26, 2013, shareholders of record on July 31, 2013, will receive an additional share of First Bankers Trustshares, Inc stock for every two shares presently owned. Any fractional shares will be paid out in cash. There is nothing that you need to do as the stock will be forwarded to your broker where your stock is currently held or listed in book entry form at Illinois Stock Transfer, for those that may hold physical certificates. We have included a special information sheet on this topic which may be helpful.

Lastly, enclosed is your regular dividend check; or the funds have been deposited to your account as previously directed.

Yours sincerely,

Arthur E. Greenbank
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

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Stifel Nicolas & Co., Inc.
227 W. Monroe, Suite 1850
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(800.745.7110)

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Corporate Information:

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Corporate Officers:

Chairman of the Board of Directors
Donald K. Gnuse
President/Chief Executive Officer
Arthur E. Greenbank
Treasurer
Brian Ippensen
Secretary
Steven E. Siebers

Directors:

Carl Adams Jr.
Scott Cisel
William D. Daniels
Mark E. Freiburg
Donald K. Gnuse
Arthur E. Greenbank
Phyllis J. Hofmeister
Steven E. Siebers
Dennis R. Williams
Merle Tieken
Jack Laverdiere

Chairman Emeritus
David E. Connor

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

Income Statement Data	For The Three Months Period Ended June 30,			For the Six Months Period Ended June 30,		
	2013	2012	% Chg	2013	2012	2011
Net interest income	\$ 4,650	\$ 5,021	(7.39) %	\$ 9,332	\$ 10,005	\$ 9,123
Provision for loan losses	360	360	0.00 %	720	720	720
Noninterest income	4,004	3,151	27.07 %	7,262	6,670	4,793
Noninterest expense	5,790	5,207	11.20 %	11,821	10,451	9,286
Income taxes	720	813	(11.44) %	1,075	1,706	1,039
Net Income	\$ 1,784	\$ 1,792	(0.45) %	\$ 2,978	\$ 3,798	\$ 2,871

Ratios	For The Three Months Period Ended June 30,			For the Six Months Period Ended June 30,		
	2013	2012	% Chg	2013	2012	2011
Return on average assets (Excludes preferred stock dividends/accretion.)	0.88%	0.94%	(6.38) %	0.74%	1.02%	0.74%
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.)	12.43%	13.69%	(9.20) %	10.52%	14.74%	11.11%
Net interest margin	2.49%	2.88%	(13.54) %	2.53%	2.93%	2.83%
Allowance as a percent of total loans	1.57%	1.46%	7.53 %	1.57%	1.46%	1.27%
Dividends per common share paid	\$ 0.16	\$ 0.15	6.67 %	\$ 0.32	\$ 0.30	\$ 0.23
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.)	\$ 0.86	\$ 0.86	0.00 %	\$ 1.43	\$ 1.83	\$ 1.24
Book value per common share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares.)	\$ 27.86	\$ 25.61	8.79 %	\$ 27.86	\$ 25.61	\$ 22.99

Balance Sheet	At June 30,			At December 31,		
	2013	2012	% Chg	2012	2011	2010
Assets	\$ 793,056	\$ 799,565	(0.81) %	\$ 804,568	\$ 721,854	\$ 690,644
Investment securities	\$ 298,106	\$ 283,457	5.17 %	\$ 327,325	\$ 281,635	\$ 278,729
Loans, net of unearned income	\$ 425,540	\$ 396,578	7.30 %	\$ 406,803	\$ 375,390	\$ 337,558
Deposits	\$ 643,387	\$ 654,484	(1.70) %	\$ 658,498	\$ 584,499	\$ 570,436
Short-term and other borrowings	\$ 59,266	\$ 54,348	9.05 %	\$ 51,985	\$ 48,769	\$ 43,104
Junior subordinated debentures	\$ 15,465	\$ 15,465	0.00 %	\$ 15,465	\$ 15,465	\$ 15,465
Preferred stock equity	\$ 10,000	\$ 10,000	0.00 %	\$ 10,000	\$ 10,000	\$ 10,200
Stockholders' equity (Includes preferred stock and excludes accumulated other comprehensive income or loss.)	\$ 67,203	\$ 62,578	7.39 %	\$ 64,933	\$ 59,466	\$ 55,286

Stock Value Per Common Share Information	For The Six Months Period Ended June 30,			For The Years Ended December 31,		
	2013	2012	% Chg	2012	2011	2010
Price/earnings ratio	9.7	6.4	51.56 %	8.0	8.1	7.1
Stock price—High	\$ 35.00	\$ 25.00		\$ 26.50	\$ 21.50	\$ 22.01
Low	\$ 26.15	\$ 23.00		\$ 21.04	\$ 18.00	\$ 16.10
Ending	\$ 28.00	\$ 23.50	19.15 %	\$ 26.15	\$ 21.04	\$ 20.10
Book value per common share	\$ 27.86	\$ 25.61	8.79 %	\$ 26.76	\$ 24.08	\$ 21.98
Price/book value per common share	1.00	0.92	8.70 %	0.98	0.87	0.91
Common shares outstanding	2,053,026	2,053,026		2,053,026	2,053,026	2,051,476