



1201 Broadway
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April 26, 2024

1st Quarter 2024 Financial Highlights

Dear Shareholders,

First Bankers Trustshares, Inc. (the "Company", "we", "our" or "us") continued to execute on our strategies of quality loan growth, stable deposits, higher margin business segments and repositioning our balance sheet in the current higher rate environment. While these changes did not have an immediate, positive impact on net income, we expect these changes will be positive over time.

Total assets were largely unchanged at March 31, 2024 compared to March 31, 2023 at \$1.1 billion, but positive changes in the mix of balance sheet continues. Loans grew by 10.30% while lower yielding securities declined by 9.71%. The Company also experienced positive deposit growth of nearly 7% year over year.

Net income was \$610,000 for the first quarter of 2024. While several items contributed to the net income decline, the largest impact was our \$1.6 million provision, offset by an increase in noninterest income of \$766,000. While interest income is up, we are seeing more customers move funds out of lower cost checking and savings accounts into higher cost money markets and certificates of deposits. The result is that our net interest income declined 5.98% in Q1 2024 compared to Q1 2023 and net interest margin declined 1 basis point during the quarter.

Several actions have been taken to alleviate compression of net interest margin. Core deposits have grown, enabling us to exit higher cost brokered deposits. The sale of a low yielding bond, although sold at \$600,000, enabled us to pay off \$11 million of higher cost borrowings. Additionally, we continue to benefit from the pay fixed interest rate swaps we entered into during the third quarter of 2023 for protection against rising rates.

In the quarter, we increased our provision to cover loan growth and for the deterioration of one long-time problem loan. The value of the underlying collateral had declined so additional provision was needed. Our loan portfolio is well diversified, and this is the only major account for which we have significant concern. The performance of the remainder of the loan portfolio remains strong with first quarter charge offs being under \$50,000 or less than 0.008% of average loans.

In the quarter, non-interest income was up 41.59%. A gain of \$1,248,000 from the sale of mortgage servicing rights was the major driver of this improvement. This improvement was partially offset by the loss on the bond sale. Exiting mortgage servicing allows us to focus our time and resources on the higher margin activities of mortgage origination and commercial and agricultural banking.

Non-interest expenses were well controlled and up just 2.85% for Q1 2024 compared to Q1 2023.

All regulatory capital measurements remain strong and above well capitalized levels.

Enclosed, please find your regular dividend check; or the funds have been deposited to your account as previously directed.

Thank you for your ongoing interest in and ownership of First Bankers Trustshares, Inc.

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

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Market Makers:

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Janney Montgomery Scott, LLC
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Corporate Information:

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Corporate Officers:

Chairman of the Board of Directors
William D. Daniels
President/Chief Executive Officer
Allen W. Shafer

Directors:

Carl W. Adams Jr.
Scott A. Cisel
William D. Daniels
Mark E. Freiburg
Charles M. Gnuse
Arthur E. Greenbank
Stephen C. Hassell
Kurt J. Hofmeister
Kemia M. Sarraf, M.D., MPH
Richard W. Schulte
Allen W. Shafer
Steven E. Siebers
Erin J. Wharton

Board Emeritus
Donald K. Gnuse

| | For The Three Month Period Ended March 31, | | | For the Twelve Month Period Ended December 31, | | |
|---------------------------|---|----------|------------|---|-----------|-----------|
| Income Statement Data | 2024 | 2023 | % Chg | 2023 | 2022 | 2021 |
| Net Interest Income | \$ 5,740 | 6,105 | (5.98) % | \$ 23,255 | \$ 27,649 | \$ 24,124 |
| Provision for Loan Losses | 1,594 | (230) | (793.04) % | 570 | (500) | (580) |
| Noninterest Income | 2,608 | 1,842 | 41.59 % | 7,775 | 7,003 | 7,468 |
| Noninterest Expense | 6,213 | 6,041 | 2.85 % | 23,974 | 24,087 | 21,899 |
| Income Taxes | (69) | 396 | (117.42) % | 1,079 | 2,242 | 2,103 |
| Net Income | \$ 610 | \$ 1,740 | (64.94) % | \$ 5,407 | \$ 8,823 | \$ 8,170 |

| | For The Three Month Period Ended March 31, | | | For the Twelve Month Period Ended December 31, | | |
|--|---|----------|-----------|---|----------|----------|
| Ratios | 2024 | 2023 | % Chg | 2023 | 2022 | 2021 |
| Return on Average Assets (Excludes preferred stock dividends/accretion.) | 0.22 % | 0.63 % | (65.08) % | 0.48 % | 0.76 % | 0.68 % |
| 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.) | 2.20 % | 6.57 % | (66.51) % | 4.94 % | 8.33 % | 8.13 % |
| Net Interest Margin | 2.08 % | 2.24 % | (11.60) % | 2.09 % | 2.43 % | 2.11 % |
| Allowance as a Percent of Total Loans | 1.88 % | 1.69 % | (7.14) % | 1.65 % | 1.96 % | 2.39 % |
| Dividends per Common Share Paid | \$ 0.21 | \$ 0.20 | 5.00 % | \$ 0.80 | \$ 0.76 | \$ 0.72 |
| 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.) | \$ 0.20 | \$ 0.58 | (65.52) % | \$ 1.81 | \$ 2.92 | \$ 2.64 |
| Book Value per Common Share (Calculated by dividing stockholders' equity, excluding preferred stock and accumulated other comprehensive income or loss, by outstanding common shares) | \$ 37.03 | \$ 36.43 | 1.65 % | \$ 37.05 | \$ 35.78 | \$ 33.46 |

| | At March 31, | | | At December 31, | | |
|--|--------------|--------------|-----------|-----------------|--------------|--------------|
| Balance Sheet | 2024 | 2023 | % Chg | 2023 | 2022 | 2021 |
| Assets | \$ 1,110,231 | \$ 1,109,439 | 0.07 % | \$ 1,148,708 | \$ 1,118,117 | \$ 1,226,137 |
| Investment Securities | \$ 423,106 | \$ 468,585 | (9.71) % | \$ 445,252 | \$ 483,311 | \$ 667,157 |
| Loans, net of Unearned Income | \$ 609,751 | \$ 552,831 | 10.30 % | \$ 598,647 | \$ 551,269 | \$ 478,398 |
| Deposits | \$ 958,952 | \$ 896,922 | 6.92 % | \$ 971,432 | \$ 913,551 | \$ 978,624 |
| Short-term and Other Borrowings | \$ 73,128 | \$ 133,445 | (45.20) % | \$ 94,917 | \$ 130,478 | \$ 126,273 |
| Junior Subordinated Debentures | \$ 10,310 | \$ 10,310 | 0.00 % | \$ 10,310 | \$ 10,310 | \$ 10,310 |
| Stockholders' Equity (excludes accumulated other comprehensive income or loss) | \$ 110,977 | \$ 109,119 | 1.70 % | \$ 110,959 | \$ 106,844 | \$ 103,214 |

| | For The Three Month Period Ended March 31, | | | For The Years Ended December 31, | | |
|--|---|-----------|-----------|-------------------------------------|-----------|-----------|
| Stock Value Per Common Share Information | 2024 | 2023 | % Chg | 2023 | 2022 | 2021 |
| Price/Earnings ratio | 21.6 | 9.5 | 127.37 % | 10.5 | 8.1 | 11.9 |
| Stock Price—High | \$ 19.75 | \$ 23.59 | (16.28) % | \$ 23.59 | \$ 31.45 | \$ 32.25 |
| Low | \$ 16.50 | \$ 21.55 | (23.43) % | \$ 12.85 | \$ 22.75 | \$ 27.84 |
| Ending | \$ 17.35 | \$ 22.40 | (22.54) % | \$ 19.00 | \$ 23.59 | \$ 31.45 |
| Book Value per Common Share ² | \$ 37.03 | \$ 36.43 | 1.65 % | \$ 37.05 | \$ 35.78 | \$ 31.54 |
| Price/Book Value per Common Share | 0.47 | 0.61 | (22.95) % | 0.51 | 0.66 | 0.94 |
| Common Shares Outstanding | 2,996,927 | 2,994,973 | | 2,994,973 | 2,986,281 | 3,084,736 |

¹ Allowance for Credit Losses ("ACL") reflects Current Expected Credit Losses ("CECL") methodology, which is comprised of allowance for loans, unused commitments and held-to-maturity ("HTM") securities

² Book Value excludes other accumulated comprehensive income ("AOCI")