First Bankers Trustshares, Inc.

Welcome to the First Bankers Trustshares, Inc. Annual Meeting

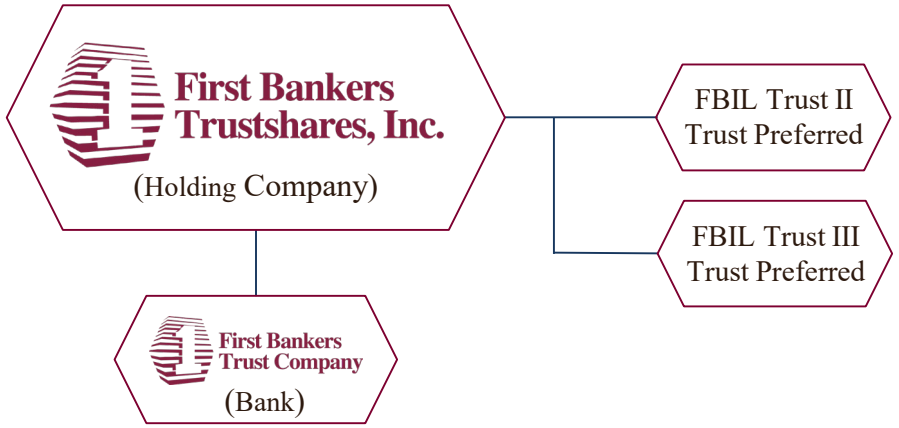
5/14/2024

CAUTIONARY NOTE
REGARDING FORWARD-LOOKING STATEMENTS

- This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “forecast,” “goal,” “target,” “would” and “outlook,” or the negative variations of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date when it is made and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New risks and uncertainties arise from time to time and it is not possible for us to predict those events or how they may affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

About Us

- First Bankers Trustshares, Inc. (FBTT) founded in Quincy, Illinois in 1988
- Nine branches, two Loan Production Offices, two specialty lending divisions and $1.1 billion in assets
- Traded on the OTCQB
- Directors and insiders control approximately 28% of the shares

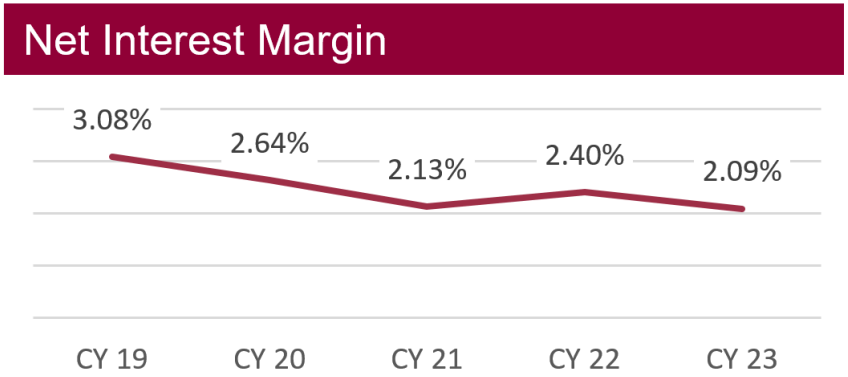


Key Results

- Record loan balance of $598.6 Million
- Total deposits up 6.3% year over year
- Risk Based Capital Ratio strong at 17.35%
- Net income down 38.7%

2023 Financials – Net Income

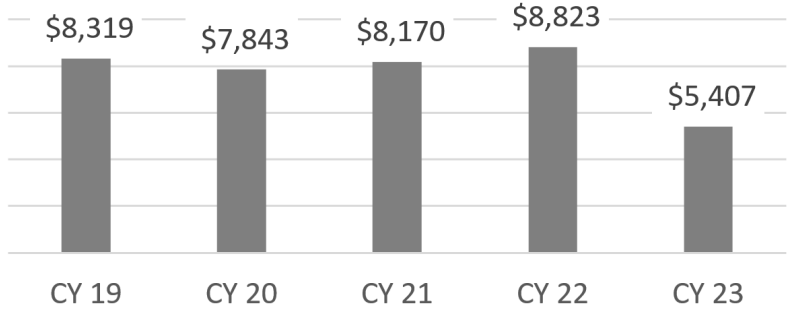
- Net interest margin compression was the major driver to the decline in net income in 2023 compared to 2022.
  - Interest income increased 29.78%
  - Interest expense increased 392.90%
- Non-interest expense was well controlled and declined 0.47%



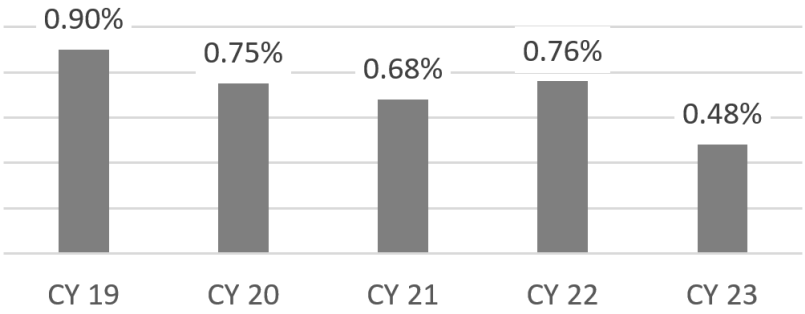
2023 Financials

- Historically rapid increase in interest rates significantly impacted net income.

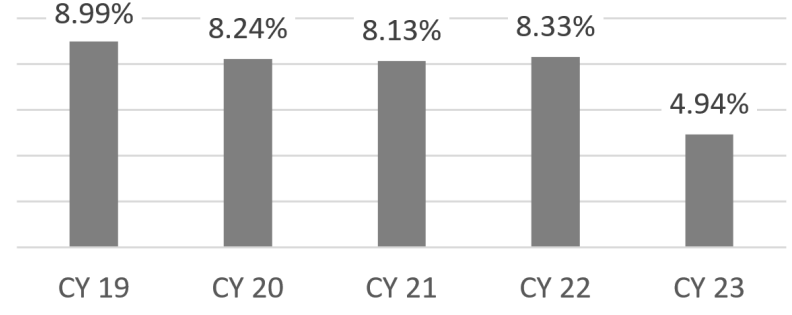
Net Income (in thousands)* Trust sub spun off 7/1/19



Year End Return on Assets (ROA)



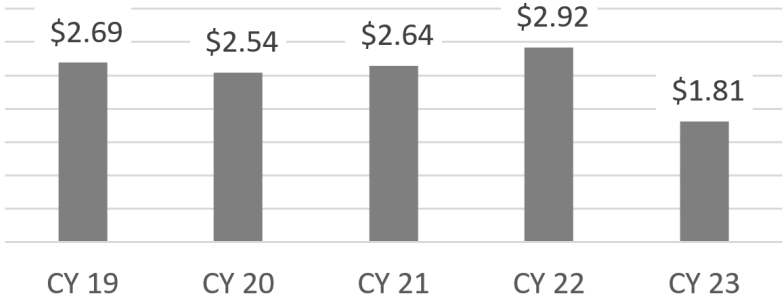
Year End Return on Equity (ROE)



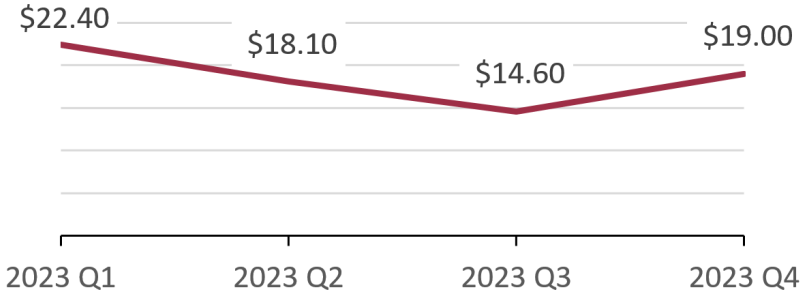
2023 Financial Highlights

- Earnings Per Share of $1.81
- Dividends increased by 5.26%

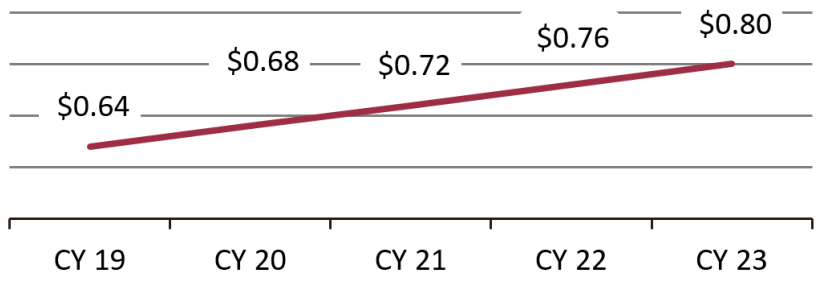
Earnings Per Share (EPS)* Trust sub spun off 7/1/19



Quarterly Closing Price: 2023



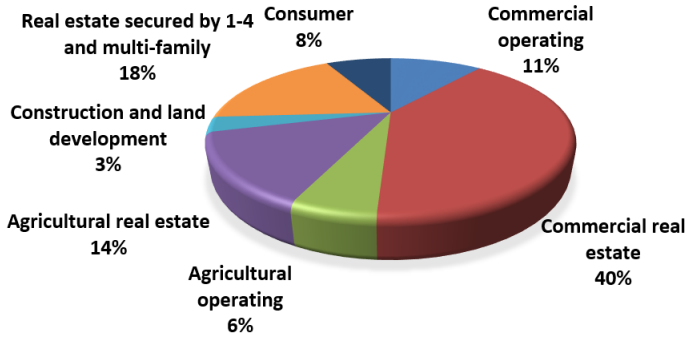
Dividends Paid on Common Stock



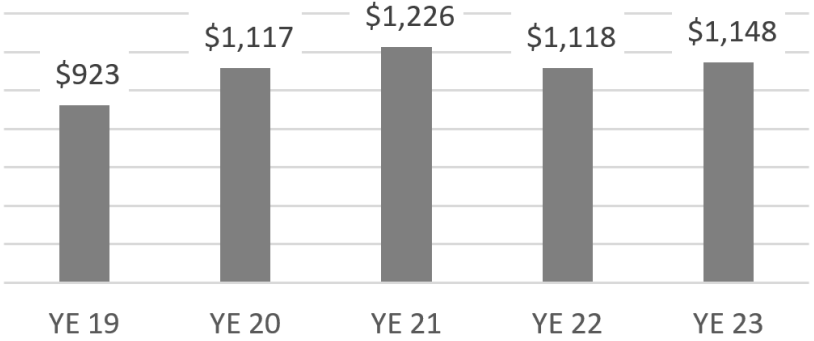
2023 Financials – Assets

- Total assets largely unchanged, but the mix continues to shift to higher yielding loans from lower yielding bonds
- Loans continued a positive trend after being flat to declining in prior years
- The loan portfolio is well diversified
- Office buildings comprise less than 6% of the loan portfolio

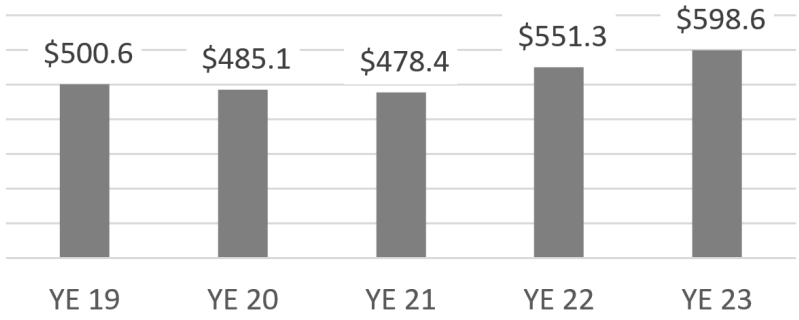
Loans By Type



Total Assets (in millions)



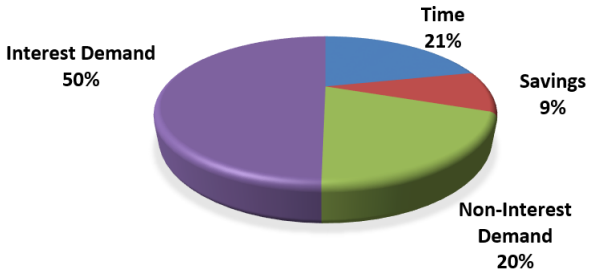
Gross Loans (in millions)



2023 Financials - Liabilities

- Deposits grew 6.3% year over year
- By year end brokered deposits paid down to zero after peaking at $37 million
- Federal Home Loan Bank advances paid down from $45 million to $30 million
- Less than 7% of available liquidity was used at year end

Deposit Mix



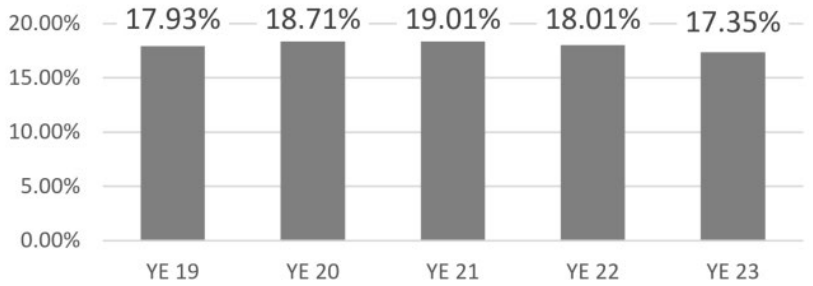
Total Deposits (in millions)



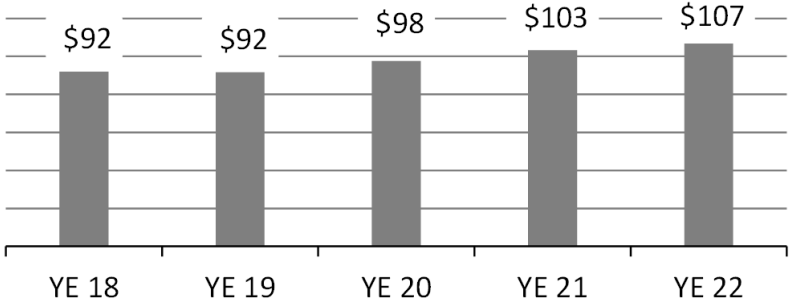
2023 Financials – Capital

- Total risk based capital is strong
- Shareholders equity improved
- The fair market value of available-for-sale securities improved slightly with time and a modest decline in intermediate term interest rates

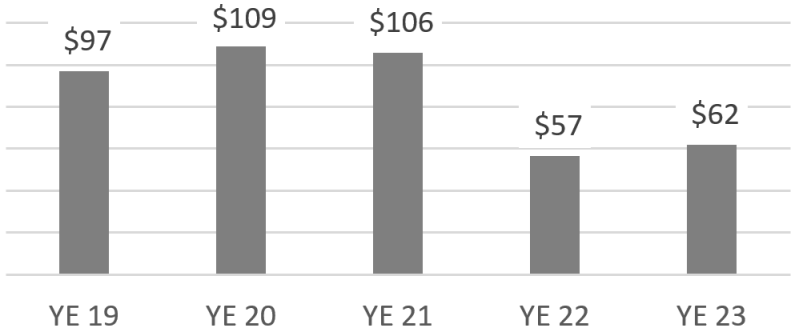
Total Risk Based Capital Ratio



Stockholders Equity, Excluding Fair Value Adjustments (in millions)

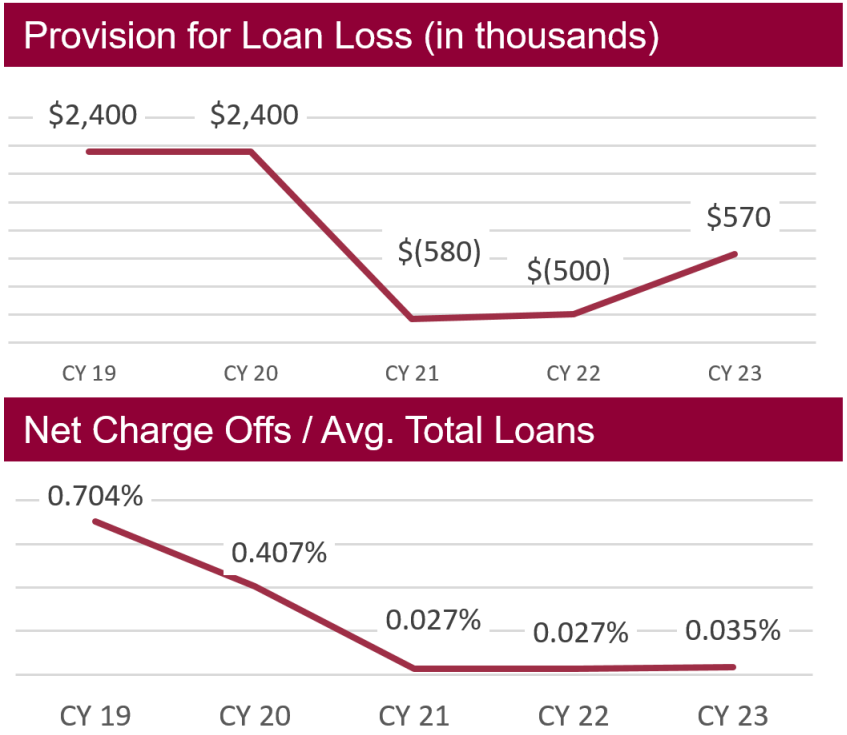


Stockholders Equity (in millions)



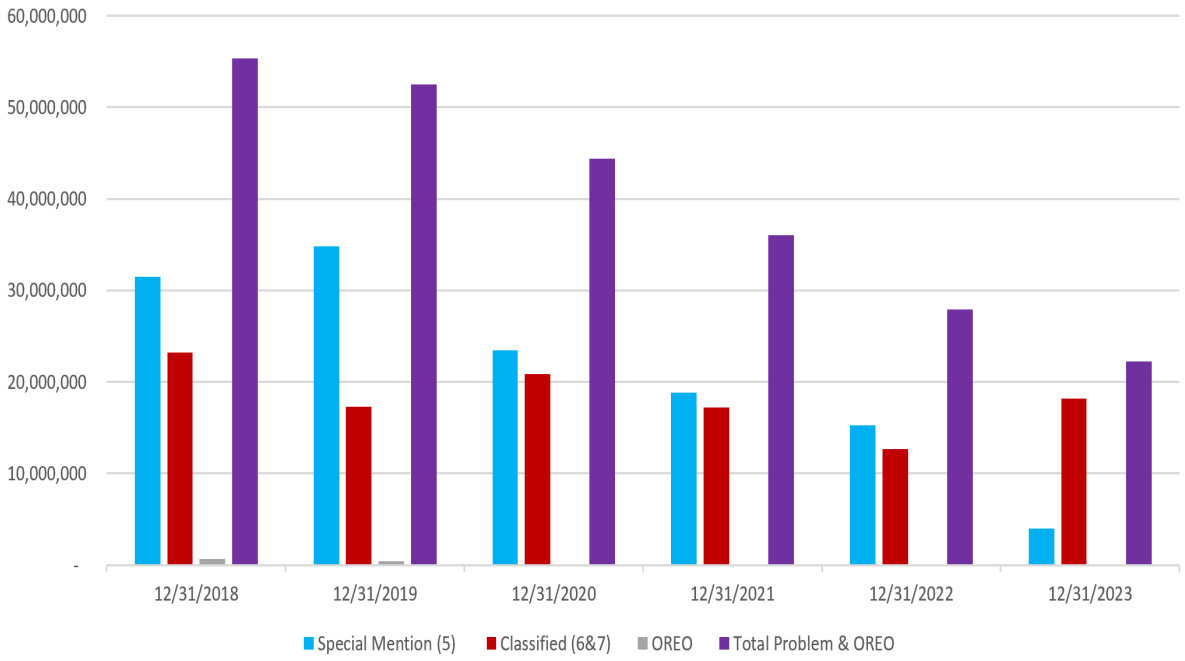
2023 Financials – Asset Quality

- Modest loan loss provision
- Credit losses remained at historically low levels



Problem Loan Trends

- Problem loans continue to decline
- Little to no additions to watch list
- Zero OREO
- One long-term problem relationship continues to be worked through



Headwinds

- Market interest rates may remain higher for longer with an inverted yield curve
- Strong competition for deposits expected to persist
- The rate of cost of fund increases has slowed, but continued net interest margin pressure is anticipated
- Economic uncertainty may lead to slower growth

Positioned for Growth

GROWTH TRIANGLE



- Add lenders
- Add investment reps
- Cross sell/cross market
- Increase efficiency
- Improve bond portfolio performance

- Whole banks
  - $50MM to $250MM
  - 4 hours of Quincy
  - Cultural and operational match
  - Cash transactions at this time

- Loan Production Offices
- Qualified Settlement Funds
- Buck Land Funding
- Mobile Home Communities

Executing on the Strategy

- Second year of strong loan growth of 8.5%.
- Leveraging our Treasury Management capabilities and branch network to grow deposits over 6%.
- Executing on our niche businesses and Loan Production Offices.

Subsequent Events to Year End

- Sold our mortgage services business.
- Leased space in St. Charles, Missouri for a loan production office.
- Executed on a loss bond transaction as we continue to reposition our balance sheet.
- Improved the loan yield gap to peers by 17 bps in Q1 2024

Member FDIC

EQUAL HOUSING LENDER

First Bankers Trustshares, Inc.

FBTI.FirstBankers.com

Carthage | Macomb | Mendon | Quincy | Rushville | Springfield | O'Fallon | St. Charles