

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name

First Bankers Trustshares, Inc.

2 Issuer's employer identification number (EIN)

37-1237250

3 Name of contact for additional information

4 Telephone No. of contact

5 Email address of contact

AST Shareholder Services

800-937-5449

www.astfinancial.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact

7 City, town, or post office, state, and ZIP code of contact

6201 15th Avenue

Brooklyn, NY 11219

8 Date of action

9 Classification and description

7/1/19

Common stock

10 CUSIP number

11 Serial number(s)

12 Ticker symbol

13 Account number(s)

31929F109

N/A

FBTT

N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attached

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attached

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attached

Part II Organizational Action (continued)17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached18 Can any resulting loss be recognized? ▶ See attached19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachedSign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

8/13/19

Print your name ▶ Allen Shafer

Title ▶ President

**Paid
Preparer
Use Only**

Print/Type preparer's name

Richard D. Wehrheim

Preparer's signature



Date

8/13/19

Check ☐ if
self-employed

PTIN

P00450847

Firm's name ▶ RSM US LLP

Firm's EIN ▶ 42-0714325

Firm's address ▶ 4650 E. 53rd Street, Davenport, IA 52807

Phone no. 563-888-4000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

FIRST BANKERS TRUSTSHARES, INC.
FEIN 37-1237250

ATTACHMENT TO FORM 8937 – PART II
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder. Such information includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution (as defined below) on the tax basis of First Bankers Trustshares, Inc. ("FBT") stock and the allocation of tax basis between the stock of FBT and TI-TRUST, Inc. ("TI-TRUST") (f/k/a First Bankers Trust Services, Inc.) following the Distribution. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. All holders of FBT common stock should consult their own tax advisors regarding the particular consequences of the Distribution to them, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws.

Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

Effective July 1, 2019, (the "Distribution Date"), FBT distributed to its stockholders, on a pro rata basis, all of the outstanding shares of TI-TRUST common stock (the "Distribution"). Pursuant to the Distribution, each of FBT stockholders of record as of close of business on June 17, 2019, received one share of TI-TRUST common stock for every one share of FBT common stock held.

Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

As a result of the Distribution, FBT stockholders will be required to allocate the aggregate tax basis in their FBT common shares held immediately prior to the Distribution among the TI-TRUST common shares received in the Distribution and their FBT common shares held immediately after the Distribution. This allocation should be made in proportion to the relative fair market values of the FBT common stock and the TI-TRUST common stock. Stockholders that acquired FBT common shares at different times or different prices will need to calculate their tax basis in each block of FBT common shares and then allocate a portion of that tax basis to the shares of TI-TRUST common stock received with respect thereto.

U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the FBT common stock and the TI-TRUST common stock for purposes of allocating a stockholder's tax basis, and there may be multiple approaches for making such determination. One possible approach is to utilize the OTC Markets Group (OTC) closing price on July 1, 2019 (the first trading day immediately after the distribution) for FBT common stock (\$31.10 per share) and the price per share on July 1, 2019 for TI-TRUST common stock (\$3.12 per share) as determined by an independent third party appraisal as the fair market value. Based on that approach and the assumptions and calculations set forth in Item 16 below 90.89% of a FBT stockholder's aggregate tax basis in his or her shares of FBT common stock immediately prior to the Distribution would be allocated to such stockholder's shares of FBT common stock, and 9.11% would be allocated to such stockholder's shares of TI-TRUST common stock received in the Distribution. You are not bound by the approach illustrated below and should consult with your own tax advisor.

Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The aggregate tax basis of the FBT shares and TI-TRUST shares held by each stockholder immediately after the Distribution will be the same as the aggregate tax basis of the FBT shares held immediately before the Distribution, allocated between the FBT shares and the TI-TRUST shares in proportion to their relative fair market values on the date of the Distribution as described above.

Using the July 1, 2019 price per share for FBT and TI-TRUST (as described in Part II, Line 15 above), the following example illustrates the tax basis allocation. Assume a stockholder held 100 FBT shares, acquired before the Distribution for \$20/share, for an aggregate tax basis of \$2,000. In the Distribution, such stockholder received 100 TI-TRUST shares. The aggregate tax basis of FBT shares before the Distribution would be allocated immediately after the Distribution as follows:

Number of Shares		Closing Price on July 1, 2019	FMV of Shares Post Distribution	Percentage of Total FMV	Allocated Tax Basis	Allocated Tax Basis Per Share
FBT	100	\$31.10	\$3,110.00	90.89%	\$1,817.80	\$18.178
TI-TRUST	100	\$3.12	\$312.00	9.11%	\$182.20	\$1.822

FBT stockholders who acquired blocks of FBT shares at different times or at different prices should perform the foregoing allocation separately with respect to each such block of FBT shares (as described in Part II, Line 15 above). Such stockholders should consult their own tax advisors in performing the foregoing allocation with respect to such blocks of FBT shares.

Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Please refer to Sections 355, 358 and 1001 of the Code and applicable regulations. The Distribution will qualify for nonrecognition of gain or loss treatment under Section 355 and related provisions of the Code and Treasury Regulations. The tax basis calculations resulting from the Distribution will be governed by Sections 358(a), (b) and (c) of the Code and Treasury Regulation Sections 1.358-1 and 1.358-2. FBT stockholders receiving cash in lieu of fractional shares of TI-TRUST common stock will recognize gain or loss measured by the difference between the amount of cash received and the tax basis of such fractional shares pursuant to Section 1001(a) of the Code and applicable Treasury Regulations.

Line 18 – Can any resulting loss be recognized?

The treatment of cash received in lieu of fractional shares (as described in Part II, Line 17 above) could result in a loss. Generally, such loss may be recognized. Otherwise, stockholders of FBT common stock will not recognize gain or loss upon their receipt of TI-TRUST common stock.

Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The tax basis allocation adjustments resulting from the Distribution are generally effective as of the date of the Distribution, July 1, 2019. For a FBT stockholder whose tax year is the calendar year, the reportable tax year is 2019.

The information contained herein does not constitute tax advice. In addition, these materials do not purport to be complete or to describe the tax consequences that may apply to particular categories of stockholders. Each stockholder is urged to consult his or her own tax advisor as to the tax consequences of the Distribution under U.S. federal, state and local tax laws and non-U.S. tax laws.