



Investor News

First Quarter 2019 Financial Report

Dear Shareholder:

It is hard to believe we are well into 2019 already. With the rain and the colder weather, it seems like we have missed spring. Everyone is looking forward to dryer and warmer days ahead, especially all of our farmers who need to finish planting their crops.

During the first quarter we were still paying some expenses related to the Andalusia acquisition and data processing conversion. Despite this, we still had a fairly good quarter. Earnings were \$790,632 for the period, compared to \$898,632 last quarter and \$836,554 for the first quarter of 2018. Earnings per share were \$0.59 and a dividend was paid of \$0.25 per share.

Year-to-date the bank had a ROA of 0.86%, compared to our local peer group of 1.07%. Our net interest margin (NIM) was at 3.57% versus, 3.18% for our peers. Our Leverage (Capital) Ratio was at 9.13%, versus 10.95% for the group. We expect to see our earning and ROA improve during the second quarter.

Loans were up approximately \$1 million for the quarter and stood at \$307.7 million, versus \$306.7 million for the prior quarter. Loan demand slowed somewhat, but still remains relatively strong. We expect to see continued growth in the Quad Cities and Peoria markets.

Total investments were at \$133.6 million at quarter end, versus \$142.5 million for the prior quarter and \$140.8 million a year ago. We sold bonds in March that were not replaced until April. We are now back to approximately \$145.0 million and will try to maintain this level going forward.

Total deposits were down at \$384.2 million, compared to \$394.3 million last quarter. The last quarter was also the end of the year, when we typically see a temporary increase. They were \$347.9 million last year at this time. Organic deposit growth remains challenging due to both the farm economy and increased competition. We have increased our focus on deposit growth in recent months and will continue to do so, especially in the Quad Cities and Peoria.

Credit quality metrics were mostly improved again this quarter, but remain above our internal thresholds. Non-accrual Loans to Loans were down at 1.46%, but still above peer of 0.80%. Charge-offs to Loans was at 0.02% and lower than 0.09% for our peers. Our Texas Ratio was above peer at 28.86% versus 9.53%. Our Texas Ratio is based on non-accrual loans and loans over 30 days past due.

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The most recent common stock trade was at \$35.00 per share. If you have an interest in selling or buying, please contact Kim (309-457-6267 / kim@mbwi.com) or Chris (309-457-6227 / cgavin@mbwi.com) with the number of shares and the selling or offering price.

We hope to see you at our shareholder meeting and reception next week on Wednesday, May 22nd. Our team looks forward to reporting the progress being made in different areas, as well as sharing some of our new plans. Gus will be wearing his bibs, signaling another successful year.

Best regards,
Gus & Chris

Western Illinois Bancshares, Inc. Financial Results

	2019 <u>1st Quarter</u>	2019 <u>Year-to-Date</u>	2018 <u>Year-to-Date</u>
Earnings	\$ 790,632	\$ 790,632	\$ 836,554
Preferred Dividends	\$ -	\$ -	\$ -
Earnings After Preferred Dividends	\$ 790,632	\$ 790,632	\$ 836,554
Return on Common Equity	6.74%	6.74%	8.09%
Common Dividends Paid	\$ 334,989	\$ 334,989	\$ 334,989
Dividends per Share	\$ 0.25	\$ 0.25	\$ 0.25
Earnings per Share	\$ 0.59	\$ 0.59	\$ 0.62
Tangible Book Value per Share	\$ 23.96	\$ 23.96	\$ 23.35



THURSDAY
13
JUNE

DOORS OPEN 11:30AM
 SEMINAR 12:00 - 1:30PM

**WARREN COUNTY
 HISTORY MUSEUM**

238 S SUNNY LANE
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Join Midwest Bank for a Community Fraud Seminar!

Midwest Bank has invited Mike Burke from SHAZAM to speak about the current trends in ATM and point of sale skimming, account fraud, counterfeiting and the latest scams. Mike will present tips and strategies on the steps you should take to protect yourself.

Mike Burke, Senior Robbery & Crisis Management Consultant with SHAZAM, has more than 30 years of experience in law enforcement, criminal justice instruction and homeland security. While in law enforcement, Mike served as a detective investigating crimes such as bank robberies, embezzlement and later on in his career implemented active-shooter training.

SEATING IS LIMITED

\$10 per person includes lunch
 Please RSVP by June 7th to Jackie Flater at
 309.457.6228 or jflater@mbwi.com



Investor News

Second Quarter 2019 Financial Report

Dear Shareholder:

What a change in the weather! Back in May we could not catch a day without rain and now we have gone over six weeks with very little rain in our area. Most crops in the area are hanging in there, though some are starting to show stress. We are hoping for some normal weather for the rest of the growing season and harvest.

The company had a good quarter with earnings of \$1,143,643 for the period, compared to \$817,115 last quarter and \$923,531 for the second quarter of 2018. Earnings per share were \$0.85 and a dividend was paid of \$0.25 per share.

Year-to-date the bank had an ROA of 0.89%, compared to our local peer group of 1.03%. Our net interest margin (NIM) was at 3.59% versus, 3.18% for our peers. Our Leverage (Capital) Ratio was at 9.32%, versus 11.00% for the group. Our ROA improved during in the second quarter from 0.86%.

Loans were up approximately \$4 million for the quarter and stood at \$311.8 million, versus \$307.7 million for the prior quarter. Loan demand has slowed somewhat, but still remains relatively strong. We expect to see continued growth in the Quad Cities and Peoria markets.

Total investments were at \$141.7 million at quarter end, versus \$133.6 million for the prior quarter and \$147.2 million a year ago. Due to the recent drop in longer-term interest rates, we now have a substantial unrealized gain in our portfolio. There may be an opportunity during the second half of the year to sell bonds and take advantage of these gains. This will depend somewhat on our need to fund loan growth.

Total deposits were up slightly at \$384.6 million, compared to \$384.2 million last quarter. They were \$352.2 million last year at this time. Organic deposit growth remains challenging due to both the farm economy and increased competition. We have increased our focus on deposit growth in recent months and will continue to do so, especially in the Quad Cities and Peoria.

Credit quality metrics were mostly unchanged during the quarter, but remain above our internal thresholds. Non-accrual Loans to Loans were at 1.47%, but still above peer of 0.91%. Charge-offs to Loans remain low and were at 0.02% and less than the 0.04% for our peers. We have been building our loan loss reserve balance and were at 1.10% of total loans. This compares favorably to our peers at 1.06%.

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The most recent common stock trade was at \$35.00 per share. If you have an interest in selling or buying, please contact Kim (309-457-6267 / kim@mbwi.com) or Chris (309-457-6227 / cgavin@mbwi.com) with the number of shares and the selling or offering price.

Best regards,
Gus & Chris

**Western Illinois Bancshares, Inc.
 Financial Results**

	2019 2nd Quarter	2019 Year-to-Date	2018 Year-to-Date
Earnings	\$ 1,141,643	\$ 1,958,759	\$ 1,764,323
Preferred Dividends	\$ -	\$ -	\$ -
Earnings After Preferred Dividends	\$ 1,141,643	\$ 1,958,759	\$ 1,764,323
Return on Common Equity	9.37%	8.18%	8.18%
Common Dividends Paid	\$ 334,989	\$ 670,477	\$ 670,477
Dividends per Share	\$ 0.25	\$ 0.50	\$ 0.50
Earnings per Share	\$ 0.85	\$ 1.46	\$ 1.32
Tangible Book Value per Share	\$ 25.63	\$ 25.63	\$ 23.67

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TOPIC: LIFE INSURANCE
WHEN: THURSDAY, SEPTEMBER 26TH AT NOON
WHERE: MIDWEST BANK COMMUNITY ROOM

RSVP TO JODI CHANDLER AT
 309.457.6272 OR JODI.CHANDLER@MBWEALTHSERVICES.COM



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Investor News

Third Quarter 2019 Financial Report

Dear Shareholder:

Snow on Halloween! The weather just keeps getting more challenging for our farmers as they try to finish harvest. The conditions for this year's growing season have been one for the record books. We will all welcome the end of this crop year and hope that most all are done before Thanksgiving and everyone remains safe.

During the third quarter the company recorded earnings of \$1,081,111, compared to \$1,143,643 last quarter and \$1,029,906 for the third quarter of 2018. Earnings per share were \$0.81 and a dividend was paid of \$0.25 per share.

Year-to-date the bank had a ROA of 0.91%, compared to our local peer group of 1.06%. Our net interest margin (NIM) was at 3.52% versus, 3.22% for our peers. Our Leverage (Capital) Ratio was at 9.24%, versus 11.20% for the group. Our ROA improved during in the third quarter from 0.89%.

Loans were down slightly for the quarter and stood at \$311.4 million, versus \$311.8 million for the prior quarter. We will be seeing a reduction in loans due to expected pay offs on several problem loans. Our pipeline for new loans remains relatively strong, but we will be beginning 2020 at lower levels.

Total investments were at \$147.1 million for the quarter, versus \$141.8 million for the prior quarter and \$142.7 million a year ago. Due to the recent drop in longer-term interest rates, we ended the quarter with a substantial unrealized gain in our portfolio.

Total deposits were up slightly at \$390.1 million, compared to \$384.6 million last quarter. They were \$349.2 million last year at this time. Organic deposit growth remains challenging due to both the farm economy and increased competition. We will continue our focus on deposit growth strategies, especially in the Quad Cities and Peoria.

Credit quality metrics were mostly unchanged during the quarter, but remain above our internal thresholds. Non-accrual Loans to Loans were at 1.88%, but still above peer of 0.98%. Charge-offs to Loans remain low and were at 0.03%. We have been building

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our loan loss reserve balance and were at 1.17% of total loans. This compares with our peers at 1.16%. As mentioned above, we are working to reduce problem loans and expect to get paid down on a significant portion of them. While this will hurt our earnings in the short run, it will improve our risk profile.

The most recent common stock trade was at \$35.00 per share. If you have an interest in selling or buying, please contact Kim (309-457-6267 / kim@mbwi.com) or Chris (309-457-6227 / cgavin@mbwi.com) with the number of shares and the selling or offering price.

Best regards,
Gus & Chris

Western Illinois Bancshares, Inc.			
Financial Results			
	2019	2019	2018
	3rd Quarter	Year-to-Date	Year-to-Date
Earnings	\$ 1,081,111	\$ 3,039,815	\$ 2,794,229
Preferred Dividends	\$ -	\$ -	\$ -
Earnings After Preferred Dividends	\$ 1,081,111	\$ 3,039,815	\$ 2,794,229
Return on Common Equity	8.54%	8.31%	8.31%
Common Dividends Paid	\$ 334,989	\$ 1,005,466	\$ 1,005,466
Dividends per Share	\$ 0.25	\$ 0.75	\$ 0.75
Earnings per Share	\$ 0.81	\$ 2.27	\$ 2.09
Tangible Book Value per Share	\$ 26.76	\$ 26.76	\$ 23.82

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Investor News

Fourth Quarter 2019 Financial Report

Dear Shareholder:

Our hearts are heavy with the recent passing of Ray Defenbaugh. Ray began his tenure with the bank in 1970 as a Loan Officer and Farm Manager. He will be greatly missed for his many years of service as a member of both the Bank and Holding Company boards. More importantly, he will be missed as a great friend to all who had the pleasure of knowing him.

During the third quarter the company recorded earnings of \$973,428, compared to \$1,081,111 last quarter and \$898,571 for the fourth quarter of 2018. For the year we earned an all-time high of \$4,013,243, compared to \$3,692,780 in 2018. Earnings per share were \$3.00 and total dividends \$1.00 per share.

Year-to-date the bank had a ROA of 0.85%, compared to our local peer group of 1.01%. Our net interest margin (NIM) was at 3.44% versus, 3.21% for our peers. Our Leverage (Capital) Ratio was at 9.42%, versus 10.94% for the group. Our ROA dropped during the quarter, due to a large write-down on some Other Real Estate Owned (OREO) and an increase to our Loan Loss Provision.

Loans were up slightly for the quarter and stood at \$312.4 million, versus \$311.4 million for the prior quarter. The increase can be attributed to year-end ag borrowing. Other than ag, we saw a reduction in loans due to expected pay offs on several problem loans. Our pipeline for new loans remains relatively strong, but we are beginning 2020 at lower levels.

Total investments were down to \$140.0 million at year-end versus \$147.1 million for the prior quarter. During the quarter we sold bonds to take advantage of some of our unrealized gains and to offset credit losses. These bonds are being replaced to get us back to normal levels.

Total deposits were up slightly at \$393.8 million, compared to \$390.1 million last quarter. They were \$394.4 million last year at this time. Organic deposit growth remains challenging due to both the farm economy and increased competition. We will continue our focus on deposit growth strategies, especially in the Quad Cities and Peoria.

Credit quality metrics deteriorated during the quarter and remain above our internal thresholds. Non-accrual Loans to Loans were at 3.98% and above peer of 0.97%. Charge-offs to Loans were at 0.28% for the year, versus peer of 0.02%. Loan loss reserve balance was at 1.11% of total loans, compared with our peers at 1.15%. We are continuing to work to reduce problem loans. Improvement has taken longer than we had hoped, but we expect to see better results at the end of the current quarter.

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The most recent common stock trade was at \$35.00 per share. If you have an interest in selling or buying, please contact Kim (309-457-6267 / kim@mbwi.com) or Chris (309-457-6227 / cgavin@mbwi.com) with the number of shares and the selling or offering price.

Our annual shareholder meeting will be held on April 23rd at the newly renovated Patton Block Building on the square in Monmouth. Invitations and proxies will be sent out later next month. We hope to see many of you there!

Best regards,
Gus & Chris

Western Illinois Bancshares, Inc. Financial Results

	2019 <u>4th Quarter</u>	2019 <u>Year-to-Date</u>	2018 <u>Year-to-Date</u>
Earnings	\$ 973,428	\$ 4,013,243	\$ 3,692,800
Earnings After Preferred Dividends	\$ 973,428	\$ 4,013,243	\$ 3,692,800
Return on Common Equity	7.57%	8.01%	8.19%
Common Dividends Paid	\$ 334,989	\$ 1,340,455	\$ 1,473,450
Dividends per Share	\$ 0.25	\$ 1.00	\$ 1.10
Earnings per Share	\$ 0.73	\$ 3.00	\$ 2.76
Tangible Book Value per Share	\$ 25.77	\$ 25.77	\$ 24.73



Adam Carlson, CFP®
 Financial Advisor



Eric Grant
 Financial Advisor



Jodi Chandler
 Investment Services Manager

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