Western Illinois Bancshares Inc.

Dear Shareholder:

The world has changed substantially since our last quarterly newsletter, with both the war in Ukraine and the sharp rise in interest rates. The rising interest rates will benefit our net interest margin and earnings, but will be detrimental to the value of our bond portfolio. We will speak to this later in this letter.

During the first quarter we recorded earnings of $1,102,845, compared to $1,152,136 for the first quarter of 2021. Earnings per share were $0.83 for the period versus $0.86 for last year. Our performance compared to last year was down just slightly, despite not having any PPP loan fees. We are benefitting from a larger balance sheet and improved efficiency.

Year-to-date the bank had a ROA of 0.79%, compared to our local peer group of 0.84%. Our net interest margin (NIM) was at 2.78% versus, 2.93% for our peers. Our Leverage (Capital) Ratio was at 8.89%, versus 9.66% for the group.

Net loans were down for the quarter and stood at $316.6 million, versus $328.1 million last quarter and $322.6 million a year ago. Loan demand continues to be somewhat weaker due to liquidity in the agricultural sector and uncertainty about inflation and the economy. The year-over-year decrease is largely due to PPP loans being paid in full.

Total investments were up at $261.3 million, versus $254.8 million for the prior quarter and $215.7 million year-over-year. During the quarter we were able to invest much of our remaining liquidity. Going forward we expect to see investments decline slowly, as we look to use cash flow to fund loans and maintain additional liquidity.

Total deposits were also up significantly again at $533.2 million, compared to $505.9 million last quarter and $472.8 million for the same period last year. Over the past 60 days we have begun to see a shift in deposit trends. While part of this is seasonal, some is due to spending of stimulus funds and farmers paying cash rents and crop expenses.

Credit quality is improved and at an acceptable level. Non-accrual Loans to Loans were at 1.24%, compared to peer of 0.91%.Charge-offs to Loans were at 0.18% for the quarter, versus peer of -0.03%. Loan loss reserve balance was at 1.31% of total loans, compared with our peers at 1.44%.

You will see in this newsletter that our book value per share has declined. This is due to an unrealized loss in our bond portfolio due to rising interest rates. This is not due to the credit quality of the bonds and the unrealized loss does not affect our required regulatory capital.

Generally, when interest rates rise a bank's assets (loans and investments) go down in value and the liabilities (deposits) go up in value. From an accounting perspective, the change in these values typically only apply to the investment portfolio. The bottom line is that we do not plan to sell these investments at a loss and over time these losses will go away as they mature, or rates go back down.

The most recent stock transaction traded at $36.00 per share. If you have an interest in selling or buying, please contact Brooke Robinson (309-457-6284 / brooke.robinson@mbwi.com) or Chris (309-457-6227 / cgavin@mbwi.com) with the number of shares and the selling or offering price.

We would like to thank all of you who were able to attend our annual shareholder meeting on April 27th. It was great to gather and celebrate our 2021 results and also to hear directly from our management team about our performance and future plans.

Best regards,

Gus *Chris*

Western Illinois Bancshares, Inc.
Financial Results

	2022 1st Quarter	2022 Year-to-Date	2021 Year-to-Date
Earnings	$1,102,845	$1,102,845	$1,152,136
Return on Common Equity	8.64%	8.64%	8.30%
Common Dividends Paid	$332,489	$332,489	$334,989
Dividends per Share	$0.25	$0.25	$0.25
Tangible Book Value per Share	$21.84	$21.84	$27.24

Dear Shareholder:

So, are we in a recession or not? How long will high inflation last? Will the Fed keep raising rates? These are questions we are grappling with in the banking industry, as it has been a long time since we have seen this much volatility and it certainly makes things interesting. The good news is that the rising rates are having a positive impact on our earnings.

The other good news is that we have been blessed with ideal conditions for our crops and are expecting a record harvest. This, combined with commodity prices, should be a real positive for our farmers and our local economies.

During the second quarter we recorded net earnings of $1,308,456, compared to $1,334,100 for the 2nd quarter of 2021. Earnings per share were $0.98 for the period, versus $1.00 for last year. Our performance compared to last year was down just slightly, despite not having any PPP loan fees. We are benefitting from a larger balance sheet, improved efficiency and increasing interest margins.

Year-to-date the bank had a ROA of 0.85%, compared to our local peer group of 0.92%. Our net interest margin (NIM) was at 2.92%, versus 3.07% for our peers. Our Leverage (Capital) Ratio was at 8.99%, versus 9.84% for the group.

Loans were up for the quarter and stood at $323.6 million, versus $316.6 million last quarter and $316.4 million a year ago. Loan demand continues to be somewhat weaker due to liquidity in the agricultural sector and uncertainty about inflation and the economy.

Total investments were down at $245.9 million, versus $261.3 million for the prior quarter and $226.3 million a year ago. During the quarter we slowed our purchases of new securities to build additional liquidity. Going forward, we expect the investment portfolio to remain relatively stable, unless loan demand exceeds our expectations.

Total deposits were down at $518.9 million, compared to $533.2 million last quarter and $509.7 million for the same period last year. We believe that deposit growth associated with the pandemic peaked earlier this year and that we should begin to see our normal seasonal cycle. The exception will be funds held by municipal and other local governments that continue to hold funds for scheduled projects.

Credit quality has continued to improve and our metrics are now in line with our goals. Non-accrual Loans to Loans were at 0.56%, compared to peer of 0.73%. Charge-offs to Loans were at 0.15% for the quarter, versus peer of -0.01%. Loan loss reserve balance was at 1.28% of total loans, compared with our peers at 1.41%.

At the end of the quarter, we had an even larger loss in our bond portfolio, which further reduced our book value per share. As a reminder, this is an unrealized loss due to rising interest rates. This is not due to the credit quality of the bonds and the unrealized loss does not affect our required regulatory capital.

Generally, when interest rates rise a bank's assets (loans and investments) go down in value and the liabilities (deposits) go up in value. From an accounting perspective, the change in these values typically only apply to the investment portfolio. The bottom line is that we do not plan to sell these investments at a loss and over time these losses will go away as the bonds mature and payoff, or rates go back down.

The most recent stock transaction traded at $36.00 per share. If you have an interest in selling or buying, please contact Brooke Robinson (309-457-6284 / brooke.robinson@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			
	2022 2nd Quarter	2022 Year-to-Date	2021 Year-to-Date
Earnings	$1,308,456	$2,411,302	$2,486,236
Return on Common Equity	13.34%	10.74%	9.02%
Common Dividends Paid	$332,489	$664,978	$669,978
Dividends per Share	$0.25	$0.50	$0.50
Tangible Book Value per Share	$11.91	$11.91	$28.95

Dear Shareholder:

We continue to ride out the storm, which is the 3.75% increase in the Prime Rate so far this year. Banking regulations require that we test for up to a 4.00% immediate rate shock, but we never thought we would actually see it. We are hopeful that both recent and upcoming economic and inflation data, along with election results, will help signal the end to this cycle sooner than later.

Harvest is wrapping up and our farm customers have not been disappointed, as we have seen some record-breaking yields and continued favorable prices for both corn and soybeans. This bodes well for the bank in terms of both credit quality and liquidity, which has become an area of higher focus for us.

During the third quarter we recorded net earnings of $1,526,124, compared to $1,868,565 for the 3rd quarter of 2021. Earnings per share were $1.15 for the period, versus $1.44 for last year. Our performance compared to last year was down due to not having any PPP loan fees. We are still benefitting from a larger balance sheet, improved efficiency and increasing interest margins.

Year-to-date the bank had a ROA of 0.92%, compared to our local peer group of 0.97%. Our net interest margin (NIM) was at 3.03% versus, 3.20% for our peers. Our Leverage (Capital) Ratio was at 9.16%, versus 9.96% for the group.

Average loans were up for the quarter and stood at $331.1 million, versus $323.9 million last quarter and $325.8 for the same quarter a year ago. While loan demand has slowed overall, we have approximately $25.0 million of prospective loans in our pipeline that may fund in the next ninety days.

Investments were down at $247.5 million, versus $258.8 million for the prior quarter and $240.7 million a year ago. During the quarter we slowed our purchases of new securities to build additional liquidity. Going forward we expect the investment portfolio to continue to decrease, as we look to fund our current loan demand.

Total deposits were down at $518.4 million, compared to $528.2 million last quarter and $502.6 million for the same period last year. The deposit growth associated with the pandemic is over and we should return to our normal seasonal cycle. We are seeing much greater competition for deposits, as banks and credit unions seek additional liquidity.

Credit quality is strong and our metrics are now in line with our goals. Non-current Loans to Loans were at 0.28%, compared to peer of 0.69%. Charge-offs to Loans were at 0.09% for the quarter, versus peer of -0.01%. Loan loss reserve balance was at 1.28% of total loans, compared with our peers at 1.38%.

At the end of the quarter, we had an even larger loss in our bond portfolio, which further reduced our book value per share. As a reminder this is an unrealized loss due to rising interest rates. This is not due to the credit quality of the bonds and the unrealized loss does not affect our required regulatory capital.

Generally, when interest rates rise a bank's assets (loans and investments) go down in value and the liabilities (deposits) go up in value. From an accounting perspective, the change in these values typically only apply to the investment portfolio. The bottom line is that we do not plan to sell these investments at a loss and over time these losses will go away as the bonds mature and payoff, or rates go back down.

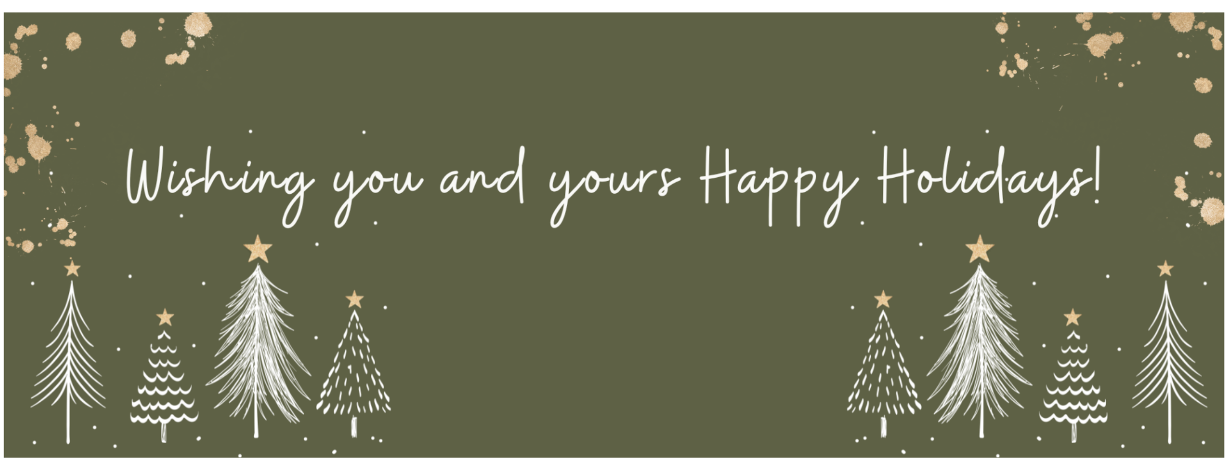
The most recent stock transaction traded at $37.50 per share. If you have an interest in selling or buying, please contact Brooke Robinson at 309-457-6284 / brooke.robinson@mbwi.com or Chris at 309-457-6227 / cgavin@mbwi.com with the number of shares and the selling or offering price.

We wish you a joyous and peaceful holiday season!

Best regards,

Gus   Chris

Western Illinois Bancshares, Inc. Financial Results			
	2022 3rd Quarter	**2022 Year-to-Date**	**2021 Year-to-Date**
Earnings	$1,526,124	$3,937,426	$4,354,800
Return on Common Equity	19.49%	12.74%	10.48%
Common Dividends Paid	$332,489	$997,467	$994,966
Dividends per Share	$0.25	$0.75	$0.75
Tangible Book Value per Share	$10.04	$10.04	$30.17



Dear Shareholder:

We are pleased to report another good year in 2022. While we were not able to top our record breaking 2021, it was a solid year and we were able to replace most of the income from the one-time PPP loan fees. This is attributable to our much larger balance sheet and a slight improvement in margin. The rapid increase in interest rates has been difficult for all financial institutions to manage, including us, and we expect more pressure on our margins in 2023.

During the fourth quarter we recorded earnings of $1,409,068, compared to $1,526,124 last quarter and $1,489,740 for the fourth quarter of 2021. Earnings per share were $1.06 for the period versus $1.15 for last quarter and $1.12 for the same quarter last year. Year-to-date earnings are $5,346,494 versus $5,844,450 for 2021. Earnings per share were at $4.02, versus $4.40 a year ago.

Year-to-date the bank had a ROA of 0.93%, compared to our local peer group of 0.98%. Our net interest margin (NIM) was at 3.06% versus, 3.27% for our peers. Our Leverage (Capital) Ratio was at 9.21%, versus 10.03% for the group.

Average loans were up for the quarter and stood at $341.6 million, versus $331.2 million for the prior quarter and $332.3 for the same period last year. We had an excellent quarter for loan growth, which will also have a positive impact as we begin the new year.

Investments were down significantly with an average of $230.1 million, versus $247.5 million for the prior quarter and $251.2 million last year. The decrease is primarily due to the unrealized loss on the portfolio. We continue our strategy to use the future cashflows from our portfolio to fund loan growth if possible.

Average deposits were up at $534.0 million, compared to $518.4 million last quarter and $505.7 million for the same period last year. Deposit balances remain high and while we do expect some roll-off, our retail staff is working hard to retain a high percentage. The high competition for deposits will lead to higher funding costs.

Credit quality remains strong and our metrics are now in line with our goals. Non-accrual Loans to Loans were at 0.36%, and below peer of 0.55%. Charge-offs to Loans were at 0.09% for the quarter, versus peer of 0.02%. Loan loss reserve balance was at 1.17% of total loans, compared with our peers at 1.32%.

The most recent stock transaction was a block of 3,500 shares that traded at $37.50 per share. If you have an interest in selling or buying, please contact Brooke Robinson (309-457-6284 / brooke.robinson@mbwi.com) or Chris (309-457-6227 / cgavin@mbwi.com) with the number of shares and the selling or offering price.

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Please save the date for our annual shareholder meeting and reception on April 26th in Monmouth. We look forward to interacting with all of you and sharing what's on the horizon for 2023. Invitations, including additional details and proxies, will be sent out early April. We hope to see many of you there!

Best regards,

Gus *Chris*

Western Illinois Bancshares, Inc. Financial Results			
	2022 4th Quarter	2022 Year-to-Date	2021 Year-to-Date
Earnings	$1,409,068	$5,346,494	$5,844,540
Return on Common Equity	17.23%	14.86%	10.53%
Common Dividends Paid	$332,489	$1,329,955	$1,659,944
Dividends per Share	$0.25	$1.00	$1.25
Tangible Book Value per Share	$14.12	$14.07	$29.62