



# NEWSLETTER

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## Western Illinois Bancshares, Inc.

Dear Shareholder:

At our annual meeting last month, we were excited to announce the signing of an agreement to merge Main Street Bancorp into Western Illinois Bancshares, Inc. Main Street Bancorp is the parent company of Princeville State Bank, which is contiguous with both our Galesburg and Peoria markets. In addition to location, we see a number of other strategic advantages with this new partnership. For more details, the complete press release is available at [www.westernilbancshares.com](http://www.westernilbancshares.com) under Investor Relations.

During the first quarter, we recorded earnings of \$818,046 compared to \$619,574 last quarter and \$1,040,845 for the first quarter of 2023. Earnings per share were \$0.62 for the period versus \$0.47 for last quarter and \$0.78 for the same quarter last year.

Year-to-date, our bank delivered a ROA of 0.68% compared to our local peer group of 0.82%. Our Net Interest Margin (NIM) was at 2.84% versus 3.20% for our peers while our Leverage (Capital) Ratio stood at 9.27% versus 9.73% for the group. Our financial performance improved during the quarter relative to peer.

Average loans increased in the first quarter reaching \$383.7 million compared to \$377.2 million for the prior quarter and \$355.5 million for the same period last year. We had another excellent quarter for loan growth which continues to help improve our net interest margin and overall revenue growth.

Investments were also up averaging \$214.9 million versus \$207.6 million for the prior quarter and \$233.2 million for the same period last year. We recently began reinvesting the cashflows from our portfolio to capitalize on higher yields while maintaining a balance with our loan funding opportunities and available liquidity.

Average deposits remained relatively unchanged for the quarter at \$521.5 million versus \$521.3 million last quarter, compared to \$542.9 million for the same period last year. Our team continues to work diligently in both competing for local deposits and managing our overall cash position. This has included the use of multiple funding sources that help control funding costs and reduce interest rate risk.

Credit quality remains strong and our metrics are in line with our goals. Non-accrual Loans to Loans were at 0.22%, significantly below peer average of 0.65%. Charge-offs to Loans stood at 0.04% for the quarter versus peer of 0.15%. Loan loss reserve balance was at 1.13% of total loans, compared with our peers at 1.32% which is reasonable considering our above peer credit quality.

We had 900 shares trade during the quarter at \$37.50 per share. As always 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 / chris.gavin@mbwi.com) with the number of shares and the selling or offering price.

We extend our gratitude to all who attended our annual shareholder meeting. We had a good turnout and it was especially exciting with the acquisition announcement and the attendance by several of Main Street Bancorp's board members and shareholders. We hope you can make it next year!

Best regards,

*Gus & Chris*

### Western Illinois Bancshares, Inc. Financial Results

	2024 1st Quarter	2024 Year-to-Date	2023 Year-to-Date
Earnings	\$818,046	\$818,046	\$1,040,845
Return on Common Equity	8.23%	8.23%	11.61%
Common Dividends Paid	\$332,114	\$332,114	\$664,978
Dividends per Share	\$0.25	\$0.25	\$0.50
Tangible Book Value per Share	\$16.13	\$16.13	\$14.87



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## Western Illinois Bancshares, Inc.

Dear Shareholder:

The summer is flying by and we will soon be into harvest season in Western Illinois. We have been spending most of our time working on the proposed merger with Main Street Bancorp, the parent company of Princeville State Bank. In addition, we also recently spent two days in offsite planning meetings with our management team and boards. Despite the current headwinds from a challenging rate environment, we continue to be excited about our path forward.

During the quarter we recorded earnings of \$670,705 compared to \$818,046 last quarter and \$964,176 for the second quarter of 2023. Earnings per share were \$0.51 for the period versus \$0.62 for last quarter and \$0.72 for the same quarter last year.

Year-to-date the bank had a ROA of 0.65%, compared to our local peer group of 0.86%. Our net interest margin (NIM) was at 2.85% versus, 3.25% for our peers. Our Leverage (Capital) Ratio was at 9.27%, versus 9.78% for the group. Our financial performance did not change much relative to peers during the quarter.

Average loans were up for the quarter and stood at \$394.0 million, versus \$383.7 million for the prior quarter and \$360.2 million for the same period last year. We had another excellent quarter for loan growth, which continues to help improve our yield on earning assets. We anticipate crossing the \$400 million threshold during the current quarter.

Investments were down with an average of \$210.6 million, versus \$214.9 million for the prior quarter and \$230.3 for the same period last year. Although we recently began reinvesting a portion of the cashflows from our portfolio to take advantage of the higher yields, we do not anticipate growing the portfolio given the current demand for loans.

Average deposits were up for the period at \$525.0 million, compared to \$521.5 million last quarter, and from the \$538.2 million for the same period last year. Our team continues to work diligently in both competing for local deposits and managing our overall cash position. This has included the use of multiple funding sources that help control funding costs and reduce interest rate risk.

Credit quality remains strong and our metrics are in line with our goals. Non-accrual Loans to Loans were at 0.20% and below peer of 0.77%. Charge-offs to Loans were at 0.07% for the quarter, versus peer of 0.09%. Loan loss reserve balance was at 1.13% of total loans, compared with our peers at 1.31%. The lower than peer reserves are reasonable considering our above peer credit quality.

We did not have any shares trade during the quarter, as we are discouraging any trades until the pending merger is finalized. We are working towards an October 1st closing date. If you have an interest in selling or buying, continue to contact Brooke Robinson (309-457-6284 / brooke.robinson@mbwi.com) or Chris Gavin (309-457-6227 / chris.gavin@mbwi.com) with the number of shares and the selling or offering price. We will follow up with you once trading opens up again.

Thank you for your continued support!

*Gus & Chris*

### Western Illinois Bancshares, Inc. Financial Results

	<b>2024 2nd Quarter</b>	<b>2024 Year-to-Date</b>	<b>2023 Year-to-Date</b>
Earnings	\$670,705	\$1,488,751	\$2,005,021
Return on Common Equity	6.80%	7.50%	11.15%
Common Dividends Paid	\$331,889	\$664,003	\$997,466
Dividends per Share	\$0.25	\$0.50	\$0.75
Tangible Book Value per Share	\$16.50	\$16.50	\$14.32