

Western Illinois Bancshares, Inc. (Private; Monmouth, IL) has agreed to acquire Andalusia Community Bank (Private; Andalusia, IL)

Deal Value: Undisclosed

Sandler O'Neill acted as financial advisor to Western Illinois Bancshares, Inc. in this transaction. This transaction represents Sandler O'Neill's 176th bank or thrift transaction nationwide since January 1, 2015 representing \$55.4 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 31 transactions involving banks and thrifts based in the Midwest, representing over \$18.3 billion in aggregate transaction value, more than any other investment bank during that time period.¹

Midwest Bank (a wholly-owned subsidiary of Western Illinois Bancshares, Inc.) and Andalusia Community Bank jointly announced today the signing of an Agreement and Plan of Merger, pursuant to which Andalusia Community Bank will be acquired by Western Illinois Bancshares, Inc., and subsequently merged with and into Midwest Bank, with Midwest Bank becoming the surviving institution. The consolidated bank will operate under the Midwest Bank brand following the completion of the transaction. Total asset size of Midwest Bank following the completion of the consolidation will be approximately \$500 million.

Mike Bell, President of Andalusia Bank, commented, "Midwest Bank clearly stood out as a good fit for our customers and communities when we were reviewing opportunities for today and in the future. Andalusia Community Bank is proud and excited to work together with a common goal. We want to exceed the expectations of our customers while being a trusted partner in their lives and financial success. Andalusia and Midwest Bank share similar values. Most importantly, we're both committed to long-term local ownership and decision making."

"Our management team and board of directors feel confident that the culture of our two banks is very similar," Chris Gavin, President and CEO of Midwest Bank, said. "The importance of maintaining the community bank atmosphere is an ideal that Mike and I both share. Community banks are the backbone of small business and agriculture in west central Illinois. The personalized service we provide coupled with the latest in banking technology will ensure a smooth transition. We welcome the customers of Andalusia Community Bank to the Midwest Bank family."

From a strategic perspective, the partnership of Midwest Bank and Andalusia Community Bank provides many benefits to both banks' shareholders, including:

- Expansion of Midwest Bank's physical presence to the Quad City area.
- A broader range of products and services, including Midwest Bank's Trust, Wealth Management and Insurance Services.
- Expanded electronic banking and card services.
- An in-house data processing and service center.
- Expectations for improved operating and financial performance.

The transaction has been approved by the board of directors of each entity and is expected to close during the third quarter of 2018, subject to customary closing conditions including regulatory approvals and Andalusia shareholder approval. Following completion of the transaction, Christopher J. Gavin will remain President and CEO and Michael E. Bell will be V. P. and Market President, Quad City area, of the combined company. Terms of the transaction were not disclosed.

Financial Highlights

(Dollars in millions)

| | Western Illinois ² | Andalusia ² |
|----------------|-------------------------------|------------------------|
| Total Assets | \$443.8 | \$39.6 |
| Total Loans | \$254.1 | \$27.0 |
| Total Deposits | \$349.3 | \$33.1 |
| Total Equity | \$55.7 | \$6.3 |

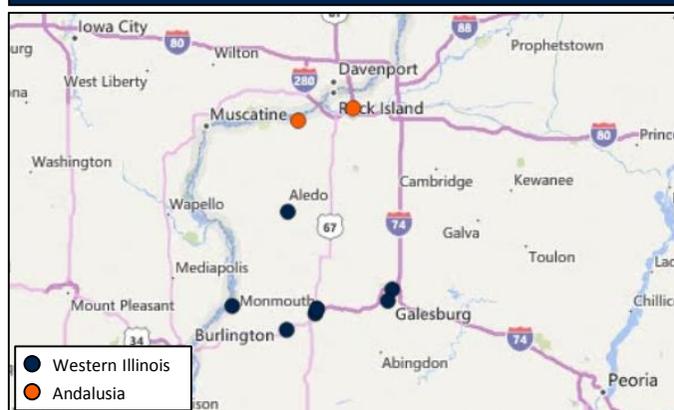
Financial data as of March 31, 2018

¹ Majority and minority transactions; Excludes terminated transactions and self-advisory roles

² Bank-level data

Source: S&P Global Market Intelligence, Company documents, Press Release

Pro Forma Map



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