

A Note From Paul Hoffmann



I am pleased to announce that I have a new Executive Assistant, **Joanne Bell**. One of Joanne's areas of focus will be to assist our shareholders with any questions you may have regarding your investment in Monona Bankshares. A resident of Monona, Joanne brings a great deal of experience to Monona Bank and I am certain you will enjoy working with her. If you did not have a chance to speak with Joanne at our Shareholders Meeting last

April, you may be in for a pleasant surprise when you call her; Joanne is originally from South Africa and speaks with a classic British accent. You can reach Joanne at **(608) 223-2187** or by email at jbelle@mononabank.com.

Monona Bankshares News

As we celebrate the 27th anniversary of the founding of Monona Bank on July 1st, I'm excited that our bank continues to thrive. In fact, at the end of 2017, Monona Bank was the 25th largest bank in Wisconsin out of 220 banks. Not bad for a bank that just 27 years ago was transacting business in a trailer at the bottom of Monona Drive!

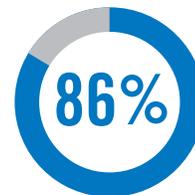
Our bank ended last year with \$899 million in assets; a 161% growth rate since the end of 2011. You may not realize how many relationships that equates to and how many customers we serve. Looking at **Loan** relationships only, we had 6,068 loans valued at \$680 million dollars on our Balance Sheet at the end of 2017 with \$1.1 Billion of Total Loans Serviced. Looking at **Deposits** only, our bank has just under 14,000 total relationships, about 77% of which are consumers and 23% are businesses. However, since one relationship can have multiple accounts, we actually have more than 25,000 Deposit accounts at our bank.

These deposits are critically important to our bank since they are the most important way to fund our loan growth. We continue to work on ways to gather more deposits, including the expansion of our Executive Banking program and Business Services offerings. Executive Banking is a concierge-type banking program where we help busy executives with their personal banking needs. The Business Services department assists our business clients with their accounts and the various cash management products they need to operate their business. Both programs offer our bank great potential to grow deposits to fund future loan growth. You can also help grow our bank when you refer people to our bank and move deposits you may have with other financial institutions to Monona Bank.

Dividend Update

Monona Bankshares, Inc. announces a second quarterly dividend for 2018 of \$0.69 per share. This dividend is payable to shareholders of record as of June 19, 2018. On an annualized basis, this dividend is \$2.76 per share. For shareholders in our Dividend Reinvestment Plan (DRIP), the purchase price of additional shares is \$135.08/ share. If you are not enrolled in our DRIP, your dividend check is enclosed. **If you are not currently enrolled in our DRIP but would like to take advantage of this plan to purchase additional shares, contacts are listed on the back.**

DID YOU KNOW?

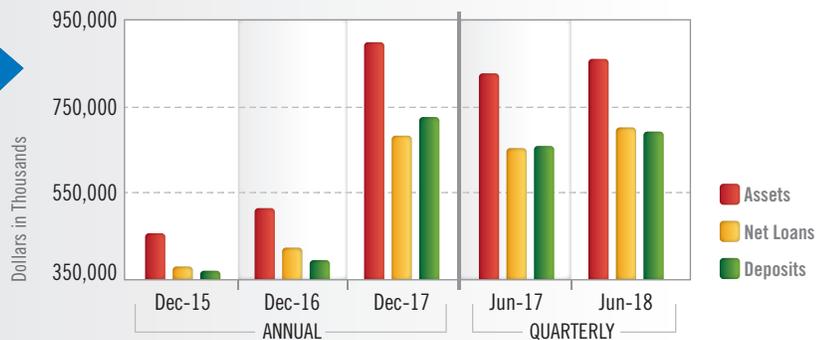


of Monona Bankshares shareholders live in Wisconsin.

WHEN WE SAY "LOCALLY-OWNED", WE MEAN IT.

ASSETS, NET LOANS AND DEPOSITS

- Assets total \$862.5 million; 4.2% in growth since Jun-17
- Net loans \$704.1 million; 7.4% in growth since Jun-17
- Deposits \$690.8 million; 5.1% annualized growth since Jun-17
- Middleton Community Bank (MCB) transaction added \$307.0 million in total assets

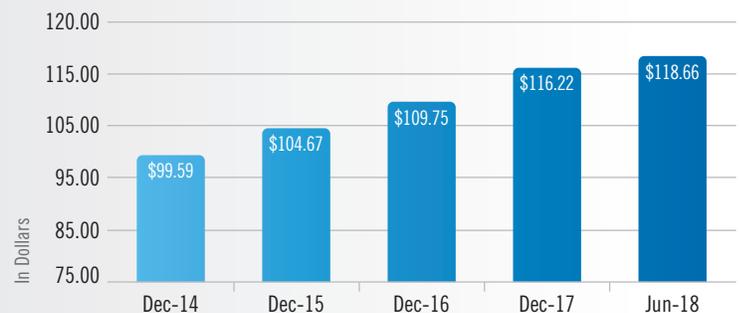


PER SHARE DATA

- MCB operations included for all of 2017
- December 2017 data includes expense of \$1.84 per share related to MCB merger
- Dividend is being paid at an annualized rate of \$2.76 per share
- Total shares outstanding of 714,830 as of June 2018

BOOK VALUE PER SHARE

- Book value includes issuing 206,666 shares for the MCB transaction
- Book value has increased 8.1% since Dec-2016
- 70% of Shareholders participate in dividend reinvestment plan



Year	Total Shares Bought/Sold	High	Low
2017	14,134	\$145.00	\$105.00
2016	10,608	\$105.00	\$94.17
2015	13,767	\$105.00	\$91.00
2014	7,599	\$95.00	\$90.00
2013	17,220	\$95.00	\$85.00

STOCK SALE INFORMATION

Have questions about your stock?
 Interested in buying or selling shares?
 Want to enroll in the dividend reinvestment plan (DRIP)?

PLEASE CONTACT:

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