

A Note From Paul Hoffmann



Happy 30th Anniversary Monona Bank!

As shareholders of Monona Bank, many of you may remember it was thirty years ago on July 1st, that we first opened our doors and started serving the financial needs of our Monona neighbors. We have certainly come a long way and seen lots of changes in the banking industry over the past 30 years. While a lot has certainly changed, I am very proud we are still living up to our founders' vision of local investors owning their community bank, while providing the best financial products available. I know we would not have been as successful as we have been, without your continued investment in Monona Bankshares.

As we celebrate this milestone anniversary, I want to take a moment to highlight a couple of things you may not be aware of. First, while many of our original banking competitors from 30 years ago are no longer around anymore, Monona Bank is not only still in business, but we continue to thrive. In fact, in just thirty years, we have grown our bank to more than \$1.1 billion in assets. Very impressive to say the least. Obviously that kind of growth would not have been possible without your investment in our bank, plus the expertise and hard work of many talented associates, both past and present. I think we should all be very proud of what we have been able to do in the past 30 years, I know I am.

While we have seen a lot of changes in the banking industry since we opened our doors, it is very clear that the rate of change is only accelerating. Who would have dreamed 30 years ago that we would be able to bank online or deposit checks with our phones? It seems like nearly every day I hear about the next big "thing" we will need to start offering clients, it gets hard to keep it all straight. While changes are a given, how we respond to these changes will determine how successful our bank will be over the next 30 years. Fortunately, I am confident our associates have both the experience and tenacity to meet any challenges that come our way and allow us to continue to grow both our bank, and your investment in Monona Bankshares.

In closing, I want to share some quick updates on our performance this year. Overall, we are having another great year. In fact, compared to 2020, our assets increased by 9% to \$1.12 billion; net loans have increased 8% to \$931.9 million; and deposits are up 13% to \$972.6 million. Even more exciting is that from a shareholder standpoint, the increase in the value of the shares, along with dividends we have paid to our shareholders, add up to a total return of 1,237%, or 41% per year for our original shareholders since we were founded 30 years ago! I think you would agree that we have done very well for our shareholders.

We will continue to update you on how your bank is doing in future quarterly updates. If you have not already checked it out, remember that we have posted our bank's current financial information, as well as the information from our recent Shareholders Meeting on our Monona Bankshares web site. You can easily access this information at: www.mononabankshares.com. We have also included contact information on the back of this newsletter in case you have any questions about your investment.

As always, thank you for your investment in our bank. Enjoy the rest of your summer!

Paul Hoffmann

Dividend Update

Monona Bankshares, Inc. announces its second dividend for 2021 of \$0.21 per share. This dividend is payable on July 22, 2021, to shareholders of record as of June 15, 2021. On an annualized basis, this dividend is \$0.84 per share, or 5% over our 2020 dividend.

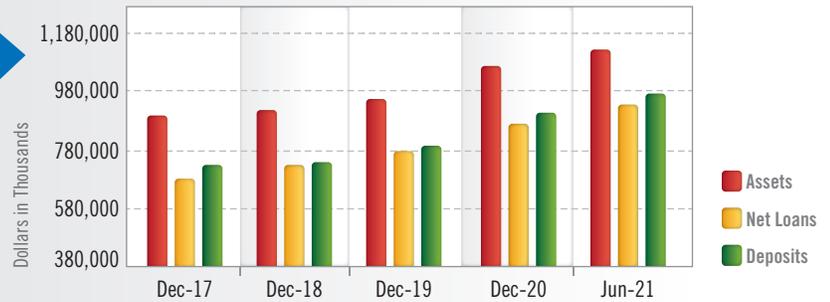
For shareholders in our Dividend Reinvestment Plan (DRIP), the purchase price of additional shares is \$38.20 (up from \$36.27/share a year ago). If you are not enrolled in our DRIP, your dividend check is enclosed. **If you are not currently enrolled in our DRIP but would like to take advantage of this convenient way to purchase additional shares, contacts are listed on the back.**



> Strength in neighbors.

ASSETS, NET LOANS AND DEPOSITS

- Assets total \$1.12 billion; 9% in growth since June-20
- Net loans \$931.9 million; 8% in growth since June-20
- Deposits \$972.6 million; 13% growth since June-20
- Growth impacted by PPP originations



PER SHARE DATA

- The Dividend Reinvestment valuation amount is \$38.20 per share
- 2020 Dividend Payout Ratio was 23%; Dividend as percent of book value is 2.2%
- Dividend is being paid at an annualized rate of \$0.84 per share, 5% increase over 2020 dividend
- Total shares outstanding of 2,990,989 as of June 2021 reflects 3 for 1 stock dividend paid May 2019

BOOK VALUE PER SHARE

- Book value includes issuing 826,664 shares for the Middleton transaction
- Book value has increased 39% since Dec-2016
- 65% of Shareholders participate in dividend reinvestment plan



Year	Total Shares Bought/Sold	High	Low
2021	10,227	\$47.00	\$45.00
2020	21,233	\$45.00	\$41.00
2019	23,934	\$42.00	\$35.00
2018	42,136	\$36.25	\$33.75
2017	56,536	\$36.25	\$26.25

STOCK 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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