

A Note From Paul Hoffmann



I am pleased to share that we had the best third quarter ever this year for our bank's Net Income. Better yet, we had several areas contribute to our income growth. Overall, we are very pleased with our core earnings and retention of core clients which we believe strengthens the core value of our bank.

With the recent lower mortgage rates, many homeowners either refinanced their mortgages with us or took out a first mortgage on a home they'd been waiting to purchase. This year has been our best year for mortgages since 2012 and one of our best quarters for mortgages in our bank's history. Mortgage lending is a core competency for us.

Our commercial loan growth is almost 10% higher year-over-year. We have financed many visible commercial real estate projects around Dane County that have led to this growth. Our local economy remains strong, and we are helping to make it even better. Compared to our peers, while we are managing non-interest expenses well, we still lag in our non-interest earnings (especially service charge income). It is something we will continue to focus on going forward.

Stock sales have been in the \$35 – 40 per share range for most of the year. We are seeing a balanced market between sellers and buyers. If you are interested in purchasing more shares, please let me know. About 70% of our shareholders also participate in our Dividend Re-Investment Plan (DRIP) to incrementally grow their number of shares. Let us know if you would like to be a part of this plan.

We are encouraging all shareholders who currently hold original share (paper) certificates to convert them to book entry (electronic form). Switching to book entry is smart as it eliminates the possibility (and potential expense) of having to purchase a Lost Indemnity Bond at the time of surrendering shares in the event your original share certificates are lost or misplaced. Typically, the cost to purchase a Lost Indemnity Bond for lost or misplaced paper shares requires a registration fee of \$75.00, plus 5% of the share's market value. However, to encourage shareholders to convert their paper shares to book entry, you will not incur these fees at this time.

The process to convert your shares to book entry is simple. Contact Joanne Bell to arrange a convenient time to drop off your original share certificates, or in the event you've lost or misplaced your paper shares, to complete a Lost Indemnity Waiver. If you're ready to get started, or just have questions about converting your original share certificates, please call or email Joanne at (608) 223-2187 or jbell@mononabank.com.

As always, thank you for being a shareholder. I appreciate your investment and support.

Dividend Update

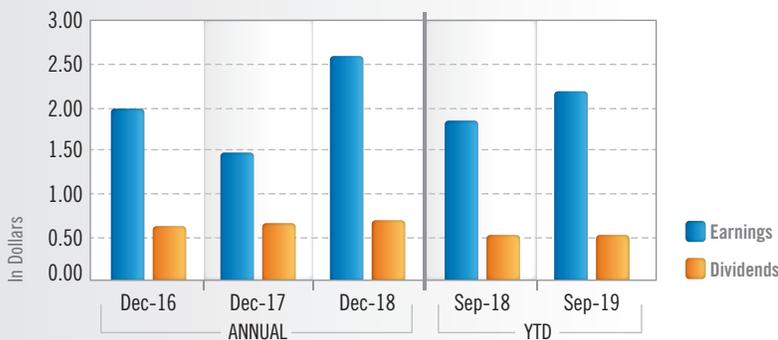
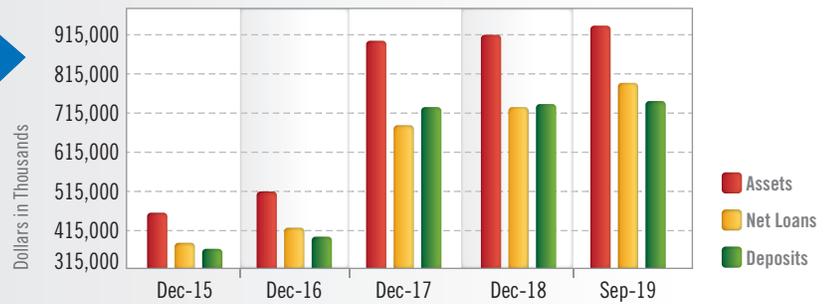
Monona Bankshares, Inc. announces a third quarter dividend of \$0.18 per share for 2019. This dividend is payable on October 18, 2019 to shareholders of record as of September 17, 2019. On an annualized basis, this dividend is \$0.72 per share. For shareholders in our Dividend Reinvestment Plan (DRIP), the purchase price of additional shares is \$32.07/ 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.

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

ASSETS, NET LOANS AND DEPOSITS

- Assets total \$936.5 million; 6.0% in growth since Sep-18
- Net loans \$788.6 million; 9.4% in growth since Sep-18
- Deposits \$746.2 million; 6.0% growth since Sep-18
- Middleton Community Bank (MCB) transaction added \$307.0 million in total assets

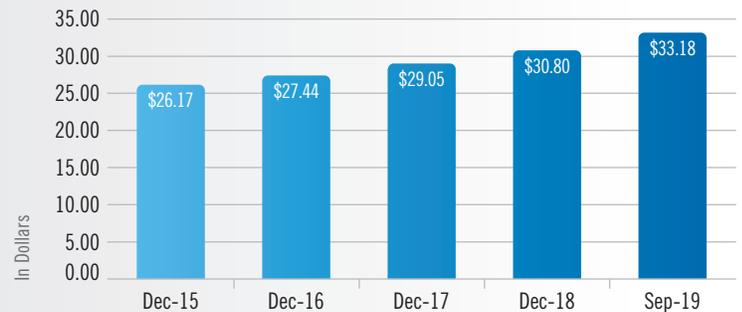


PER SHARE DATA

- MCB operations included for all of 2017
- December 2017 data includes expense of \$0.46 per share related to MCB merger
- Dividend is being paid at an annualized rate of \$0.72 per share
- Total shares outstanding of 2,911,367 as of September 2019 reflects 3 for 1 stock dividend paid May 2019

BOOK VALUE PER SHARE

- Book value includes issuing 826,664 shares for the MCB transaction
- Book value has increased 20.9% since Dec-2016
- 70% of Shareholders participate in dividend reinvestment plan



Year	Total Shares Bought/Sold	High	Low
Sep - 2019	17,241	\$40.00	\$35.00
2018	42,136	\$36.25	\$33.75
2017	56,536	\$36.25	\$26.25
2016	42,432	\$26.25	\$23.54
2015	55,068	\$26.25	\$22.75

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:

Paul Hoffmann (608) 223-2183
 Tim Ryan (608) 223-2193
 Joanne Bell (608) 223-2187