

## A Note From Paul Hoffmann



Happy 2019! We're very excited about what the new year will bring our bank. We've had a great deal of uncertainty over interest rates the past year. The good news is that many signs now point to the Fed leaving rates alone for the next several quarters (or possibly even reducing them slightly). Rest assured, we spend a great deal of time planning for all possible rate change scenarios and I am confident our bank is in a good position regardless of how the rates may change.

Our team already has a full plate of projects planned for 2019 to improve our client experience and ability to both retain and gain clients. Some of the projects we're already working on this year include a new web site (mononabank.com) that will be more informative and interactive; a more streamlined product mix; as well as an increased web and social media presence.

All of these projects, combined with our new online mortgage and consumer loans/credit card application tools we rolled out at the end of 2018, will definitely position our bank to meet the needs of clients and prospects who prefer to interact with us digitally.

Finally, a big thanks to all of you who have referred potential shareholders and clients to us recently. We've seen a lot of interest in shares recently and I sincerely believe that your referrals, as owners in Monona Bank, are truly the best we can ever receive. Keep the referrals coming!

## Monona Bankshares News

I am happy to share with our shareholders that Monona Bank ended 2018 in great shape financially. I invite you to check out some of our bank's key financial highlights on the back side of this newsletter. We're proud that our bank's Earnings Performance remained very strong at \$10.44 per share. This is growth of 65% on 2017, which was the first year we operated as a merged bank. 2017 included \$1.84 of one-time expense. Adjusting for these expenses, EPS has grown 35% in 2018.

I look forward to sharing more information about the bank's financial performance and all the great projects we're working on to grow our bank, and your investment, at the **2019 Annual Shareholders Meeting on Thursday, April 25th**. Please save the date and plan to attend as I would love to see everyone there.

## Dividend Update

Monona Bankshares, Inc. announces a fourth quarterly dividend for 2018 of \$0.69 per share. This dividend is payable on January 25, 2019 to shareholders of record as of December 18, 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?

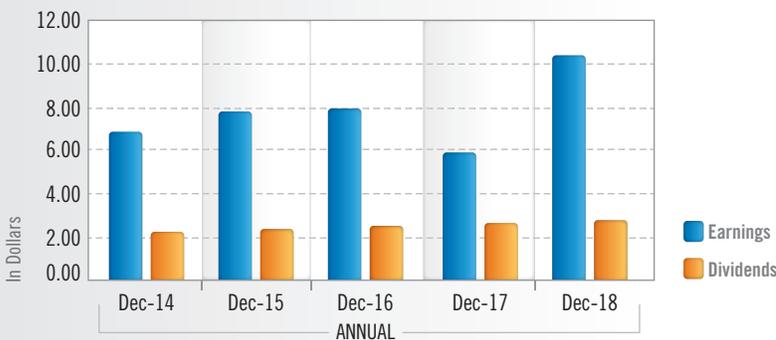
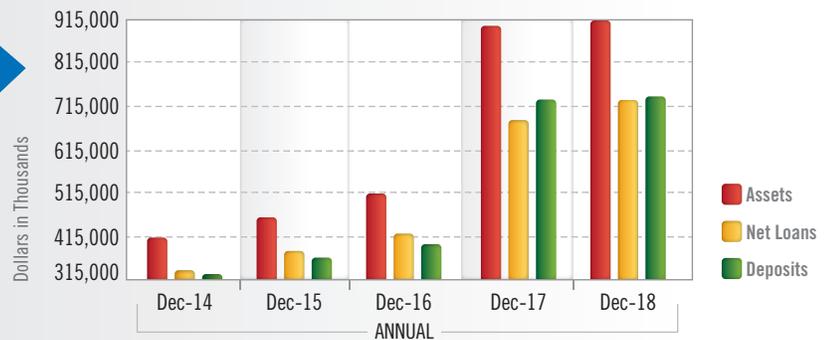
**Monona Bank was the fifth largest mortgage originator in Dane County in 2018 — and 1st among community banks in Dane County.**



> Strength in neighbors.

## ASSETS, NET LOANS AND DEPOSITS

- Assets total \$913.0 million; 1.5% in growth since Dec-17
- Net loans \$730.0 million; 6.9% in growth since Dec-17
- Deposits \$739.8 million; 1.9% annualized growth since Dec-17
- Middleton Community Bank (MCB) transaction added \$307.0 million in total assets

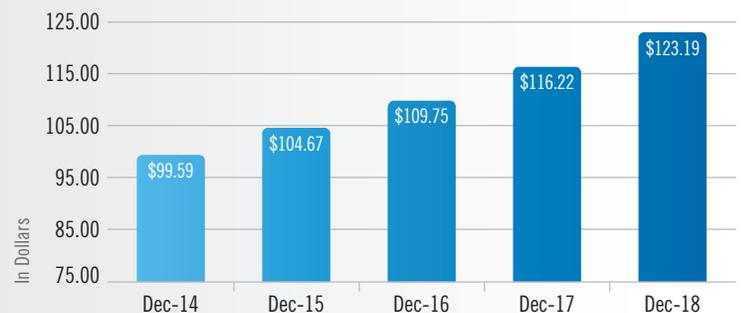


## PER SHARE DATA

- 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 719,660 as of December 2018

## BOOK VALUE PER SHARE

- Book value includes issuing 206,666 shares for the MCB transaction
- Book value has increased 12.2% since Dec-2016
- 70% of Shareholders participate in dividend reinvestment plan



Year	Total Shares Bought/Sold	High	Low
2018	10,534	\$145.00	\$135.00
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

## 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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