

A Note From Paul Hoffmann



Happy 2022 everyone! A new year has begun and yet we're still dealing with the same old COVID-19 issues, although with a few new twists. While we are still not certain what the long-term impact of the ongoing COVID-19 pandemic will have on either our clients or our bank, at least I can share that Monona Bank had another incredible year. Even after the great year we had in 2020, our bank had another extraordinary year in 2021, surpassing many of the records we set previously.

In fact, last year was one of our best years ever (including consecutive record months this Fall). I want to share some quick updates on our bank's performance for 2021.

- Our assets increased by 10.8% over 2020 to \$1.20 billion,
- Net loans increased 4.7% to \$911 million, and
- Deposits increased 14.4% from 2020 to \$1.04 billion.

Our loan growth was primarily in the 1-4 Residential Mortgage and Multi-Family Commercial Mortgage areas. Our year-over-year deposit growth was split evenly between business and consumer deposits, with consumer deposits making up 58.3% of the growth. What an incredible year!

While many areas performed strongly, the combined impacts of strong mortgage loan and servicing results, solid business loan and Executive Banking growth, as well as the continued impact from PPP Loans, were some of the biggest contributors to our bank's strong financial performance.

Our mortgage area was one area that continued to defy expectations. We expected residential mortgage volume to slow down, but our mortgage team, led by Marcia Howe, originated 787 loans in 2021, for a total loan production of \$197,297,745. Our Gain on Sale to the secondary market for 2021 was \$2,883,260, with \$1,118,982 in servicing income. Another extraordinary year for our mortgage area.

The ongoing pandemic has certainly highlighted for clients the importance of banking locally with a team that understands our local economy. Many of our 500+ new clients came to us just looking for a mortgage or PPP loan, then switched to our bank because they were impressed with our team's outstanding service.

Lastly, we're finding as our clients get older, they want to consolidate their financial accounts to make managing their money easier. If you want to streamline your accounts or have questions about how to do this, please consider Monona Bank and our knowledgeable team of banking advisors. We have tools to make moving your accounts quick and easy, and why not invest in your own bank?

I look forward to sharing more information about our bank's financial performance and all the great projects we are working on to grow your bank, and your investment, in the coming months.

Have a great 2022 and stay healthy!

Paul Hoffmann

Dividend Update

Monona Bankshares, Inc. announces its first dividend for 2022 of \$0.27 per share. This dividend is payable on January 20, 2022, to shareholders of record as of December 21, 2021. Total dividend declared in 2021 was \$0.90 per share.

For shareholders in our Dividend Reinvestment Plan (DRIP), the purchase price of additional shares is \$38.20. If you are not enrolled in our DRIP, your dividend check is enclosed.

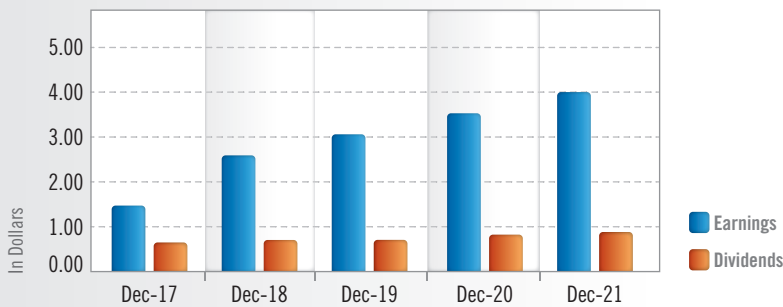
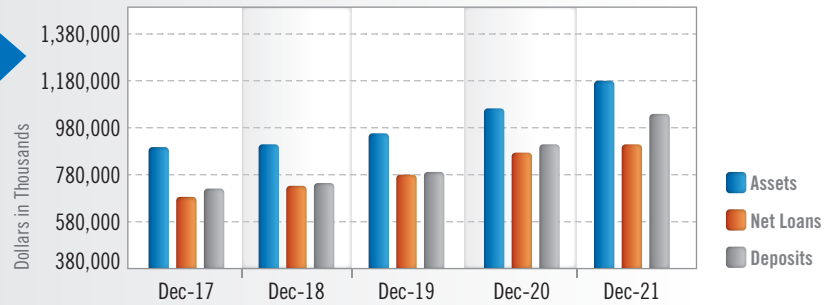
If you are not currently enrolled in our DRIP, but would like to take advantage of this convenient way to purchase additional shares, contacts are listed on the back.



> Strength in neighbors.

ASSETS, NET LOANS AND DEPOSITS

- Assets total \$1.19 billion; 11% in growth since December-20
- Net loans \$910.8 million; 5% in growth since December-20
- Deposits \$1.04 billion; 14% growth since December-20
- Growth impacted by PPP originations

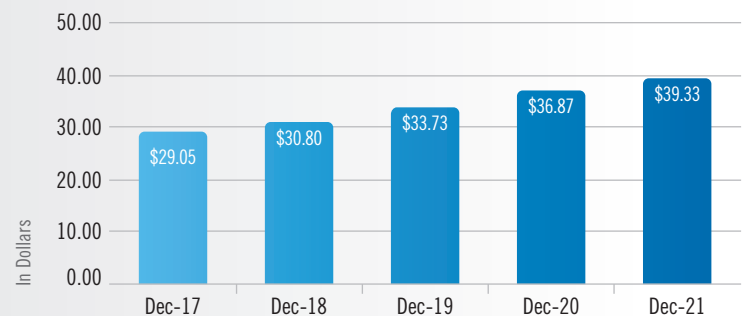


PER SHARE DATA

- The Dividend Reinvestment valuation amount is \$38.20 per share
- 2021 Dividend Payout Ratio was 23%; Dividend as percent of book value is 2.3%
- Dividend is being paid at an annualized rate of \$0.90 per share, a 12.5% increase over our 2020 dividend
- Total shares outstanding of 3,017,348 as of December 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 35% since Dec-2017
- 69% of Shareholders participate in our dividend reinvestment plan (DRIP)



Year	Total Shares Bought/Sold	High	Low
2021	28,951	\$48.00	\$44.80
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:

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