



Lake Ridge
BANCORP, INC.™

2023 YEAR IN REVIEW

DON'T JUST INVEST.
INVEST IN YOUR COMMUNITIES.



Lake Ridge
BANCORP, INC.™





Jim Tubbs
CEO



Paul Hoffmann
President

DEAR SHAREHOLDERS AND FRIENDS:

As we look back on 2023, it is amazing what transpired over the course of just one year. Without question, the greatest milestone was the merger of State Bank of Cross Plains and Monona Bank to create Lake Ridge Bank. This merger of equals occurred on February 13, 2023. It is hard to believe it was only last year!

Some of the milestones our new bank achieved in 2023:

- Created a new bank name and related logos, and the rebranding of our new organization.
- Converted the entire Monona Bank client base to a new computer platform.
- Reorganized approximately 380 associates into their new roles and responsibilities.
- Hosted our inaugural Lake Ridge Bancorp, Inc. Shareholder Meeting.
- Received numerous awards including Madison Magazine's Best of Madison Award for Best Wisconsin Bank and Madison.com's People's Choice Awards for Best Bank and four other categories.

Amid all the work that went along with our merger, we also needed to address multiple external factors:

- The Federal Reserve raised interest rates four times to combat inflation, for a total of 11 increases in 17 months; the fastest rate increases in forty years.
- This rapid rate movement, along with an inverted yield curve, put a tremendous strain on the banking industry's net interest margin and profitability.
- Just twenty-three days after opening as Lake Ridge Bank, some of our nation's largest bank failures occurred.
- Our associates spent many hours informing our clients and communities about how Lake Ridge Bank is different and that our bank remains strong and stable.

Even with the unfavorable headlines about the banking industry over the past year, we are immensely proud of everything we accomplished in 2023. We believe our rebranding efforts have really paid off and our new Lake Ridge Bank name is already very recognizable in our markets. Even with the unexpected headwinds we faced throughout the year, along with some one-time merger-related expenses and a historic rise in interest rates, we still achieved a net income greater than \$16 million and grew our new bank to just over \$3 billion in total assets.

Today we have a strong credit environment, a solid strategic plan, an extremely experienced team, and a thriving local economy. With this in mind, we remain cautiously optimistic about 2024.

As we look to continue to create long-term shareholder value, one thing we initiated was the Dividend Reinvestment Plan (DRIP) for the first quarter 2024 dividend payment. This will give our shareholders the option to continue to grow their shares of Lake Ridge Bancorp, Inc.

Our board, management team, and associates are committed to the ongoing success of our bank. Thank you for your continued dedication and investment in Lake Ridge Bank. We appreciate the trust you have placed in us. If you have any questions, please feel free to contact Jim at jtubbs@lakeridge.bank or Paul at phoffmann@lakeridge.bank.

Go Far. Go Together

HELPING YOU PLAN FOR YOUR FUTURE.



Dan Savage

Senior Vice President
Senior Trust Officer
(Retired)

In 2023, Lake Ridge Bank celebrated the career of **Dan Savage**, who retired after nearly 25 years of helping to shape the direction and reputation of our bank's Wealth Management and Financial Advisory areas. Dan was instrumental in creating and growing our bank's highly respected Wealth and Financial Advisory teams by always keeping in mind that our Wealth Management clients trust us with their life's work and their family legacy. He instilled in his team the belief that for our clients and bank to be successful, we need to establish deep relationships that evolve over a lifetime of serving our clients' needs.

Dan felt strongly that he could not retire until he was comfortable knowing our clients would be in good hands moving forward. To ensure this happened, Dan personally selected **Jordon Geiger**, our bank's new Senior Vice President, Senior Trust Officer, to assume the reins for leading Lake Ridge Bank's Wealth Management team.

No stranger to our bank, Jordon has worked closely with Dan for many years so the transition to Jordon's leadership has been very smooth. Jordon brings more than 18 years of experience in investment advising and planning for business owners, foundations and endowments, and employee groups. He has also collaborated extensively with individuals and families, structuring their assets to transfer efficiently to the next generation. Jordon's experience also includes working with internal and external advisors, making investment recommendations, and executing strategies to meet his clients' goals.

If you are not yet familiar with Lake Ridge Bank's Wealth Management area, please visit www.lakeridge.bank/wealth. You'll find our experienced team provides comprehensive financial planning and wealth management services for families and businesses that ensure you are always ready for life's changes. As our shareholder, we'd love to talk with you to see how we can help.

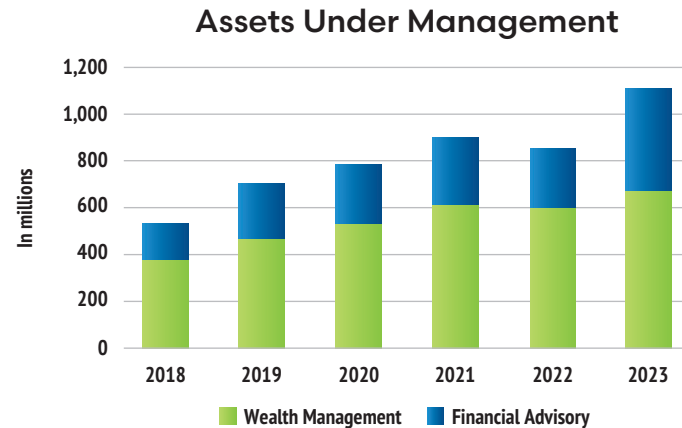


Jordon Geiger

Senior Vice President
Senior Trust Officer

WEALTH MANAGEMENT AND FINANCIAL ADVISORY

In just over five years, our team has nearly doubled the total assets we manage from \$533 million to more than \$1 billion of assets under management for the first time in our bank's history. To ensure continued growth, we've introduced initiatives for the coming year, including taking advantage of our merger last year to introduce our products to clients who may not be aware of them, working closely with other areas of our bank to retain and deepen existing relationships, and enhancing and growing our networks of external centers of influence who provide valuable referrals.



Major Highlights of 2023

- Transitioned leadership of department and welcomed four additional staff members.
- Achieved record revenues of \$5.4 million.
- Attained profitability of \$1.1 million.
- Client retention and referrals remained strong.
- Now the 2nd largest Wealth Management division among Dane County based banks.
- Voted the Best Wealth Management group in Madison Magazine's 2023 People's Choice Awards.
- Referrals from Greater Madison's legal community continued to be strong.
- Community engagement from Trust Officers continued to be strong.



Thank You, Dan!

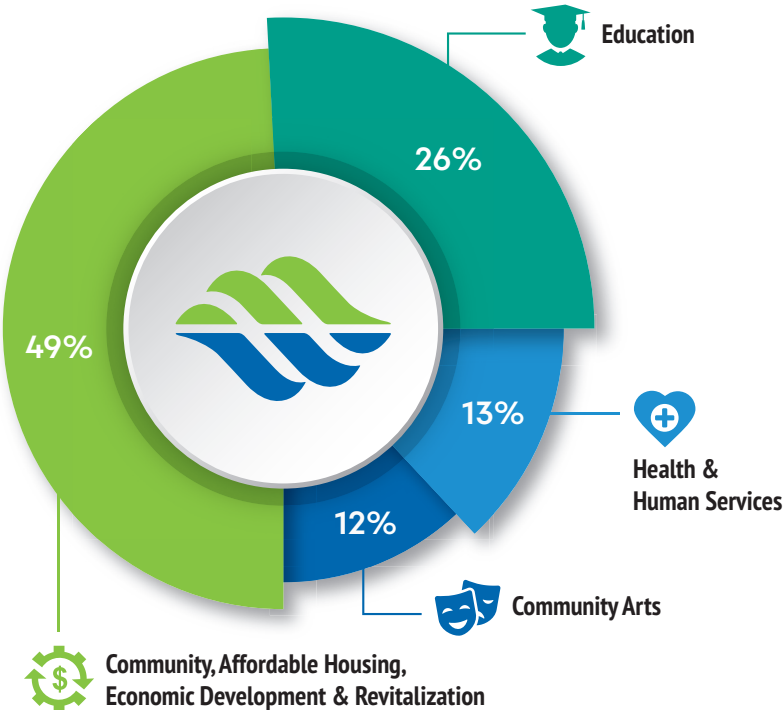
LEFT TO RIGHT
Scott Ducke, Jordon Geiger, Mark Van Someren, Dan Savage, Mark Drachenberg

SUPPORTING OUR COMMUNITIES

Lake Ridge Bank is committed to local organizations, as well as businesses that drive our local economies and make our communities great places to live and work. This commitment is central to who we are and how we operate and has been a core value of our bank since our founding.

Part of our commitment to our neighbors involves providing both financial and volunteer support to area charitable and community causes. As you can see from the chart, in 2023 we focused our financial and volunteer support mainly on area organizations that support education; community, affordable housing, economic development and revitalization; health and human services; as well as arts in our communities. Our bank also offers paid volunteer time to encourage our associates to contribute their time and expertise to area events and charitable organizations that are meaningful to them.

As our bank grows, we will continue our work to help our communities prosper. We also pledge to continue to work hard to give back to our communities and enrich the lives of those who allow us to serve as their trusted financial partner.

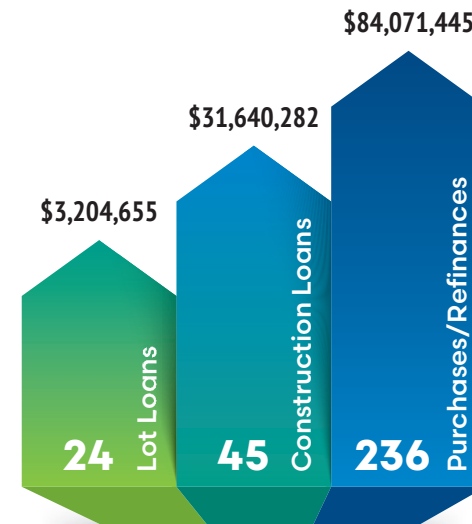


WE PROVIDE LOANS TO FUND BUSINESS GROWTH, JOBS, AND HOUSING.



Our business bankers understand the local economy and partner with our clients to help them grow their businesses. We also provided loans to build much-needed housing in our communities. In 2023, our bank provided:

- 188 Commercial & Industrial (C&I) loans valued at more than \$30 million.
- We provided more than \$142 million in loans which in turn created nearly 800 much needed places to live for area families.



WE HELP HOMEBUYERS BECOME HOMEOWNERS.

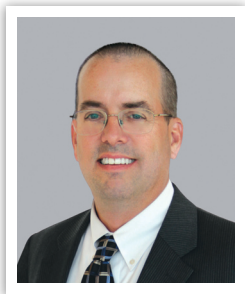
Home buying is one of life’s largest purchases, and our team helps every step of the way. In 2023, we funded 305 home-related loans valued at nearly \$119 million.



WE HELP NON-PROFITS FOCUS ON THEIR MISSIONS, NOT THEIR FINANCES.

Our area non-profits do incredible things, often with very limited funding. To help them extend their budgets, we created a special non-profit financial package to help them make the most of their funds. In 2023, we partnered with more than 700 area non-profits to help them serve our neighbors in need.

DEAR SHAREHOLDERS, CUSTOMERS AND FRIENDS:



Vern Jesse
Chair

Lake Ridge Bank shareholders, I look forward to seeing you at our upcoming 2024 Annual Meeting of Lake Ridge Bancorp, Inc., the holding company for Lake Ridge Bank, which will take place in June 2024. As always, there is formal business to conduct at the meeting, as well as updates from bank management regarding the events of 2023 and thoughts for the bank going forward. I urge all of you to take this opportunity to attend the meeting and hear about what is happening with respect to our bank, as well as visiting with fellow shareholders and bank associates.

To say that 2023 was a unique year for our bank would be an understatement. On a positive note, we completed the merger of State Bank of Cross Plains and Monona Bank, and it certainly feels to me that we are all part of a single bank now, rather than former shareholders, employees, or directors of one of the two legacy banks.

Last year also presented substantial challenges for our bank, and for the banking industry in general, driven almost exclusively by the significantly higher interest rate environment. While our bank's financial performance was not what we had hoped or planned, we can say that our bank's performance was good under the circumstances. Moreover, our bank's current condition

is strong, both from a purely financial perspective, as well as in relation to peer banks in South Central Wisconsin.

The outlook for 2024 is certainly improving and our bank is in a good position to take advantage of falling interest rates, if that occurs as projected, as well as being properly positioned to continue to manage a higher rate environment if that persists. I continue to have high confidence in bank management, bank associates, and our board of directors as we navigate 2024, and beyond. We will continue to keep shareholder value front of mind, from both shorter and longer term perspectives.

I hope to see many of you at our upcoming Annual Meeting and as always, I appreciate your confidence in everyone associated with Lake Ridge Bank. I sincerely appreciate your investment in our bank as a shareholder, your confidence in our bank as a customer and your ongoing advocacy on behalf of our bank.

A handwritten signature in black ink, appearing to read "Vern Jesse".

BOARD OF DIRECTORS



Vern Jesse
Chair



Jim Tubbs
CEO



Paul Hoffmann
President



Sam Ballweg
Director
Holding Company



Mike Blake
Director
Holding Company and Bank



Mark Burish
Director
Holding Company



Tim Carey
Director
Bank



Cathy Durham
Director
Holding Company and Bank



Steve Eager
Director
Holding Company



Tom Gannon
Director
Holding Company



Steve Grundahl
Director
Holding Company and Bank



Pete Gunderson
Director
Bank



Chris Homburg
Director
Holding Company and Bank



Greg Jones
Director
Bank



Ron Krantz
Director
Holding Company and Bank



Dan Kuehn
Director
Bank



MISSION

Build Prosperous Communities,
One Relationship at a Time.

VISION

Go Far. Go Together.

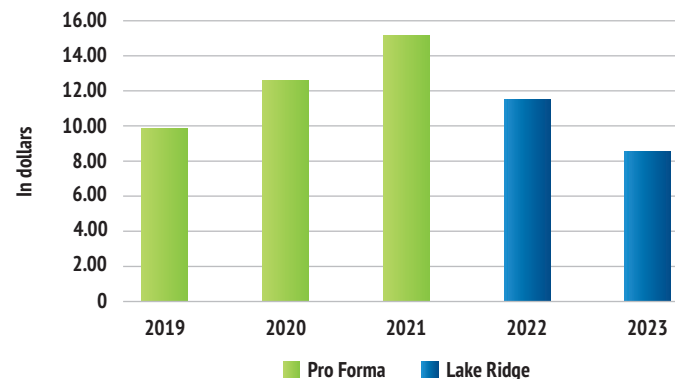
VALUES

Be Extraordinary, Growth Mindset,
Trustworthy, Teamwork, and
Community.

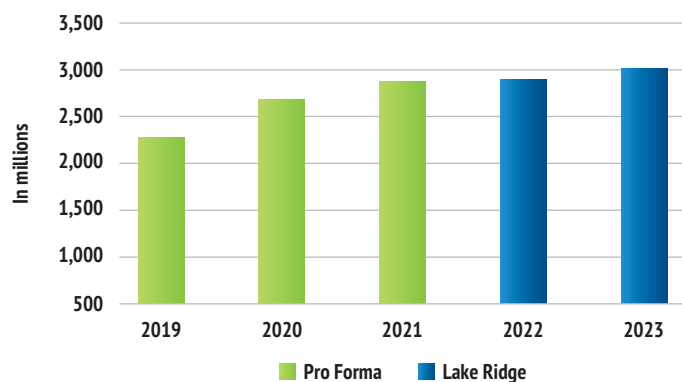
LAKE RIDGE BANCORP, INC. AND SUBSIDIARIES FINANCIAL HIGHLIGHTS

The graphs on this page show consolidated results for Lake Ridge Bancorp for 2023 and 2022. For comparison purposes, pro forma information for years prior to 2022 is also shown. It should be noted that the 2022 Earnings Per Share (EPS) number reflects Monona Bank's performance from the date of acquisition (October 3, 2022) and includes several one-time charges related to the merger. The Book Value Per Share for 2022 was impacted by depreciation in the security portfolio, reducing it by \$12.08 per share. In 2023, EPS was negatively impacted by a large increase in interest expense.

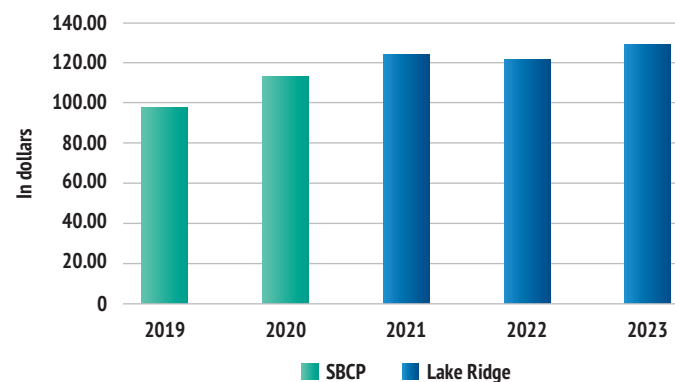
Earnings Per Share



Assets



Book Value Per Share



(in thousands of dollars)

CONDENSED BALANCE SHEET

December 31,	2023	2022
ASSETS		
Cash and cash equivalents	\$50,932	\$70,678
Securities	329,677	366,890
Loans, net	2,393,434	2,229,713
Intangible assets	60,524	66,784
Other assets	176,193	161,256
Total Assets	\$3,010,760	\$2,895,321
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$2,421,547	\$2,467,187
Borrowed funds and fed funds purchased	288,292	142,451
Subordinated debentures	21,910	21,910
Other liabilities	25,174	24,645
Total Liabilities	2,756,923	2,656,193
Total Stockholders' Equity	253,837	239,128
Total Liabilities and Stockholders' Equity	\$3,010,760	\$2,895,321

(in thousands of dollars)

CONDENSED INCOME STATEMENT

Years Ended December 31,	2023	2022
Interest income	\$137,956	\$75,191
Interest expense	62,097	11,116
Net interest income	75,859	64,075
Provision for loan losses	-	10,500
Net interest income after provision for loan losses	75,859	53,575
Noninterest income	18,302	17,729
Noninterest expense	73,393	51,778
Income before provision for income taxes	20,768	19,526
Provision for income taxes	3,913	4,483
Net Income	\$16,855	\$15,043



Lake Ridge
BANCORP, INC.™

GREAT THINGS HAPPEN
WHEN COMMUNITIES COME TOGETHER.



(608) 223-2187



www.lakeridge.bank/lrbancorp



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