

GO FAR. GO TOGETHER.



**Lake Ridge**  
BANCORP, INC.™

2022 ANNUAL REPORT

# CHANGE CAN BE HARD, BUT IT CAN ALSO BE REWARDING.

On February 13, 2023, we successfully completed our bank merger. Monona Bank and State Bank of Cross Plains came together to create Lake Ridge Bank, the eighth largest bank in Wisconsin (and largest community bank in the Dane County area).





**Jim Tubbs**  
CEO

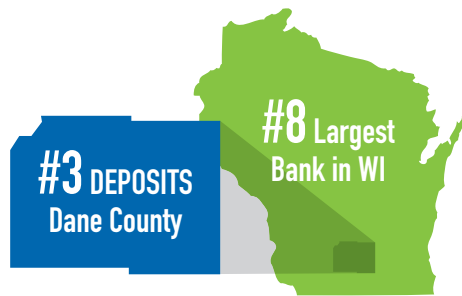


**Paul Hoffmann**  
President

## DEAR SHAREHOLDERS AND FRIENDS:

With all our merger work last year, it is probably an understatement to tell you our banks had an incredibly busy year. In this inaugural Annual Report as the CEO and the President of Lake Ridge Bank, we are excited to share with you some of the highlights and achievements from 2022.

While we did not officially complete our conversion into Lake Ridge Bank until February 13, 2023, we did merge the boards of State Bank of Cross Plains and Monona Bank in October 2022 to create our new holding company, Lake Ridge Bancorp, Inc. To achieve this merger of equals milestone, we first obtained numerous state, and federal approvals, then began all the work necessary for a successful merger, utilizing the time and talents of associates from both banks.



In addition to our locations in Rock, Green and Sauk counties

Some of the first, and most noticeable, changes we made last year included changing our name to Lake Ridge Bank and creating a new logo and brand identity for our new bank. With that work completed, our merger work kicked into high gear. While we are still ironing out some issues normal for a merger of this size, overall, we are very pleased with how smoothly our merger went and everything we accomplished. Best of all, due to our merger, we are now the 8th largest bank in Wisconsin, with the 3rd highest deposits in Dane County and more than \$2.8B in assets. You can read more about some of our highlights of 2022 in the following pages.

As we closed the books on 2022, it was certainly a year to remember for so many reasons. We appreciate your support as we continue to put the finishing touches on our merger.

We also want to touch on the fact that the banking industry had some issues starting 2023. We assure you what's causing some banks to fail will not affect Lake Ridge Bank since we have a very diverse client base. We are proud to be locally owned and in fact, 95% of our 1,400+ shareholders live in Wisconsin, mostly in Dane and Rock counties. Our team takes time to understand our local economies and our clients' financial health. As a community bank, we support and reinvest back into our communities to help them continue to grow. Certainly, the Community Bank model is significantly different than those banks which populated the headlines this year due to their financial problems.

Your Board, our management team, and all of our associates are committed to the ongoing success of our bank. We thank you for your continued dedication to Lake Ridge Bank.



## SUPPORTING OUR COMMUNITIES

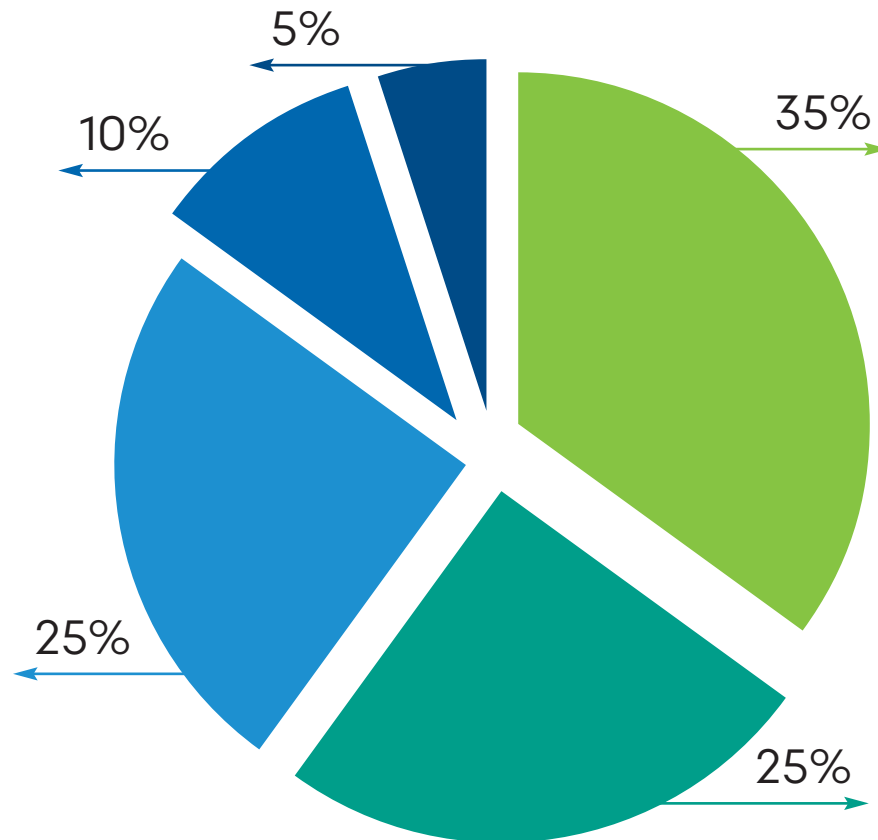
Lake Ridge Bank is dedicated to upholding our social responsibility as a community bank, always prioritizing the people, organizations, and communities that we serve. They are our hometowns, neighbors, and essential components of our identity. For this reason, we remain steadfast in our commitment to helping them thrive both now and in the future.

Part of our commitment to our communities involves providing financial assistance to charitable and community causes each year. We are proud to support education, community and economic development, health and human services, affordable housing, and economic revitalization, as well as community arts. These areas are the foundation of our communities and help them to prosper.

We also encourage and support our employees to dedicate their time to volunteer for causes about which they feel passionate. This includes the Power of Community Week, which takes place during April's Community Banking Month. During this month, our associates offer their time and energy to help at local food pantries, animal shelters, parks, and public spaces, help in building houses and much more.

Through both our monetary donations and volunteering efforts, we strive to deepen our connections with the communities we serve and remain inspired to discover new ways, both large and small, to make a positive impact.





**Community & Economic Development**



**Education**



**Health & Human Services**



**Community Arts**



**Affordable Housing & Economic Development**



# PLAN FOR YOUR FUTURE.

Our Wealth Management and Financial Advisory experts partner with clients to achieve their financial dreams. We focus on life-long financial security, by providing first-rate investment management, trustee, financial planning, and a host of other fiduciary services to individuals, families, businesses, and other organizations throughout Greater Madison and Southern Wisconsin. We seek to be recognized as a “highly desirable provider of choice” by end user clients and by those professionals who entrust their valued clients to our care.

## **We succeed when we:**

- Constantly upgrade knowledge and skills
- Maintain staff continuity
- Remain flexible and innovative
- Retain key functions such as portfolio management in-house
- Being accessible, proactive, and responsive for our valued customers





**Dan Savage**  
Senior Vice President  
Senior Trust Officer

## WEALTH MANAGEMENT AND FINANCIAL ADVISORY

### Major 2022 Highlights

1. Despite highly challenging equity and bond market environments, and thanks to record asset gathering and strong client retention, our 2022 consolidated revenues increased to a record \$4.59 million.
2. Profitability improved as well, setting a new record of \$1.258 million.
3. Assets Under Management declined slightly to \$854.29 million, due primarily to unusually strong headwinds in the equity and bond markets.
4. Consolidated asset gathering exceeded \$168 million, for another record year, by far.
5. We increased our client service delivery and business development capacities through the addition of two trust officers.
6. Thanks to our skilled, in-house portfolio management team that focuses on protection against the downside, our clients generally experienced shallower losses than broad markets.
7. Greater Madison's legal community continued to generously refer their valued estate planning and other clients to our care.
8. Multiple Trust Officers remained active in and served on the Boards of various professional and charitable organizations (Madison Estate Council/Wispact/WBA Trust Board).
9. Again, client retention remained strong.

### 2023 Growth Drivers/Major Initiatives

1. Capitalize on the many opportunities stemming from the merger of State Bank of Cross Plains and Monona Bank.
2. Continue devoting appropriate time, attention, and resources to our best clients as defined by the 80/20 Rule.
3. Increase emphasis on our available comprehensive financial planning services.
4. Continue our successful efforts to acquire larger relationships in our most profitable service lines, including trusts, estates, investment management accounts, and Rollover IRAs.
5. Deepen associates' expertise by providing education opportunities for all team members.
6. Accelerate revenue and profitability growth by leveraging our merger-related opportunities and increased business development capacity.
7. Build on our reputation as a "fiduciary of choice" with Greater Madison's legal community which traditionally contributes up to 40% of our new business annually.
8. Continue targeting external money managers where partnership opportunities exist. Such partnership opportunities contribute to our growth.
9. Given the importance of pursuing Full Banking Relationships, expand our successful collaboration with our Commercial, Executive Banking, Treasury Management, Retail, and Mortgage teams.



PRIME TIME **PLUS**  
Lake Ridge Bank

# MEANINGFUL RELATIONSHIPS.

Our Prime Time Plus Club strives to develop relationships with our customers that support and prepare them for whatever the future may bring, personally and financially. Our goal is to do this by providing financial products and services, travel, social and educational opportunities that enhance their lives.







**Lois Boehnen**  
Prime Time Plus Club  
Director

## PRIME TIME PLUS CLUB UPDATES

In 1986, Lee Swanson, Executive Vice President of State Bank of Cross Plains, enlisted the help of a talented Personal Banker, Carmen Fowell, to launch the Very Important Customer (VIC) Club with a fun-filled event featuring entertainment by Elmer and June Childress, playing traveling euchre, and enjoying a delightful lunch.

Fast forward 10 years, and Carmen had already organized numerous memorable gatherings, day trips, and extended bus tours. Carmen's retirement was imminent when she hosted our club's first international tour to Switzerland. Lois Boehnen then took the reins as our dedicated Club Director, when Carmen retired.

36 years since its inception, our club, now known as Prime Time Plus Club, continues to evolve and adapt, offering our clients a plethora of exciting benefits. In 2022, we kicked off the year with a wide range of virtual events, covering topics from Social Security and Medicare Planning to Lawn Care. As the world gradually emerged from the pandemic, we resumed our travel adventures with two breathtaking tours to Alaska and explored various destinations such as LaCrosse, Nashville, Clarksville, and the Quad Cities. Our clients also enjoyed hands-on experiences, like creating pressed flower centerpieces, cultivating succulent gardens, crafting spice mixes, and hiking the Ice Age Trail. We're proud to provide a truly "hybrid" experience for our valued clients.

Prime Time Plus Club is built on a foundation of fostering meaningful relationships with our clients. Our mission is to support and prepare clients for life's personal and financial challenges through a variety of financial products and services, travel and social experiences, and educational opportunities. Now that we're Lake Ridge Bank, we're excited to continue offering a program full of diverse benefits. We remain committed to ensuring long lasting relationships with our clients.

In 2022, we welcomed a total of 997 attendees across all of our events, including:

- Educational Events: 265 attendees
- In-Person Events: 114 attendees
- One Day Travel Events: 403 attendees
- Extended Tours: 215 attendees

From informative presentations to immersive workshops and thrilling adventures, we strive to cater to the diverse needs and interests of our clients, offering unique educational, social, and all-inclusive travel experiences.

We are immensely grateful for the clients loyalty and support and look forward to creating even more unforgettable memories together. We're looking forward to carrying our success of 2022, and the last 35 years, into our new year and new bank!

# OUR MISSION:

To ethically provide high quality financial and related services in order to fulfill community and client needs, while producing superior long-term financial results for our shareholders and rewarding employment for our associates.



## 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



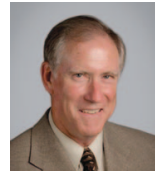
**Tim Carey**  
Director  
Bank



**Cathy Durham**  
Director  
Holding Company and Bank



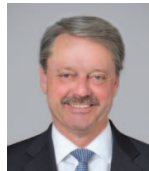
**Steve Eager**  
Director  
Holding Company



**Tom Gannon**  
Director  
Holding Company



**Steve Grundahl**  
Director  
Holding Company and Bank



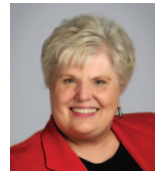
**Pete Gunderson**  
Director  
Bank



**Chris Homburg**  
Director  
Holding Company and Bank



**Greg Jones**  
Director  
Bank



**Nancy Kiefer**  
Director  
Holding Company



**Ron Krantz**  
Director  
Holding Company and Bank



**Dan Kuehn**  
Director  
Bank



**Charlie Saeman**  
Director  
Holding Company



**Vern Jesse**  
Chair

## DEAR SHAREHOLDERS, CUSTOMERS AND FRIENDS:

My fellow shareholders, I look forward to seeing you at our upcoming Annual Meeting of the Shareholders of Lake Ridge Bancorp, Inc., the Holding Company for Lake Ridge Bank, which will take place in the 3rd quarter of 2023 at the Marriott West on John Q Hammons Drive in Middleton. At the Annual Meeting we will conduct the formal business of the Holding Company as described in the Proxy Statement and we will hear an update / recap from Bank management. The Annual Meeting is also an opportunity to get to know fellow shareholders and renew old friendships, and this year's meeting is an extra special opportunity for the former shareholders of Monona Bank and State Bank of Cross Plains to meet each other, as current shareholders of Lake Ridge Bancorp, Inc.

As we approach the Annual Meeting, we leave 2022 behind, a year marked by financial success, the merger of Monona Bank and State Bank of Cross Plains, and a name change for the Bank and Holding Company, among many other things. I want to personally congratulate our Bank associates and Bank management team for all of their accomplishments in 2022. While there is always more to do and to achieve, 2022 was by nearly all accounts a very successful and historic year.

Every year presents its own unique challenges and 2023 will be no different. As I write this, we are only a couple of months into 2023, but we already know there will be challenges for the Bank specifically, and for the banking industry in general. This is due in large part to the current unique interest rate environment and challenging economic conditions generally, as we see

regularly in the news headlines. In addition, 2023 started off with the failure of two larger US banks, and while the characteristics of these banks share very little in common with those of Lake Ridge Bank, there is an unavoidable industrywide ripple effect. During 2023 we will see the ongoing implementation of the Monona Bank / State Bank of Cross Plains merger knowing there are unavoidable hiccups, but we will strive to make that process as smooth as possible for our Bank clients.

I have great confidence in our Bank associates, Bank management, and the Bank's Board of Directors as the Bank deals with these challenges and opportunities. I look forward to seeing all of you at the upcoming Annual Meeting, and I want to express my sincere gratitude for your support of the Bank as shareholders, clients, and advocates for the Bank in the communities we serve.

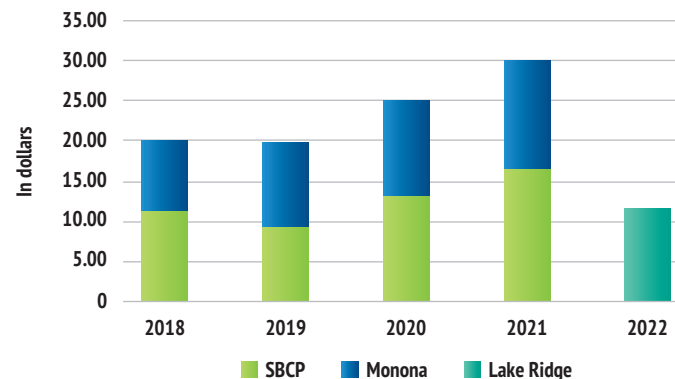


# LAKE RIDGE BANCORP, INC. AND SUBSIDIARIES

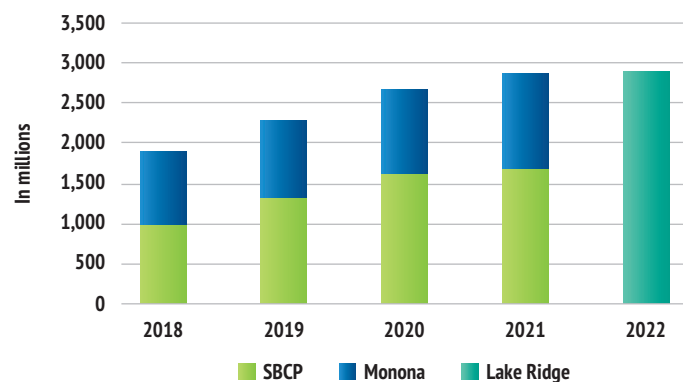
## FINANCIAL HIGHLIGHTS

The graphs on this page show consolidated results for Lake Ridge Bancorp for 2022. For comparison purposes, pro forma information for years prior to 2022 is also shown. It should be noted that the 2022 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. Adjusted Earnings Per Share would be approximately \$23.99 per share. The Book Value Per Share for 2022 was impacted by depreciation in the security portfolio, which reduced book value by \$14.51.

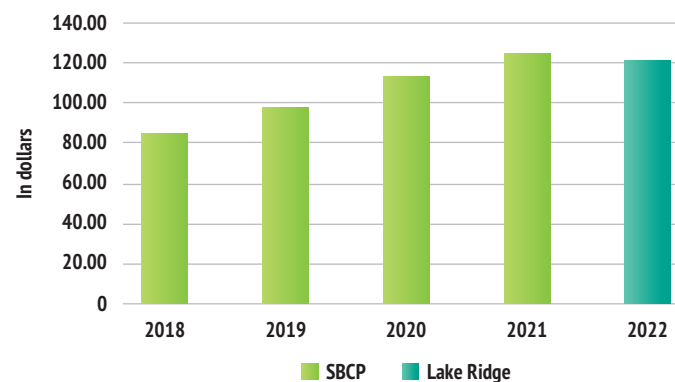
### Earnings Per Share



### Assets



### Book Value Per Share



(in thousands of dollars)

**CONDENSED BALANCE SHEET**

December 31,	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	\$70,678	\$144,067
Securities	366,890	274,451
Loans, net	2,229,713	1,156,800
Intangible assets	66,784	18,094
Other assets	161,256	82,494
<b>Total Assets</b>	<b>\$2,895,321</b>	<b>\$1,675,906</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits	\$2,467,187	\$1,477,987
Borrowed funds and fed funds purchased	142,451	32,103
Subordinated debentures	21,910	21,910
Other liabilities	24,645	9,571
<b>Total Liabilities</b>	<b>2,656,193</b>	<b>1,541,571</b>
<b>Total Stockholders' Equity</b>	<b>239,128</b>	<b>134,335</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$2,895,321</b>	<b>\$1,675,906</b>

(in thousands of dollars)

**CONDENSED INCOME STATEMENT**

Years Ended December 31,	2022	2021
Interest income	\$75,191	\$54,933
Interest expense	11,116	4,823
Net interest income	64,075	50,110
Provision for loan losses	10,500	6,800
Net interest income after provision for loan losses	53,575	43,310
Noninterest income	17,729	21,602
Noninterest expense	51,778	41,836
Income before provision for income taxes	19,526	23,076
Provision for income taxes	4,483	5,330
<b>Net Income</b>	<b>\$15,043</b>	<b>\$17,746</b>

GOOD THINGS HAPPEN WHEN  
**COMMUNITIES COME  
TOGETHER.**

**GO**

farther.  
smarter.  
happier.  
faster.  
stronger.  
together.



## 22 LOCATIONS MEANS MORE CONVENIENCE!

**BELLEVILLE**

110 Greenway Cross Court  
Belleville, WI 53508  
(608) 424-1997

**BLACK EARTH**

1030 Mills Street  
Black Earth, WI 53515  
(608) 767-2553

**BROOKLYN**

229 Douglas Drive  
Brooklyn, WI 53521  
(608) 455-5090

**BROOKLYN**

210 Commercial Street  
Brooklyn, WI 53521  
(608) 455-2311

**COTTAGE GROVE**

341 W. Cottage Grove Road  
Cottage Grove, WI 53527  
(608) 839-9400

**CROSS PLAINS**

1205 Main Street  
Cross Plains, WI 53528  
(608) 798-3961

**CROSS PLAINS**

2615 Westview Court  
Cross Plains, WI 53528  
(608) 798-2265

**CROSS PLAINS**

2535 Main Street  
Cross Plains, WI 53528  
(608) 798-1213

**EVANSVILLE**

2 East Main Street  
Evansville, WI 53536  
(608) 882-5200

**EVANSVILLE**

1 Mill Street  
Evansville, WI 53536  
(608) 490-2247

**JANESVILLE** (appt. only)

1060 N. US Hwy 14, Unit C  
Janesville, WI 53546  
(608) 291-6108

**MADISON**

1965 Atwood Avenue  
Madison, WI 53704  
(608) 284-8383

**MIDDLETON**

8301 University Avenue  
Middleton, WI 53562  
(608) 828-2285

**MIDDLETON**

3207 Parmenter Street  
Middleton, WI 53562  
(608) 824-3244

**MONONA**

6430 Bridge Road  
Monona, WI 53713  
(608) 395-2323

**MONONA**

5515 Monona Drive  
Monona, WI 53716  
(608) 310-1244

**MOUNT HOREB**

1740 Springdale Street  
Mount Horeb, WI 53572  
(608) 437-8968

**NEW GLARUS**

512 WI-69  
New Glarus, WI 53574  
(608) 527-5700

**OREGON**

883 N. Main Street  
Oregon, WI 53575  
(608) 835-2265

**SAUK PRAIRIE**

603 Phillips Boulevard  
Sauk City, WI 53585  
(608) 643-2265

**VERONA**

108 N. Main Street  
Verona, WI 53593  
(608) 845-6486

**WAUNAKEE**

610 W. Main Street  
Waunakee, WI 53597  
(608) 849-2700




**Lake Ridge**  
BANCORP, INC.™

DON'T JUST INVEST.  
**INVEST** IN YOUR  
**COMMUNITIES.**



**Lake Ridge**  
BANCORP, INC.™

 (608) 223-2187

 [www.lakeridge.bank/lrbancorp](http://www.lakeridge.bank/lrbancorp)

 6430 Bridge Road, Monona, WI 53713

