



**Lake Ridge**  
BANCORP, INC.™

# EQUITY UPDATE

SHAREHOLDER NEWS

## A NOTE FROM JIM AND PAUL



**Jim Tubbs**  
CEO



**Paul Hoffmann**  
President

**Without question, 2023 will be a year to remember:**

- In February, State Bank of Cross Plains and Monona Bank officially combined to become Lake Ridge Bank.
  - Upon finalizing our new name, logo and color scheme, we launched a significant rebranding/marketing plan which included updated signage for twenty-one offices.
  - We converted the entire Monona Bank customer base onto a new computer platform.
  - Twenty-three days after our merger, some of the largest bank failures occurred in our nation's history.
- The Federal Reserve (which had predicted reducing rates in 2023), continued to rapidly increase rates in order to combat inflation.
  - Client savings rates also rapidly increased, which put tremendous strain on the banking industries' net interest margin and profitability.
  - We hosted our inaugural Lake Ridge Bancorp Annual Shareholder Meeting.

Through all the noise and negative headlines about our industry, we are very proud about all we accomplished. We believe all our branding efforts have really paid off and our new Lake Ridge Bank name is very recognizable in our markets. Even with all the headwinds we faced throughout the year, as well as all the merger-related expenses, we will still achieve net income close to \$17 million. On the back of this newsletter, you will see some additional financial measurements on a quarterly basis for our bank. While our financial performance did not reach our anticipated budget levels, we actually compare favorably to many other banks in our region.

With a strong credit environment, a solid Strategic Plan, a tremendous team of associates, and a thriving local economy, we are cautiously optimistic about 2024. Even with the Federal Reserve predicting possible rate decreases, without question, it will take some time to get our net interest margin back to the levels we enjoyed over the last decade. In the meantime, we will continue to focus on expense management and additional revenue sources in order to enhance long-term shareholder value.

Lastly, we are excited to announce our Board of Directors approved a Dividend Reinvestment Program, also known as a DRIP. In essence, you will have the option to elect to receive your dividend in cash or the value of the dividend in additional shares of Lake Ridge Bancorp. Legacy Monona Bankshares shareholders are very familiar with a DRIP program. It had been in place for decades with over 60% of shareholders electing to take additional shares as their dividend versus cash. In January 2024, we will be mailing all of you the appropriate paperwork describing our new DRIP program along with the election documents.

We want to express our sincere appreciation and gratitude for all your support through a very memorable 2023! We hope all of you and your families have a wonderful holiday season and a healthy and prosperous 2024. If you have any questions, please feel free to contact Jim at [jtubbs@lakeridge.bank](mailto:jtubbs@lakeridge.bank) or Paul at [phoffmann@lakeridge.bank](mailto:phoffmann@lakeridge.bank).

Sincerely,

Jim and Paul

## Dividend Update

The Board of Directors of Lake Ridge Bancorp, Inc. (LRBI) is pleased to announce our 2023 fourth quarter dividend. At our December board meeting, it was determined that LRBI's Q4/2023 dividend will be \$0.45 per share.

This dividend is payable on December 29, 2023, to shareholders of record as of December 20, 2023.

The Board continues to closely monitor the bank's capital position. As the Federal Reserve continues its battle against inflation, the forecasted interest rate environment remains uncertain, and the yield curve remains inverted. These situations will continue to create headwinds for our industry. With this said, we are pleased to continue our dividend philosophy in order to reward our shareholders for their commitment to Lake Ridge Bancorp, Inc.

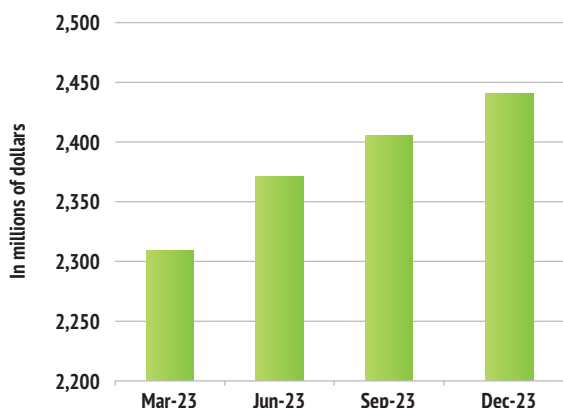
Your primary contact for questions about your investment in our bank is:

**Joanne Bell**  
[jbelle@lakeridge.bank](mailto:jbelle@lakeridge.bank)  
(608) 223-2187

Additional assistance will be provided by:

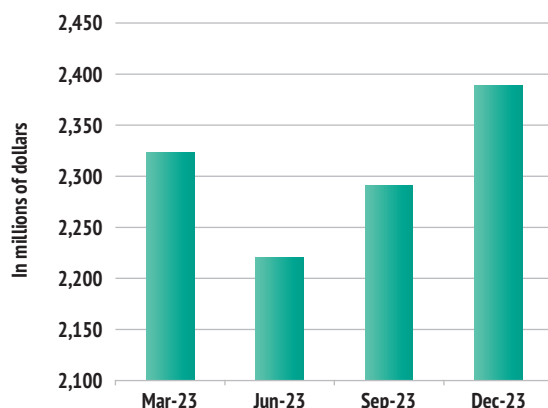
**Tami DiFulvio**  
[tdifulvio@lakeridge.bank](mailto:tdifulvio@lakeridge.bank)  
(608) 798-5206

### Total Loans



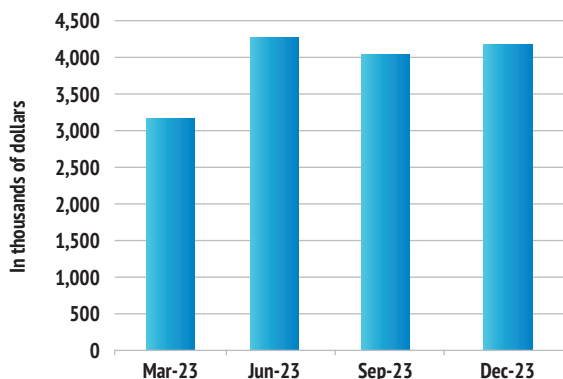
Nice gradual increase throughout the year. Local economy appears to be steady.

### Total Deposits



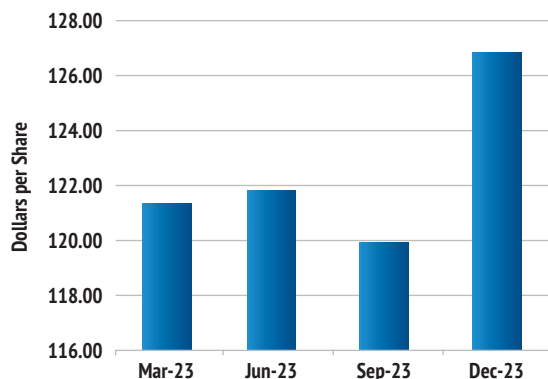
The second quarter's decline was due to uncertainty in the industry after a few large bank failures were announced. As you can see, deposits stabilized and grew throughout the rest of the year.

### Net Income By Quarter



The first quarter was negatively impacted due to merger-related expenses. The remaining quarters reflect how our net interest margin was impacted from an increase in deposit cost and then stabilized.

### Book Value Per Share



The main fluctuation is due to the change in market value in our investment portfolio because of the continual change in interest rates.

**Note:** All December numbers are estimated.

*Happy Holidays and a Joyous New Year!*

LOOKING FORWARD TO ANOTHER GREAT YEAR TOGETHER.

