

Mauneshia Bancshares, Inc.

ANNUAL REPORT 2015



25 of our staff volunteered a total of 1,095 hours in 2015. We donate up to \$100 to the volunteer's non-profit of choice. Based on those hours \$2,530 was donated locally!



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Terry Hellenbrand
Terry Weisensel

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Scott Cochems..... Vice President Commercial Lending
Pamela Davison..... Personal Banking Officer
Bobbi Franklin..... Human Resources Officer
Laura Frey..... Vice President Operations
Barbara Hennessy..... Vice President Commercial Lending
William Hogan..... Executive Vice President & CFO
Joy Probst..... Assistant Vice President Retail Operations
Jim Schaefer..... Assistant Vice President Mortgage Lending
David Stronach..... Vice President Commercial Lending
Tammy Weisman..... Compliance Officer

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Malinda Weisensel..... CERTIFIED FINANCIAL PLANNER™

STAFF MEMBERS

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Anela Garcia	Stacey Meyer	

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CORPORATE PROFILE

Mauneshia Bancshares, Inc. (the Company) is a Bank Holding Company incorporated in the State of Wisconsin. It conducts business primarily through its wholly owned subsidiary, Farmers & Merchants State Bank. Principal activities include commercial and retail lending, security investments and deposit services.

Dear Shareholders and Friends,

Two thousand fifteen was a solid year with net income of \$1,384,635, compared to 2014 net income of \$1,229,622, a 12.6% year over year growth. This represents earnings per share of \$9.29 in 2015 or 7.7% return on beginning book value. Dividends paid in 2015 were \$3.50 per share increased from \$3.25 paid in 2014.

Our balance sheet ended the year with \$169 million in assets, while our total assets under management rose to just over \$338 million. Equity capital remains strong at 11.5% of average assets at December 31, 2015.

Maunesh Bancshares, Inc. through its 100% owned operating subsidiary Farmers & Merchants State Bank is proud to provide leading edge products and services to our communities. With our suite of technology products like On-line Access, Bill Payment, and Mobile Banking we are more convenient than your corner bank. Our investment in technology allows us to deliver state of the art banking services, while staying true to the values of a community bank. Farmers & Merchants State Bank is proud to partner with our customers, communities, and shareholders striving to be YOUR PARTNER FOR LIFE.



William T. Hogan
President
Maunesh Bancshares, Inc.



William E. Campbell
President
Farmers & Merchants State Bank

Maunesh Bancshares, Inc. Consolidated Statement of Condition December 31, 2015

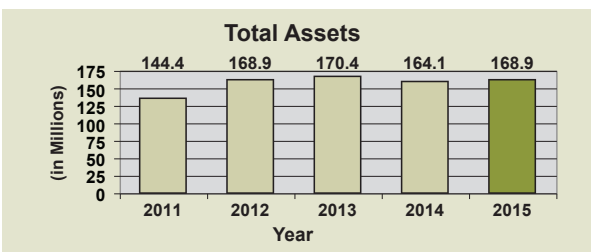
ASSETS		
Cash & Due From Banks	\$	3,669,963
Certificates of Deposit		12,891,000
Available for Sale Securities		18,405,240
Loans, net of Reserve for Loan Losses of \$2,028,728		130,226,278
Premises and Equipment, Net		1,671,395
Accrued Interest Receivable		839,349
Other Assets		1,195,077
Total Assets	\$	<u>168,898,302</u>

LIABILITIES & STOCKHOLDERS EQUITY

Deposits:		
Non-interest Bearing	\$	22,351,137
Interest Bearing		93,369,963
Total Deposits		115,721,100
Federal Home Loan Bank Advances		33,290,365
Interest Payable		125,491
Other Liabilities		821,140
Total Liabilities		<u>149,958,096</u>

Common Stock		489,120
Additional Paid in Capital		13,980,956
Undivided Profits		9,167,878
Accumulated Other Comprehensive Income		108,317
Treasury Stock, at cost		(4,806,065)
Total Stockholders Equity		<u>18,940,206</u>

Total Liabilities and Stockholders Equity	\$	<u>168,898,302</u>
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Managed Investments	\$	28,110,909
Serviced Assets		141,330,730
Total Assets		168,898,302
Total Managed Assets	\$	338,339,941

Maunesh Bancshares, Inc. Consolidated Statements of Income Years ended December 31, 2015 & 2014

	2015	2014
INTEREST INCOME		
Interest & Fees on Loans	\$ 5,940,345	\$ 5,910,818
Interest Investments	356,235	422,821
Other	55,625	60,088
Total Interest Income	<u>6,352,205</u>	<u>6,393,727</u>

INTEREST EXPENSE		
Deposits	531,868	597,339
Borrowings	498,724	505,368
Total Interest Expense	<u>1,030,592</u>	<u>1,102,707</u>

Net Income Before Provision for Loan Losses	5,321,613	5,291,020
Provision for Loan Losses	139,750	200,000
Net Interest Income	<u>5,181,863</u>	<u>5,091,020</u>

NON-INTEREST INCOME		
Service Charge Deposit Accounts	194,790	199,840
Other income	786,945	742,688
Gain (Loss) on Sale of Assets	1,476	16,341
Total Non-interest Income	<u>983,211</u>	<u>958,869</u>

NON-INTEREST EXPENSE		
Salaries & Employee Benefits	2,317,046	2,334,572
Occupancy & Equipment	309,451	346,045
Data Processing	459,573	413,119
FDIC Insurance	92,640	81,807
Foreclosed Assets & Loan Collection	108,893	276,863
Other Expenses	820,843	730,337
Total Non-interest Expense	<u>4,108,446</u>	<u>4,182,743</u>

Net Income Before Taxes	2,056,628	1,867,146
Income Taxes	671,993	637,524
Net Income	<u>\$ 1,384,635</u>	<u>\$ 1,229,622</u>

Earnings Per Share	<u>\$ 9.29</u>	<u>\$ 8.16</u>
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Maunesh Bancshares, Inc. Consolidated Statements of Equity Years ended December 31, 2015 & 2014

	2015	2014
STOCKHOLDERS EQUITY		
Beginning Stockholders Equity	\$ 18,205,695	\$ 17,854,091
Net Income	1,384,635	1,229,622
Dividends	(519,862)	(487,601)
Change in Unrealized Security Gains	(75,543)	(94,301)
Net Treasury, transactions	(54,719)	(296,116)
Ending Stockholders Equity	<u>\$ 18,940,206</u>	<u>\$ 18,205,695</u>

	2015	2014
PER SHARE DATA		
Book Value	\$ 126.64	\$ 121.35
Adjusted Book Value*	\$ 125.91	\$ 120.12
Dividends	\$ 3.50	\$ 3.25
Earnings	\$ 9.29	\$ 8.16

*Adjusted for accumulated comprehensive income.

	2015	2014
COMMON SHARES		
Authorized	200,000	200,000
Issued	195,648	195,648
Outstanding	149,565	150,031
Treasury	46,083	45,617
Weighted Average Outstanding	149,046	150,689

