

Mauneshia Bancshares, Inc.

ANNUAL REPORT 2021

Peaceful Morning
Photo submitted by Nancy Yerges 2021



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FARMERS & MERCHANTS STATE BANK BOARD OF DIRECTORS

Dr. Joseph L. Arena	Andrew Griggs
James A. Beyer	Terry Hellenbrand
William Campbell	William Hogan
Gene Davis	Terry Weisensel

DIRECTOR EMERITUS

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OFFICERS

Kim Abraham	Vice President & CMO
Cindy Anton	Human Resource Officer
Jena Bleecker	Compliance Officer
William Campbell	President & CEO
Brad Chadwick	Assistant Vice President Mortgage Loan Officer
Scott Cochems	Senior Vice President Commercial Lending
Pamela Davison	Personal Banking Officer
Laura Frey	Vice President Operations
Timothy Gerdes	Vice President Accounting
William Hogan	Executive Vice President & CFO
Kyler Kabat	Assistant Vice President Commercial Loan Officer
Kasondra Knuth	Assistant Vice President Mortgage Loan Officer
Jim Schaefer	Assistant Vice President Mortgage Lending
David Stronach	Senior Vice President Commercial Lending
Tammy Weisman	Accounting Officer, Credit Analyst

FINANCIAL SERVICES

Malinda WeisenselCERTIFIED FINANCIAL PLANNER™

STAFF MEMBERS

Nicole Bauer	Barbara Hennessy	Autumn Rennhack
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MAUNESHA BANCSHARES, INC. BOARD OF DIRECTORS

Dr. Joseph L. Arena	Gene Davis	William Hogan
James A. Beyer	Andrew Griggs	Terry Weisensel
William Campbell	Terry Hellenbrand	

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,

We are pleased to report 2021 net income of \$2,461,890 compared to 2020 net income of \$3,117,394. This represents earnings per share of \$18.87 in 2021, a 10.3% return on beginning book value. While historically low rates adversely affected our interest margin, they allowed many customers to refinance their mortgages at lower rates. This refinance business contributed significantly to our income in 2021 and 2020. The special \$.50 and \$1.00 dividend in 2021 and 2020 respectively is attributable to the mortgage refinance business, which we believe is unique to the environment in 2021 and 2020, caused by the pandemic. The regular dividend of \$5.00 per share reflects the fact that we were able to manage the challenges of 2021 and 2020, holding the dividend at the same \$5.00 payment.

Our balance sheet year ended 2021 was \$209 million, up 5% from prior year end. Total assets under management increased to \$464 million, up 6.5% from prior year end. Shareholders Equity remains strong at 12.2% of average assets at December 31, 2021.

Maunesh Bancshares, Inc. through its 100% owned subsidiary Farmers & Merchants State Bank is proud to provide leading edge products and services to our communities.



William T. Hogan
President
Maunesh Bancshares, Inc.



William E. Campbell
President
Farmers & Merchants State Bank

Maunesh Bancshares, Inc. Consolidated Statement of Condition December 31, 2021

ASSETS		
Cash & Due From Banks	\$	2,053,354
Federal Funds Sold		17,109,000
Certificates of Deposit		2,725,000
Available for Sale Securities		19,522,954
Loans, net of Reserve for Loan Losses of \$2,402,971		163,396,698
Premises and Equipment, Net		2,121,421
Accrued Interest Receivable		848,215
Other Assets		862,784
Total Assets	\$	<u>208,639,426</u>

LIABILITIES & STOCKHOLDERS EQUITY

Deposits:		
Non-interest Bearing	\$	40,700,591
Interest Bearing		124,996,089
Total Deposits		165,696,680
Federal Home Loan Bank Advances		15,955,000
Interest Payable		103,033
Other Liabilities		1,739,322
Total Liabilities		<u>183,494,035</u>

Common Stock		489,120
Additional Paid in Capital		13,980,957
Undivided Profits		18,494,094
Accumulated Other Comprehensive Income		(6,001)
Treasury Stock, at cost		(7,812,779)
Total Stockholders Equity		<u>25,145,391</u>

Total Liabilities and Stockholders Equity	\$	<u>208,639,426</u>
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Managed Investments	\$	52,889,691
Serviced Assets		202,120,138
Total Assets		208,639,426
Total Managed Assets	\$	<u>463,649,255</u>

Maunesh Bancshares, Inc. Consolidated Statements of Income Years ended December 31, 2021 & 2020

	2021	2020
INTEREST INCOME		
Interest & Fees on Loans	\$ 6,952,203	\$ 7,328,605
Interest Investments	319,694	370,997
Other	53,819	154,454
Total Interest Income	<u>7,325,716</u>	<u>7,854,056</u>

INTEREST EXPENSE		
Deposits	658,850	1,037,410
Borrowings	256,972	416,395
Total Interest Expense	<u>915,822</u>	<u>1,453,805</u>

Net Interest Income Before Provision for Loan Losses	6,409,894	6,400,251
Provisions for Loan Losses	120,000	255,000
Net Interest Income	<u>6,289,894</u>	<u>6,145,251</u>

NON-INTEREST INCOME		
Service Charges Deposit Accounts	169,038	148,432
Other Income	1,611,229	2,801,691
Total Non-interest Income	<u>1,780,267</u>	<u>2,950,123</u>

NON-INTEREST EXPENSE		
Salaries & Employee Benefits	2,739,394	2,747,728
Occupancy & Equipment	342,229	351,988
Data Processing	647,503	521,096
FDIC Insurance	54,059	32,115
Foreclosed Assets & Loan Collection	2,457	9,727
Other Expenses	908,128	1,151,243
Total Non-interest Expense	<u>4,693,770</u>	<u>4,813,897</u>

Net Income Before Taxes	3,376,391	4,281,477
Income Taxes	914,501	1,164,083
Net Income	<u>\$ 2,461,890</u>	<u>\$ 3,117,394</u>

Earnings Per Share	<u>\$ 18.87</u>	<u>\$ 23.25</u>
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Maunesh Bancshares, Inc. Consolidated Statements of Equity Years ended December 31, 2021 & 2020

	2021	2020
STOCKHOLDERS EQUITY		
Beginning Equity	\$ 24,100,398	\$ 22,568,754
Net Income	2,461,890	3,117,394
Dividends	(713,179)	(790,194)
Change Unrealized Security Gains	(255,907)	181,926
Net Treasury, transactions	(447,811)	(977,482)
Ending Equity	<u>\$ 25,145,391</u>	<u>\$ 24,100,398</u>

	2021	2020
PER SHARE DATA		
Book Value	\$ 193.53	\$ 182.08
Adjusted Book Value ¹	\$ 193.57	\$ 180.19
Dividends:		
Regular	\$ 5.00	\$ 5.00
Special	\$.50	\$ 1.00
Earnings	\$ 18.87	\$ 23.25

¹Adjusted for accumulated comprehensive income.

	2021	2020
PREFERRED SHARES		
Authorized	250,000	250,000
Issued	0	0

	2021	2020
COMMON SHARES		
Authorized	1,000,000	1,000,000
Issued	195,648	195,648
Outstanding	129,933	132,361
Treasury	65,715	63,287
Weighted Average Outstanding	130,456	134,068

