

Maunasha Bancshares, Inc.

ANNUAL REPORT 2019



5-Star Rated
by BauerFinancial, Inc.



Awarded 2019
One of the Strongest
Financial Institutions
in the Nation



Your Partner For Life

137 S. Cross Street, Suite 2D
Oconomowoc, WI 53066
PH: 920-626-2815
NMLS ID# 1895231

Our Mission Statement
As your Partner, we will enrich
your financial life with full
service products



210 W. Madison Street
P.O. Box 96
Waterloo, WI 53594
PH: 920-478-2181
FAX: 920-478-3592

218 W. Main Street
P.O. Box 660
Marshall, WI 53559
PH: 608-655-3451
FAX: 608-655-4608

Telebanc: 800-550-4550
FandMstbk.com
Toll Free: 888-478-3007
NMLS ID# 411936



FARMERS & MERCHANTS STATE BANK BOARD OF DIRECTORS

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

DIRECTORS EMERITUS

H. Griff Mason	Melvin C. Martin
----------------	------------------

OFFICERS

Kim Abraham	Vice President & CMO
William Campbell	President & CEO
Scott Cochems	Vice President Commercial Lending
Jena Bleecker	Compliance Officer
Pamela Davison	Personal Banking Officer
Laura Frey	Vice President Operations
Barbara Hennessy	Vice President Commercial Lending
William Hogan	Executive Vice President & CFO
Joy Probst	AVP, Business Banking Coordinator
Jim Schaefer	Assistant Vice President Mortgage Lending
David Stronach	Senior Vice President Commercial Lending
Tammy Weisman	Accounting Officer, Credit Analyst

FINANCIAL SERVICES

Malinda Weisensel	CERTIFIED FINANCIAL PLANNER™
-------------------	------------------------------

STAFF MEMBERS

Cindy Anton	Austin German	Kris Krenn
Nicole Bauer	Kathy Granzig	Autumn Rennhack
Amie Booth	Justine Hellenbrand	Alicia Schimmel
Brad Chadwick	Kyler Kabat	Stephanie Schimmel
Kathy Elliott	Kimberly Kitelinger	Connie Schumann
Anela Garcia	Kasondra Knuth	Cheryl Setz
Rachel Geise	Krista Klemp Moe	Annette Stebnitz

MAUNESHA BANCSHARES, INC. BOARD OF DIRECTORS

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

CORPORATE PROFILE

Maunasha 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 2019 net income of \$2,317,104 compared to 2018 income of \$2,064,558. This represents earnings per share of \$16.73 in 2019 a 11% return on beginning book value. Dividends paid in 2019 were \$5.00 per share increased from \$4.50 paid in 2018.

Our balance sheet ended the year with \$179 million in assets, while our total assets under management were \$376 million up 5% from prior year. December 31, 2019 Shareholders Equity remains strong at 12.7% of average assets.

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.



William T. Hogan

President

Maunesh Bancshares, Inc.



William E. Campbell

President

Farmers & Merchants State Bank

Maunesh Bancshares, Inc. Consolidated Statement of Condition December 31, 2019

ASSETS

Cash & Due From Banks	\$	3,731,267
Federal Funds Sold		2,803,000
Certificates of Deposit		8,438,000
Available for Sale Securities		16,913,818
Loans, net of Reserve for Loan Losses of \$2,034,672		144,425,008
Premises and Equipment, Net		1,645,482
Accrued Interest Receivable		968,954
Other Assets		504,161
Total Assets	\$	<u>179,429,690</u>

LIABILITIES & STOCKHOLDERS EQUITY

Deposits:

Non-interest Bearing	\$	27,002,111
Interest Bearing		107,816,770
Total Deposits		134,818,881
Federal Home Loan Bank Advances		20,083,918
Interest Payable		317,557
Other Liabilities		1,640,580
Total Liabilities		<u>156,860,936</u>

Common Stock	489,120
Additional Paid in Capital	13,980,957
Undivided Profits	14,418,183
Accumulated Other Comprehensive Income	67,980
Treasury Stock, at cost	(6,387,486)
Total Stockholders Equity	<u>22,568,754</u>

Total Liabilities and Stockholders Equity	\$	<u>179,429,690</u>
--	-----------	---------------------------

Managed Investments	\$	41,776,873
Serviced Assets		154,342,287
Total Assets		179,429,690
Total Managed Assets	\$	<u>375,548,850</u>

Maunesh Bancshares, Inc. Consolidated Statements of Income Years ended December 31, 2019 & 2018

	2019	2018
INTEREST INCOME		
Interest & Fees on Loans	\$ 6,977,779	\$ 6,543,593
Interest Investments	470,240	399,342
Other	369,878	48,171
Total Interest Income	<u>7,817,897</u>	<u>6,991,106</u>

INTEREST EXPENSE

Deposits	1,146,045	635,270
Borrowings	508,420	540,758
Total Interest Expense	<u>1,654,465</u>	<u>1,176,028</u>

Net Interest Income Before Provision for Loan Losses	6,163,432	5,815,078
Provisions for Loan Losses	0	75,000
Net Interest Income	<u>6,163,432</u>	<u>5,740,078</u>

NON-INTEREST INCOME

Service Charges Deposit Accounts	201,241	213,374
Other Income	1,110,056	968,993
Gain (Loss) on Sale of Assets	16,965	-
Total Non-interest Income	<u>1,328,262</u>	<u>1,182,367</u>

NON-INTEREST EXPENSE

Salaries & Employee Benefits	2,491,700	2,433,756
Occupancy & Equipment	334,478	320,517
Data Processing	571,875	522,166
FDIC Insurance	26,001	48,255
Foreclosed Assets & Loan Collection	25,627	40,983
Other Expenses	867,075	734,604
Total Non-interest Expense	<u>4,316,756</u>	<u>4,100,281</u>

Net Income Before Taxes	3,174,938	2,822,164
Income Taxes	857,834	757,606
Net Income	<u>\$ 2,317,104</u>	<u>\$ 2,064,558</u>

Earnings Per Share	<u>\$ 16.73</u>	<u>\$ 14.65</u>
--------------------	-----------------	-----------------

Maunesh Bancshares, Inc. Consolidated Statements of Equity Years ended December 31, 2019 & 2018

	2019	2018
STOCKHOLDERS EQUITY		
Beginning Equity	\$ 20,916,272	\$ 20,053,993
Net Income	2,317,104	2,064,558
Dividends	(689,145)	(626,319)
Change Unrealized Security Gains	295,863	(127,185)
Net Treasury, transactions	(271,340)	(448,775)
Ending Equity	<u>\$ 22,568,754</u>	<u>\$ 20,916,272</u>

	2019	2018
PER SHARE DATA		

Book Value	\$ 163.31	\$ 149.45
------------	-----------	-----------

Adjusted Book Value ¹	\$ 162.82	\$ 151.08
----------------------------------	-----------	-----------

Dividends	\$ 5.00	\$ 4.50
-----------	---------	---------

Earnings	\$ 16.73	\$ 14.65
----------	----------	----------

¹Adjusted for accumulated comprehensive income.

	2019	2018
COMMON SHARES		
Authorized	200,000	200,000
Issued	195,648	195,648
Outstanding	138,196	139,957
Treasury	57,452	55,691
Weighted Average Outstanding	138,513	140,896

