

Mauneshia Bancshares, Inc.

ANNUAL REPORT 2018

BB, County Rd. I, & Baker Rd.
Photo submitted by Richard Yelk for Kalen Minemeier



YOU HAVE *Dreams*

WE CAN HELP!

CERTIFICATES OF DEPOSIT

- DREAM BUILDER
- IRA'S
- PRIME POWER
- SWEET SIXTEEN
- TRADE-UP

CUSTODIAL SAVINGS

HEALTH SAVINGS ACCOUNTS

HOLIDAY SAVINGS

MONEY MARKET SAVINGS

PERSONAL SAVINGS

YOUTH SAVINGS

MOBILE BANKING

ONLINE BANKING

PERSONAL CHECKING ACCOUNTS

RETIREMENT PLANNING

DOLLARS AND SENSE

As part of our Wellness Program, the bank donates \$5 for every hour volunteered up to \$100 per person. This year \$1,880 is going to 15 different non-profit organizations chosen by our staff.

Our dollars and cents make sense because we live here, too!



1. Our Waterloo staff took our Dairy Day celebration very seriously. Don't Pam and Cheryl look moo-velous?
2. Marshall STEAM night fun with Monica, Brad, Autumn and Justine.
3. Waterloo Merchant Trick or Treat was spooktacular for Jim and family.
4. Our annual Holiday Décor garage sale to benefit the Food Pantry was a huge success thanks to helpers Autumn, Kris, Stephanie and Anela.
5. The Fireman's Festival Parade is Penny the Pig's favorite summer outing.

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
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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
Bobbi Franklin	Human Resources 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™
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STAFF MEMBERS

Brad Chadwick	Kathy Granzig	Autumn Rennhack
Kathy Elliott	Justine Hellenbrand	Monica Root
Marissa Estrada	Kyler Kabat	Stephanie Schimmel
Anela Garcia	Kris Krenn	Connie Schumann
Rachel Geise	Edwina Kulke	Cheryl Setz
Austin German		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

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.

FandMstbk.com



Dear Shareholders and Friends,

We are pleased to report 2018 net income of \$2,064,558 compared to 2017 income of \$1,618,573. This represents earnings per share of \$14.65 in 2018 a 10.5% return on beginning book value. Dividends paid in 2018 were \$4.50 per share increased from \$4.00 paid in 2017.

Our balance sheet ended the year with \$167 million in assets, while our total assets under management were \$357 million down 3.4% from prior year. December 31, 2018 Shareholders Equity remains strong at 12% 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, 2018

ASSETS	
Cash & Due From Banks	\$ 4,139,445
Federal Funds Sold	1,758,000
Certificates of Deposit	1,225,000
Available for Sale Securities	16,925,552
Loans, net of Reserve for Loan Losses of \$1,820,956	139,588,694
Premises and Equipment, Net	1,686,239
Accrued Interest Receivable	973,642
Other Assets	719,716
Total Assets	\$ 167,016,288

LIABILITIES & STOCKHOLDERS EQUITY

Deposits:	
Non-interest Bearing	\$ 26,055,907
Interest Bearing	91,829,274
Total Deposits	117,885,181
Federal Home Loan Bank Advances	26,839,116
Interest Payable	200,699
Other Liabilities	1,175,020
Total Liabilities	146,100,016

Common Stock	489,120
Additional Paid in Capital	13,980,956
Undivided Profits	12,790,224
Accumulated Other Comprehensive Income	(227,883)
Treasury Stock, at cost	(6,116,145)
Total Stockholders Equity	20,916,272

Total Liabilities and Stockholders Equity	\$ 167,016,288
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Managed Investments	\$ 38,083,998
Serviced Assets	151,463,056
Total Assets	167,016,288
Total Managed Assets	\$ 356,563,342

Maunesh Bancshares, Inc. Consolidated Statements of Income Years ended December 31, 2018 & 2017

	2018	2017
INTEREST INCOME		
Interest & Fees on Loans	\$ 6,543,593	\$ 6,190,954
Interest Investments	399,342	365,231
Other	48,171	40,789
Total Interest Income	<u>6,991,106</u>	<u>6,596,974</u>

INTEREST EXPENSE		
Deposits	635,270	547,671
Borrowings	540,758	445,094
Total Interest Expense	<u>1,176,028</u>	<u>992,765</u>

Net Interest Income Before Provision for Loan Losses	5,815,078	5,604,209
Provisions for Loan Losses	75,000	-
Net Interest Income	<u>5,740,078</u>	<u>5,604,209</u>

NON-INTEREST INCOME		
Service Charges Deposit Accounts	213,374	189,535
Other Income	968,993	876,009
Gain (Loss) on Sale of Assets	-	464
Total Non-interest Income	<u>1,182,367</u>	<u>1,066,008</u>

NON-INTEREST EXPENSE		
Salaries & Employee Benefits	2,433,756	2,321,527
Occupancy & Equipment	320,517	313,884
Data Processing	522,166	495,595
FDIC Insurance	48,255	22,303
Foreclosed Assets & Loan Collection	40,983	53,315
Other Expenses	734,604	784,084
Total Non-interest Expense	<u>4,100,281</u>	<u>3,990,708</u>

Net Income Before Taxes	2,822,164	2,679,509
Income Taxes	757,606	1,060,936
Net Income	<u>\$ 2,064,558</u>	<u>\$ 1,618,573</u>

Earnings Per Share	<u>\$ 14.65</u>	<u>\$ 11.31</u>
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Maunesh Bancshares, Inc. Consolidated Statements of Equity Years ended December 31, 2018 & 2017

	2018	2017
STOCKHOLDERS EQUITY		
Beginning Equity	\$ 20,053,993	\$ 19,466,032
Net Income	2,064,558	1,618,573
Dividends	(626,319)	(570,416)
Change Unrealized Security Gains	(127,185)	(18,060)
Net Treasury, transactions	(448,775)	(442,136)
Ending Equity	<u>\$ 20,916,272</u>	<u>\$ 20,053,993</u>

	2018	2017
PER SHARE DATA		

Book Value	\$ 149.45	\$ 140.19
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Adjusted Book Value ¹	\$ 151.08	\$ 140.89
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Dividends	\$ 4.50	\$ 4.00
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Earnings	\$ 14.65	\$ 11.31
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¹Adjusted for accumulated comprehensive income.

	2018	2017
COMMON SHARES		
Authorized	200,000	200,000
Issued	195,648	195,648
Outstanding	139,957	143,053
Treasury	55,691	52,595
Weighted Average Outstanding	140,896	143,113

