

# AmBanc

 Financial Services Inc.



 American Bank

# **AMBANC FINANCIAL SERVICES, INC.**

## **BOARD OF DIRECTORS 2020**

Martin E. Sell ..... Chairman of the Board

John R. Oathout

John M. Belmonte

Patricia A. Frankenstein

Todd M. Nehls

## **AMERICAN BANK**

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Martin E. Sell ..... Chairman of the Board

John R. Oathout

Rhonda M. Steiner

Mark E. Holsapple

Todd M. Nehls

Jason C. Smelcer

Michael S. Horak

## **AMERICAN BANK OFFICERS 2020**

John R. Oathout

President and Chief Executive Officer

Patricia A. Frankenstein

Executive Vice President, Chief Financial Officer and Secretary to the Board

Mark E. Holsapple

Executive Vice President and Chief Credit Officer

Jamie L. Henning

Sr. Vice President – Wealth Management

Michelle L. Leshar

Vice President – Commercial Lending

Amber M. Lowe

Vice President – Commercial Lending

Melissa L. Haessly

Vice President – Lending

Christopher M. Connaughty

Vice President – Lending

Dawn M. Schmidt

Vice President – Lending

Heidi A. Elgersma

Vice President – Loan Operations

Kathleen M. Heim

AVP – Branch Manager & Investment Specialist

Ryan M. Martin

AVP – Retail Loan Underwriter

Amanda D. Emery-Morris

AVP – Retail Banking Manager

Rebecca R. Anderson

AVP – Information Technology Officer and Security Officer

Markie Parrish

AVP – Branch Manager and Compliance/BSA Officer

May, 2021

Dear Shareholder:

The Annual Meeting of Ambanc Financial Services, Inc. will be held at 10 am on Tuesday, June 22, 2021 at American Bank of Beaver Dam. I would encourage you to attend to get the latest updates on your corporation.

On behalf of our directors and officers it is once again my pleasure to present to you the Ambanc Financial Services, Inc. 202 Annual Report. The report reflects another record setting year of financial performance to our shareholders in 2020.

It goes without saying that 2020 was a year that we will not forget soon. The challenges of COVID-19 presented to American Bank, our employees, customers and community have been difficult to navigate. However, as we have all worked to adapt to the “new normal,” I firmly believe that American Bank has changed for the better and is now more agile than ever.

For the year ended 2020, we achieved record after-tax income of \$2,253,762, as compared to \$1,309,634 for 2019. This record year was accomplished by our dedicated staff while battling COVID-19 issues personally in many cases and by working together to keep the bank functioning at a high-level for our customers and communities. In addition, non-performing loans remain at modest levels as they have been for the several prior years. Loan quality continues to be a strong focus of the bank and has not been negatively impacted to any significant degree by the events of 2020.

As a result of the financial success reported above, the common stock book value of your company increased to \$124.78 per share as of December 31, 2020, from \$109.10 on December 31, 2019, an increase of \$15.68 per share, or a 14.3 percent increase.

Earlier in 2021 we announced the renovation of our 115 Front Street location in downtown Beaver Dam. We are excited for many new changes that will modernize this office to better serve our customers. Some of these upgrades include a new ATM with enhanced deposit capabilities, a new teller line with a cash recycler, a community room and much more. We hope to welcome our customers back to this location in early June.

We are excited to continue our efforts in 2021 to provide excellent results to our shareholders and to provide the high-quality service to our customers and communities that have been the trademark of American Bank. We are well positioned to continue this tradition in 2021. We continue to appreciate the confidence and loyalty of our shareholders. The success that we are experiencing continues to be a direct reflection of our customers, employees, and directors, along with the great communities we serve.

Thank you for your continued support of Ambanc Financial Services, Inc. and American Bank.



John R. Oathout  
President and Chief Executive Officer, American Bank

# Ambanc Financial Services, Inc.

## Consolidated Balance Sheets

December 31, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash and due from banks	\$25,213,457	\$7,744,055
Federal funds sold	<u>\$1,307,043</u>	<u>\$2,617,880</u>
Cash and cash equivalents	\$26,520,500	\$10,361,935
Certificates of deposit in banks	\$8,935,753	\$10,069,880
Available-for-sale securities	\$42,377,578	\$22,973,437
Investments in restricted stock	\$368,814	\$335,320
Loans, net of allowance for loan losses	\$104,670,384	\$108,594,145
Interest receivable	\$525,571	\$446,879
Premises and equipment, net	\$2,031,087	\$2,027,985
Foreclosed assets	-	\$150,000
Deferred tax asset	-	-
Other assets	<u>\$1,027,494</u>	<u>\$1,204,317</u>
<b>Total assets</b>	<b><u>\$186,457,121</u></b>	<b><u>\$156,163,898</u></b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits	\$168,487,073	\$139,258,643
Borrowings	-	\$477,750
Interest payable	\$98,467	\$171,957
Deferred tax liability	\$104,543	\$93,497
Accrued expenses & other liabilities	<u>\$48,988</u>	<u>\$97,157</u>
<b>Total liabilities</b>	<b><u>\$168,739,071</u></b>	<b><u>\$140,099,004</u></b>
<b>Stockholders' Equity</b>		
Common stock, \$20 par value, 250,000 shares authorized, 200,000 shares issued	\$4,000,000	\$4,000,000
Surplus	\$1,886,638	\$1,886,638
Retained earnings	\$17,236,767	\$15,652,484
Unearned employee stock ownership plan shares	(\$943,494)	(\$1,303,369)
Accumulated other comprehensive income (loss)	\$317,490	\$40,865
Treasury stock, at cost (52,750 shares in 2019 & 50,955 shares in 2018)	<u>(\$4,779,351)</u>	<u>(\$4,211,724)</u>
<b>Total stockholders' equity</b>	<b><u>\$17,718,050</u></b>	<b><u>\$16,064,894</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$186,457,121</u></b>	<b><u>\$156,163,898</u></b>
<b>Additional Assets</b>	<b>2020</b>	<b>2019</b>
Managed investments*	\$47,877,859	\$40,035,273
Serviced assets^	\$94,194,371	\$71,262,414
<b>Total assets</b>	<b>\$186,457,121</b>	<b>\$156,163,898</b>
<b>Total Managed Assets</b>	<b>\$328,529,351</b>	<b>\$267,461,585</b>

\*Managed investments are the assets in our Brokerage Department

^Serviced assets are FHLB Loans we made and service and participation loans we sold to other banks.

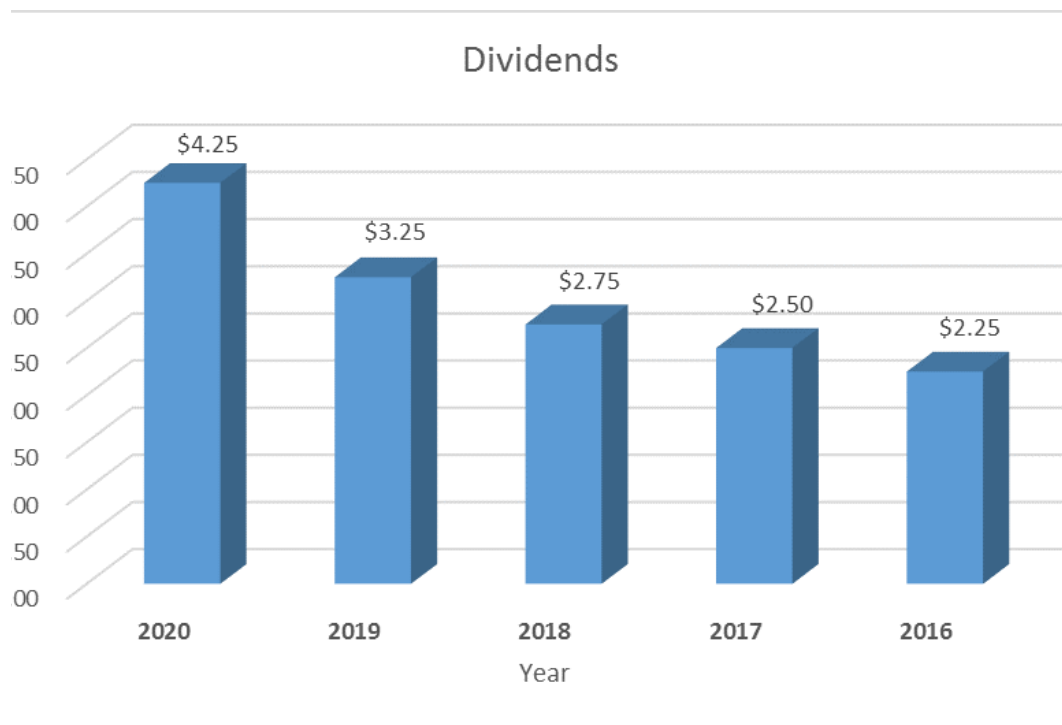
**AmBanc Financial Services, Inc.**  
**Consolidated Statement of Operations**  
**December 31, 2020 and 2019**

<b>Interest Income</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Loans, including fees	\$5,389,156	\$5,402,154
Securities	\$436,710	\$366,985
Other	<u>\$359,466</u>	<u>\$636,687</u>
Total interest income	<u>\$6,185,332</u>	<u>\$6,405,826</u>
<b>Interest Expense</b>		
Deposits	\$379,594	\$417,181
Other borrowings	<u>\$140</u>	<u>\$31,900</u>
Total interest expense	<u>\$379,734</u>	<u>\$449,081</u>
<b>Net Interest Income</b>	\$5,805,598	\$5,956,745
<b>Provision for Loan Losses</b>	-	<u>\$45,000</u>
<b>Net Interest Income After Provision for Loan Losses</b>	<u>\$5,805,598</u>	<u>\$5,911,745</u>
<b>Non-Interest Income</b>		
Service fees	\$1,925,373	\$1,127,118
Gain on sale of securities	\$199,118	\$52,720
Other	<u>\$59,854</u>	<u>\$28,810</u>
Total non-interest income	<u>\$2,184,345</u>	<u>\$1,208,648</u>
<b>Non-Interest Expenses</b>		
Compensation and employee benefits	\$2,691,549	\$2,826,825
Data processing	\$725,565	\$623,667
Occupancy and equipment expenses	\$493,646	\$655,666
Directors' fees	\$268,215	\$201,265
Professional and legal fees	\$254,518	\$137,023
Foreclosed asset expenses	(\$389)	\$64,171
Other	<u>\$707,884</u>	<u>\$830,495</u>
Total non-interest expenses	<u>\$5,140,988</u>	<u>\$5,339,112</u>
<b>Income Before Income Taxes</b>	\$2,848,955	\$1,781,281
<b>Income Tax Expense</b>	<u>\$595,193</u>	<u>\$471,647</u>
<b>Net Income</b>	<u>\$2,253,762</u>	<u>\$1,309,634</u>
<b>Earnings per share</b>	\$15.21	\$8.84

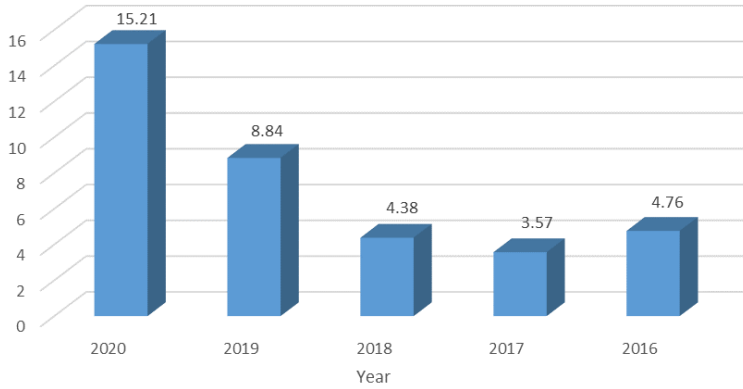
## Ambanc Financial Services, Inc.

### Consolidated Statements of Changes in Stockholders' Equity

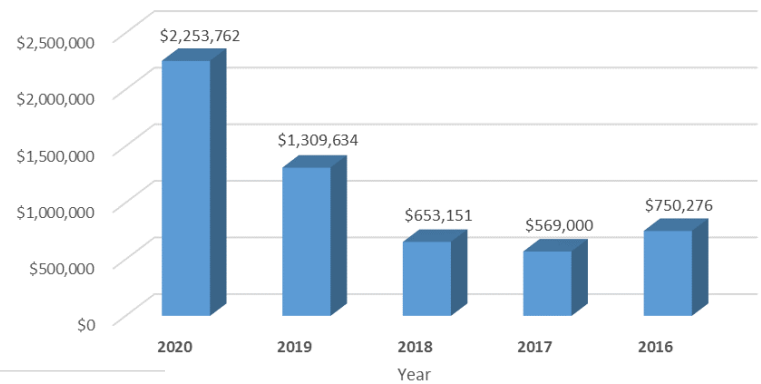
Stockholders' Equity	2020	2019
Beginning balance	\$16,064,894	\$15,094,744
Net income	\$2,253,762	\$1,309,634
Dividends paid	(\$606,979)	(\$478,565)
Common shares committed to be released under the ESOP	\$297,375	\$256,019
Unearned ESOP shares	\$0	\$0
Purchase of treasury stock	(\$567,627)	(\$171,570)
Other comprehensive income	<u>\$276,625</u>	<u>\$54,632</u>
Ending Equity	<u>\$17,718,050</u>	<u>\$16,064,894</u>



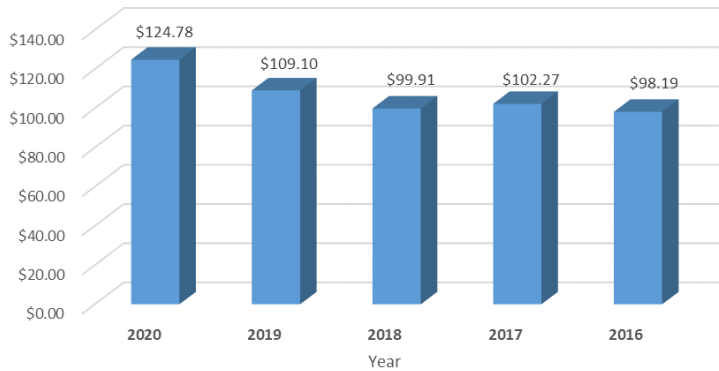
Earnings Per Share (EPS)



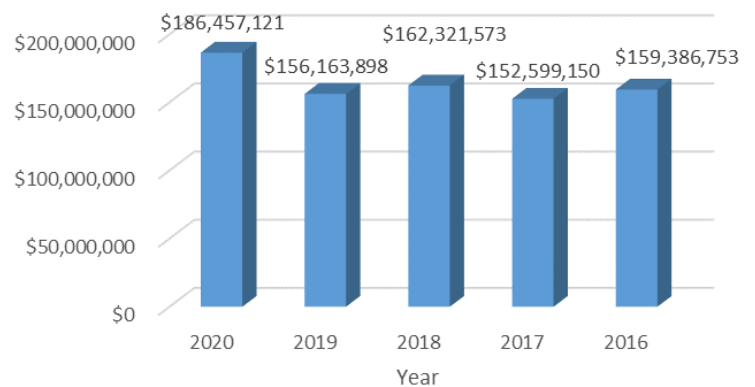
Annual Net Income



Book Value at End of Year



Total Assets





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1. An artist rendering of the remodel of the 115 Front Street branch. We hope to welcome customers back to this location in early June.
2. In June of 2020, the Walmart branch reopened after being remodeled earlier in the year.
3. Necedah Branch Manager, Markie Parrish, attended Family Math Night at Necedah School District and taught kids how bank employees use math everyday in their careers.
4. American Bank donated to PAVE to help victims and survivors of abuse in the community a safe place to go for help, resources, and support.
5. American Bank continued their support to the BDPD with donations to help train and equip the officers and dogs.

