

AmBanc



Financial Services Inc.



Our Biggest Assets, Stronger Together



American Bank

AMBANC FINANCIAL SERVICES, INC.

BOARD OF DIRECTORS 2021

Martin E. Sell Chairman of the Board

John R. Oathout

John M. Belmonte

Patricia A. Frankenstein

Todd M. Nehls

AMERICAN BANK

BOARD OF DIRECTORS 2021

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 2021

John R. Oathout

President & CEO

Patricia A. Frankenstein

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

Mark E. Holsapple

Executive Vice President & Chief Credit Officer

Jamie L. Henning

Sr. Vice President – Wealth Management

Michelle L. Leshner

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

Rebecca R. Anderson

AVP- Information Technology Officer & Security Officer

February, 2022

Dear Shareholder:

The Annual Meeting of Ambanc Financial Services, Inc. will be held at 10:00 AM on Tuesday, March 22, 2022, at the American Bank of Beaver Dam. I encourage you to attend to hear the latest updates on your corporation and see the newly renovated downtown location.

On behalf of the Directors and Officers, it is once again my pleasure to present to you the Ambanc Financial Services, Inc. 2021 Annual Report. This report reflects a good year of financial performance to our shareholders in 2021.

For the year ended 2021, we achieved after-tax income of \$1,508,661 as compared to \$2,253,762 for 2020. The 2021 income was impacted by the continued low interest rate environment, fewer PPP loans, softer mortgage loan origination, and a one-time addition to Loan Loss Reserve of \$209,426 due to loan growth in 2021.

The book value of our shares increased 5% in 2020 to a new high of \$131.07 per share. Return to shareholders in terms of dividends remained stable \$4.25 per share. In addition, Ambanc purchased 17,326 shares of stock from existing shareholders which provided an additional return to shareholders in 2021. Your Board of Directors is committed to returning a portion of the Company's earnings to Shareholders each year while retaining sufficient capital to facilitate growth and support safe and secure banking operations.

During 2021 a major renovation of our main banking location in downtown Beaver Dam was undertaken and completed. This renovation allowed us to sell a significant portion of our building due to more efficient use of space. We are now occupying a much smaller, energy efficient location. We encourage you to come and see the renovations at your convenience.

We hope that you have found the www.ambancbd.com website helpful for shareholder information and other services available. The book value of your shares are updated on a quarterly basis on this page for your convenience.

You will find enclosed all the normal Shareholder Meeting materials. We encourage you to vote your shares by returning your proxy in the envelope provided or attend in person if you wish to vote your shares.

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



John R. Oathout

President and Chief Executive Officer, American Bank

Ambanc Financial Services, Inc.

Consolidated Balance Sheets

December 31, 2021 and 2020

Assets	2021	2020
Cash and due from banks	\$12,504,920	\$25,213,457
Federal funds sold	<u>\$812,006</u>	<u>\$1,307,043</u>
Cash and cash equivalents	\$13,316,926	\$26,520,500
Certificates of deposit in banks	\$249,658	\$8,935,753
Available-for-sale securities	\$37,622,476	\$42,377,578
Investments in restricted stock	\$417,249	\$368,814
Loans, net of allowance for loan losses	\$123,681,799	\$104,670,384
Interest receivable	\$411,679	\$525,511
Premises and equipment, net	\$2,943,094	\$2,031,087
Cash surrender value of life insurance	\$4,062,083	-
Deferred tax asset	\$243,615	-
Other assets	<u>\$825,315</u>	<u>\$1,027,494</u>
Total assets	<u>\$183,773,894</u>	<u>\$186,457,121</u>
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$167,003,528	\$168,487,073
Borrowings	\$820,000	-
Interest payable	\$25,999	\$98,467
Deferred tax liability	-	\$104,543
Accrued expenses & other liabilities	<u>\$290,296</u>	<u>\$48,988</u>
Total liabilities	<u>\$168,139,823</u>	<u>\$168,739,071</u>
Stockholders' Equity		
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	\$18,261,787	\$17,236,767
Unearned employee stock ownership plan shares	(\$859,693)	(\$943,494)
Accumulated other comprehensive income (loss)	(\$706,197)	\$317,490
Treasury stock, at cost (75,332 shares in 2021 and 58,006 shares in 2020)	<u>(\$6,948,464)</u>	<u>(\$4,779,351)</u>
Total stockholders' equity	<u>\$15,634,071</u>	<u>\$17,718,050</u>
Total liabilities and stockholders' equity	<u>\$183,773,894</u>	<u>\$186,457,121</u>
Additional Assets	2021	2020
Managed investments*	\$50,469,316	\$47,877,859
Serviced assets^	\$98,698,486	\$94,194,371
Total assets	\$183,773,894	\$186,457,121
Total Managed Assets	\$332,941,696	\$328,529,351

*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.

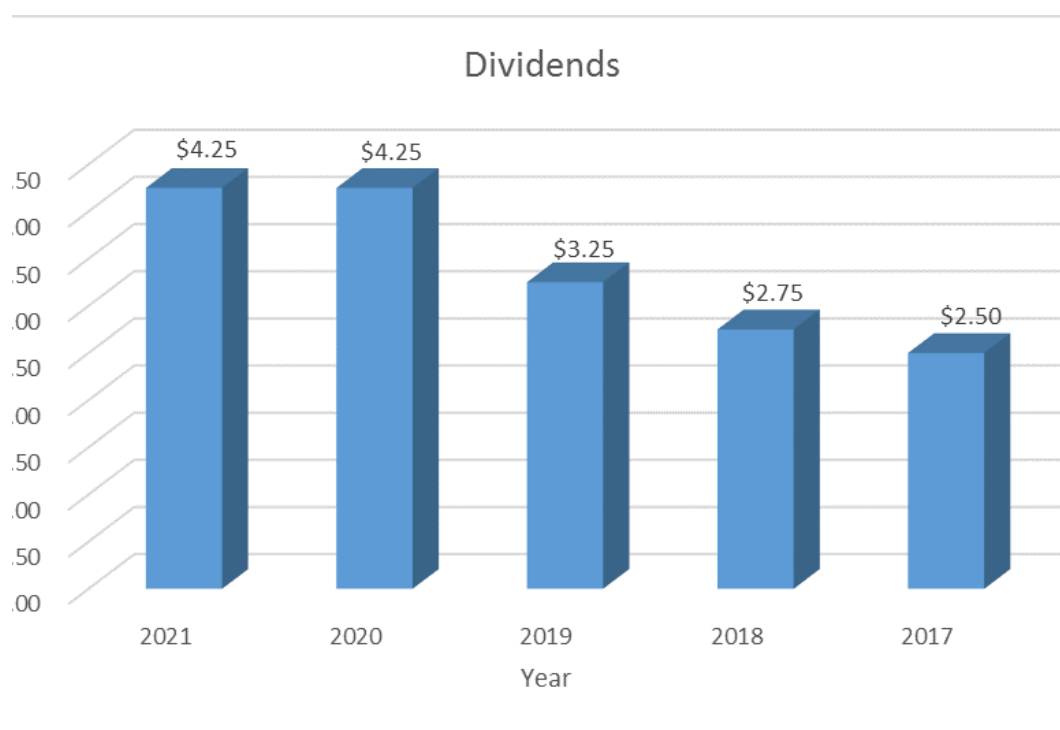
Consolidated Statements of Operations

	2021	2020
Interest Income		
Loans, including fees	\$5,241,730	\$5,389,156
Securities	\$413,353	\$436,710
Other	<u>\$185,152</u>	<u>\$359,466</u>
Total interest income	<u>\$5,840,235</u>	<u>\$6,185,332</u>
Interest Expense		
Deposits	\$181,701	\$379,594
Other borrowings	<u>\$7,697</u>	<u>\$140</u>
Total interest expense	<u>\$189,398</u>	<u>\$379,734</u>
Net Interest Income	\$5,650,837	\$5,805,598
Provision for Loan Losses	<u>\$209,426</u>	-
Net Interest Income After Provision for Loan Losses	<u>\$5,441,411</u>	<u>\$5,805,598</u>
Non-Interest Income		
Service fees	\$1,581,952	\$1,925,373
Gain on sale of securities	\$402,532	\$199,118
Other	<u>\$86,092</u>	<u>\$59,854</u>
Total non-interest income	<u>\$2,070,576</u>	<u>\$2,184,345</u>
Non-Interest Expenses		
Compensation and employee benefits	\$3,010,817	\$2,691,549
Data processing	\$789,092	\$725,565
Occupancy and equipment expenses	\$489,276	\$493,646
Directors' fees	\$266,875	\$268,215
Professional and legal fees	\$232,453	\$254,518
Foreclosed asset expenses	\$1,279	(\$389)
Other	<u>\$730,281</u>	<u>\$707,884</u>
Total non-interest expenses	<u>\$5,520,073</u>	<u>\$5,140,988</u>
Income Before Income Taxes	\$1,991,914	\$2,848,955
Income Tax Expense	<u>\$483,253</u>	<u>\$595,193</u>
Net Income	<u>\$1,508,661</u>	<u>\$2,253,762</u>
Earnings per share	\$11.32	\$15.58

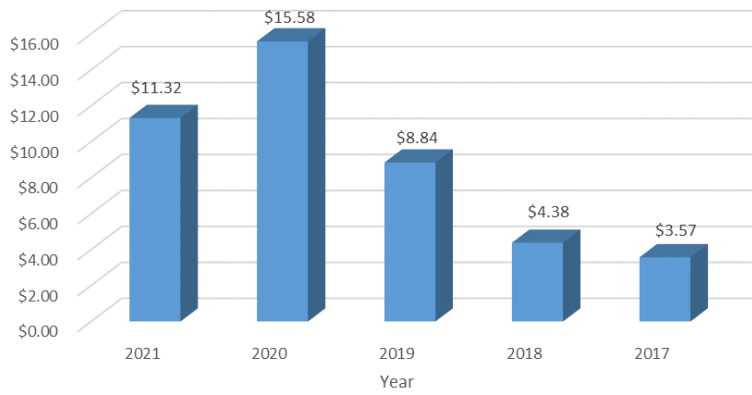
Ambanc Financial Services, Inc.

Consolidated Statements of Changes in Stockholders' Equity

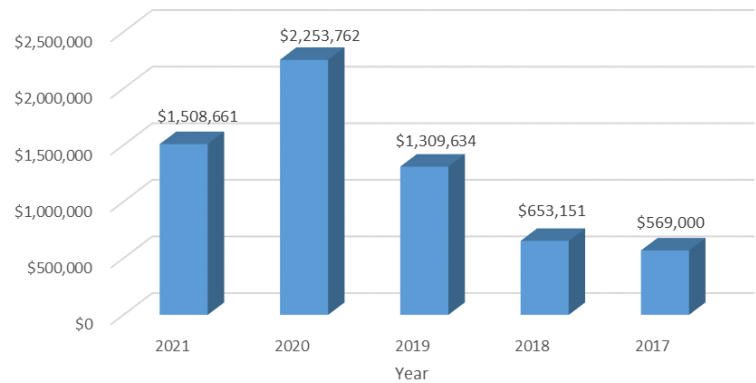
Stockholders' Equity	2021	2020
Beginning balance	\$17,718,050	\$16,064,894
Net income	\$1,508,661	\$2,253,762
Dividends paid	(\$483,641)	(\$606,979)
Common shares committed to be released under the ESOP	\$83,801	\$297,375
Unearned ESOP shares	\$0	\$0
Purchase of treasury stock	(\$2,169,113)	(\$567,627)
Other comprehensive income	<u>(\$1,020,687)</u>	<u>\$276,625</u>
Ending Equity	<u>\$15,637,071</u>	<u>\$17,718,050</u>



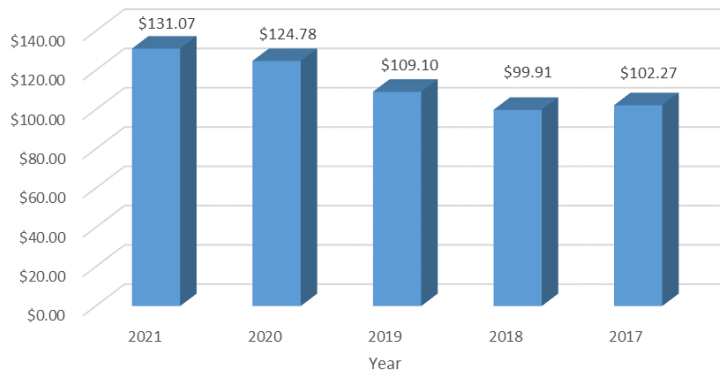
Earnings per Share (EPS)



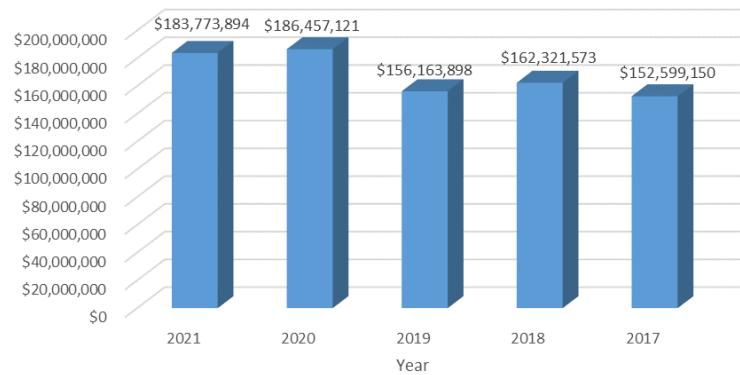
Annual Net Income



Book Value at End of Year



Total Assets





1. The Downtown office on Front Street welcomed customers back to this location in June after a remodel done in early 2021.
2. American Bank Square hosted the Brat Fry for the John Moser Children's Radiothon in September, raising money for children in the local areas.
3. Necedah Branch Manager, Markie Parrish, presented a donation to the Juneau County Harold to help kick off their first community Christmas dinner.
4. American Bank supported the local schools and donated to the Beaver Dam Youth Wrestling Program which involves kids from elementary school to high school.



5. American Bank continued their support to local police departments with a donation to the Fall River K9 fund.

