

AMBANC FINANCIAL SERVICES INC.  
115 Front Street  
P.O. Box 130  
Beaver Dam, WI 53916

December 19, 2017

Dear Ambanc Financial Services Stockholder:

As we approach the end of 2017 and look forward to the year ahead, I'm excited to share some important and positive news regarding The American National Bank. This fall, the process began to transfer from a federally chartered bank to one that is state-chartered. It is anticipated that the Wisconsin Department of Financial Institutions will approve the state charter in early 2018, and at that time, the bank name will change to "American Bank."

The federal government continues to modify its regulatory processes and procedures to make them more uniform regardless of an institution's size, scope and service area. While that may be appropriate for very large, multi-state banks, a state charter makes better fiscal and strategic sense for a community-focused bank. It more closely aligns with the bank's role and business as an independent, locally owned bank and will allow them to better serve their customers. Many other community banks across the country have recently made the same decision to switch.

Bank management is committed to making this transition as seamless as possible. The most visible change customers will see is the small adjustment to the bank's name. The friendly and knowledgeable teams at the bank's four locations in Beaver Dam and Columbus will remain the same. Customers will have the same access to online banking and other services, and accounts will continue to be insured by the Federal Deposit Insurance Corp. (FDIC) under the full faith and credit of the United States government.

Just as news of The American National Bank's pending state charter is positive for all of us, we have additional good news for you, our shareholders. The Board of Directors recently approved a regular quarterly dividend payment of \$ .06 per share and an extra dividend of \$2.26 per share. The extra dividend is an increase of \$.25 per share over 2016.

For shareholders who have enrolled in direct deposit of their dividend payments, the funds will be in your account as of December 19<sup>th</sup>.

We value an open dialogue with our shareholders, and if you have any questions about the charter, year-end dividends or anything else, please feel free to contact me at 920-885-2700. I'll be happy to answer your questions and to talk further.

Thank you, and we wish you a happy and healthy holiday season.

Sincerely,



John R. Oathout  
President and Chief Executive Officer