

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

December 19, 2018

Dear Ambanc Financial Services, Inc. Stockholder,

As we reflect on the past year at Ambanc Financial Services and its banks, there are a number of memorable milestones.

As you know, in the spring American Bank successfully transitioned from a federally chartered bank to a state-chartered bank. This change not only moved us closer to our overall bank strategic goals, but made good business sense from a cost-benefit standpoint.

At the end of August, American Bank and The Necedah Bank successfully merged, with minimal impact to either banks' customers. Again, this move was a strategic one that made good business sense. Both organizations shared many of the same processes and procedures and the merger allowed Necedah customers access to additional tools and resources.

Demand for electronic services continues to grow and is becoming an expected way of doing business for both consumers and businesses. To address this demand and oversee the 'electronic branch', the position of Electronic Services Manager has been added at American Bank. In having an individual dedicated to overseeing electronic services, continued emphasis is being placed on providing user-friendly, secure services with enhanced customer support.

With the close of 2018 upon us, the end of the year also brings the retirement of American Bank's longest tenure employee, Connie Schoepke. Connie has faithfully served the bank and her customers for 47 1/2 years. We extend our appreciation to Connie for her commitment over the years. She will be missed, but we wish her all the best in retirement.

The Board of Directors recently met and approved a regular quarterly dividend payment of \$.06 per share and an extra dividend of \$2.51 per share. The extra dividend is an increase of \$.25 per share over 2017. The dividend payment made to you either by check or direct deposit reflects a combination of both dividend payments.

In conjunction with the dividend approval, the Board of Directors approved modifying the dividend declaration schedule from the current quarterly dividend to a semi-annual schedule. Going forward, you can expect to receive dividend payments in June and December each year.

In closing, this has been a busy year and we look forward to 2019. Wishing you a very Merry Christmas and bright and prosperous New Year!

Sincerely,



John R. Oathout
President & CEO