

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

March 23, 2018

Dear Shareholder:

You are invited to attend the 2018 annual meeting of Ambanc stockholders, to be held at 2:00 p.m. on Tuesday, April 10, 2018 at The American Bank of Beaver Dam. I look forward to seeing you there, and I'm pleased to provide this packet of information in advance of the meeting.

This past year was one of transition and transformation for The American National Bank and The Necedah Bank. Both banks' 2017 strategic initiatives included identifying and implementing operational efficiencies, increasing sales efforts and overall growth, and enhancing the banks' community presence – all with the goal of positioning the banks as a leading, progressive community bank in their respective markets.

Some of the changes in 2017 occurring at The American National Bank were:

- Application was made with the Wisconsin Department of Financial Institutions to transition from a national to a state charter. Approval of the application was received earlier this month, and the change is expected to take effect April 3, 2018. After the transition, the bank will be known as American Bank. The same friendly and knowledgeable teams at the four locations in Beaver Dam and Columbus will continue to service customers, all accounts will continue to be insured by the FDIC, and customers will have the same access to online banking and other services they currently enjoy.
- The Nevada subsidiary was closed as it no longer provided the corporate tax advantages it did in the past.
- The Helenville and Delavan locations were closed to allow the bank to focus on its primary market.
- The decision was made to close the bank's Trust Department due to the low number of trust accounts and increasing regulatory requirements.

The 2017 financial reports reflect the bank's transitional year. The total one-time expenses for changes made were \$226,000. In addition, the bank experienced a \$109,000 negative adjustment to income due to the recently-enacted corporate tax rate changes.

Shareholders will be asked to vote on five Directors on the ballot for re-election: Martin E. Sell, John R. Oathout, Patricia A. Frankenstein, John M. Belmonte and Todd M. Nehls.

Before closing, I'd like to take a moment to acknowledge the significant impact and contributions of Director and retired President & CEO Edward C. Jacobs, who passed away on March 8. Ed was with the bank for more than 30 years. He was a widely respected banker and a good friend to many, and he will be deeply missed.

We believe the transitions made in 2017 have positioned the banks for continued strength and heightened success in 2018 and beyond.

Thank you for your support of The American National Bank and The Necedah Bank.

Sincerely,

A handwritten signature in black ink that reads "John R. Oathout". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John R. Oathout
President and Chief Executive Officer