



Lake Ridge
BANCORP, INC.™

EQUITY UPDATE

SHAREHOLDER NEWS

A NOTE FROM JIM AND PAUL



Jim Tubbs
CEO



Paul Hoffmann
President

As we wrap up the first quarter of 2024, we would like to briefly reflect on a significant milestone we achieved in February. We recognized and celebrated our one-year anniversary of the creation of Lake Ridge Bank. As the merger noise has settled, we are so proud of the team we have assembled and the tremendous customer base we service throughout all south-central Wisconsin. It really is amazing all that has been accomplished in a relatively short period of time.

As we turn our focus to 2024, we are optimistic that the Fed has completed their efforts of rapidly rising interest rates and in fact, they are predicting some rate reductions later this year, which would be beneficial to the banking industry. With the anticipation of an improved net interest margin, we are budgeting for an increase in profitability. From a balance sheet standpoint, with the higher interest rate environment, growth in the economy is predicted to slow down and in turn, we are budgeting nominal growth for the year.

As we are close to the end of the first quarter, here is some pertinent financial information:

- Total loans have grown over \$140 million in the last twelve months. Since nearly 100% of our loans are funded in the communities we serve, Lake Ridge Bank is a tremendous catalyst to the local economy.
- The total deposit balance will end the quarter at approximately \$2.4 billion. This reflects a \$100 million increase over this time last year.
- The greatest financial challenge the banking industry faces is a squeezed net interest margin (the difference between what we earn on loans and what we pay on deposits). With the continued inverted yield curve and the Fed's discipline to keep rates elevated, this will persist as a headwind to the banking industry's financial performance.
- As we look to the rest of this year, we are hopeful to see a continuous pick-up in revenue in our residential mortgage and our wealth management areas. In addition, we should continue to have a positive variance to last year when it comes to larger vendor expenses, such as data processing.

Shifting gears, on the reverse side you will see information about our Dividend Reinvestment Program (DRIP). Since we only introduced this opportunity in the last few months, we want to make sure all of you are fully aware of this feature.

Lastly, we would like to inform you that we have set the date and time for our Annual Shareholder meeting. We will be hosting it at the Madison Marriott West at 6:00 p.m. on June 12, 2024. You will be receiving all the meeting information and proxy material by the beginning of May. We look forward to seeing you there.

We want to express our sincere appreciation and gratitude for all your support through a very memorable 2023! If you have any questions, please feel free to contact Jim at jtubbs@lakeridge.bank or Paul at phoffmann@lakeridge.bank.

Sincerely,

Jim and Paul

Dividend Update

The Board of Directors of Lake Ridge Bancorp, Inc. (LRBI) is pleased to announce our 2024 first quarter dividend. At our March board meeting, it was determined that LRBI's Q1/2024 dividend will be \$0.45 per share.


This dividend is payable on March 31, 2024, to shareholders of record as of March 20, 2024.

The Board continues to closely monitor the bank's capital position. Like at the end of last year, the forecasted interest rate environment remains uncertain, and the yield curve remains inverted. These situations will continue to create headwinds for our industry. With this said, we are pleased to continue our dividend philosophy to reward our shareholders for their commitment to Lake Ridge Bancorp, Inc.


Your primary contact for questions about your investment in our bank is:

Joanne Bell
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(608) 223-2187

DIVIDEND REINVESTMENT PLAN (DRIP)



If you are not already taking advantage of Lake Ridge Bancorp's (LRB) new Dividend Reinvestment Program, or DRIP, you may want to consider enrolling. Our DRIP offers shareholders a convenient and economical way to increase their holdings of Lake Ridge Bancorp, Inc. common stock. Our DRIP automatically reinvests any quarterly dividends you receive into additional shares of LRB common stock at no additional cost, allowing you to earn dividends on your reinvested dividends, increasing your total return on investment.



While Lake Ridge Bancorp's DRIP is new, prior to our merger, Monona Bank's holding company had offered a plan like this for decades. In fact, one of the reasons we created a DRIP for our LRB shareholders was since more than 60% of Monona Bankshares shareholders chose to take advantage of the DRIP and were looking for the same opportunity to do so with LRB.

Participation in the DRIP is entirely voluntary and you can enroll/unenroll in this program at any time. Signing up for our DRIP is easy, you just need to submit an enrollment form by mail or email. Once you have enrolled, your cash dividends will automatically be reinvested in additional shares of LRB common stock. To participate, you must agree to reinvest all your dividends in additional shares; you are not able to reinvest only a part of your dividends. Finally, you also need to be a resident of Wisconsin to participate in this program.

Please contact us if you have questions about the DRIP or need a copy of the DRIP enrollment or termination form. You can reach Shareholder Services at **608-223-2187** or email shareholderservices@lakeridge.bank. We appreciate your investment in our bank and are here to help you.



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