



Lake Ridge
BANCORP, INC.™

EQUITY UPDATE

SHAREHOLDER NEWS



Jim Tubbs

CEO UPDATE

As we wrap up the third quarter of 2024, we are pleased to see the Federal Open Market Committee (FOMC) has finally started to reduce interest rates. If you recall, at the start of 2023, economists were predicting multiple rate cuts, but they never occurred. Then again at the start of 2024, economists forecasted four rate cuts starting in the 2nd quarter. We are thankful the process has started. With inflation and unemployment close to their target levels today, it will be interesting to see how many rate cuts there will be in this current economic cycle.

You might wonder why these rate cuts are so beneficial to the entire banking industry? For the past 24 months, the yield curve has been inverted, which means short-term interest rates have been higher than long term interest rates. This is detrimental to our industry because this inversion means our interest expense increases much faster than our interest income, which means our profit margin decreases, or gets “squeezed.”

Great news, with the anticipation of this recent rate decline (which has an immediate impact on short-term rates) the yield curve became un-inverted. This normalized yield curve should enhance our industry’s profitability. Time will tell how these rate cuts will improve our industry.

Here are some Lake Ridge Bank financial highlights through the third quarter.

- Total loans have increased by approximately 4% compared to last year, and are now over \$2.4 billion.
- Total assets are still at approximately \$3 billion.
- Total deposits have increased by more than 9%, compared to last year, and are over \$2.4 billion.
- To illustrate the challenge we have had with the inverted yield curve, our net interest margin has decreased by approximately 12% compared to a year ago.
- A couple of positive notes; our Wealth Management Department is having a record year, and applications are really starting to pick up in our residential mortgage area. Both of these departments create significant non-interest income for Lake Ridge Bank.

Lastly, I would like to remind you to consider our **Dividend Reinvestment Program (DRIP)**, as well as setting up **direct deposit** for your dividend if you are still having a check mailed. For more information on both these items, please contact Joanne Bell in our Shareholder Services area at shareholderservices@lakeridge.bank or 608-223-2187.

I would like to thank you for your continued support of Lake Ridge Bank. If you have any questions, feel free to contact me at jtubbs@lakeridge.bank or (608) 798-5213.

Sincerely,

Jim

Dividend Update

The Board of Directors of Lake Ridge Bancorp, Inc. (LRBI) is pleased to announce our 2024 third quarter dividend. At our September 18th board meeting, it was determined that LRBI’s Q3/2024 dividend will be \$0.45 per share.

This dividend is payable on October 4, 2024, to shareholders of record as of September 18, 2024.

While the Board acknowledges the challenging economic environment we are currently operating in, this dividend reflects our commitment to rewarding shareholders for their investment in Lake Ridge Bancorp, Inc.

We encourage all shareholders to consider signing up for our Dividend Reinvestment Program (DRIP). Nearly 30% of our shareholders have already elected to take advantage of this program to purchase additional shares of stock with their dividend.

If you have any questions about your investment in our bank, contact:

Joanne Bell
jbelle@lakeridge.bank
(608) 223-2187

FINANCIAL UPDATE

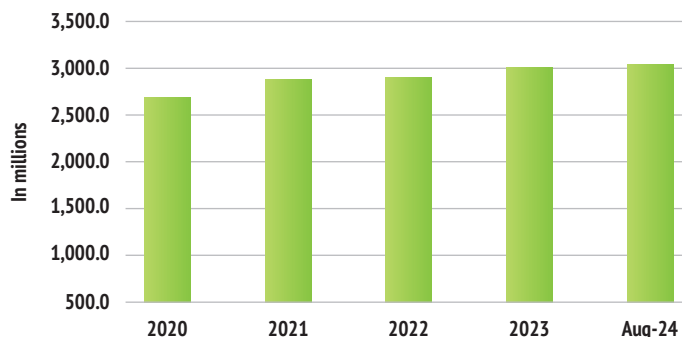
The graphs shown in this report show results for Lake Ridge Bancorp, Inc. through August 31, 2024. Asset and deposit results prior to 2021 are pro forma results. Book value is the actual book value for each period.



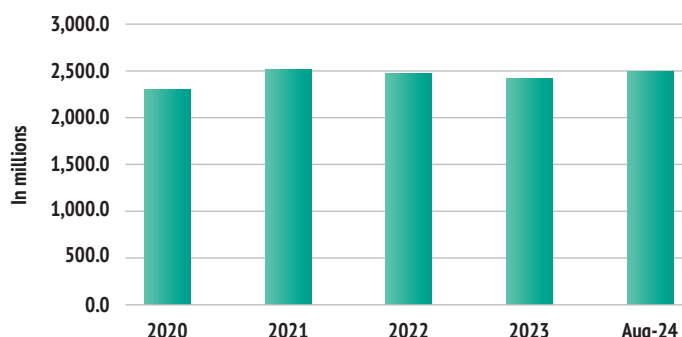
Lake Ridge Bank was voted the **"Best Wisconsin Bank"** in Madison.com's 2024 Best of Madison awards!

Our Wealth Management and Mortgage Lending teams were also recognized for their outstanding service in their respective "Best of Madison" categories!

Assets



Deposits



Book Value Per Share

