

## 2nd Quarter 2023 Financial Results

**Our dividend is \$0.38 per share in 2nd Quarter.** At the end of the second quarter, our net income is projected at \$1.7 Million with projected assets of \$710 Million and loan growth at \$63 Million. We hold a strong financial position.

The interest rate environment has been hard to navigate. The rapid rise of short-term interest rates by the Federal Reserve has resulted in deposit rates repricing substantially faster than loan rates on bank balance sheets, thereby decreasing net interest margins. This increase in interest expense is compounded for banks located in higher growth markets as they compete for needed deposits. Although we have benefitted from substantial growth in recent years, this growth will, in the short-term, impact earnings until loan repricing can catch up with deposit repricing and/or until the Fed lowers interest rates which subsequently should reduce deposit rates. The same holds true for our peer banks in the Madison metropolitan area.

At this time, and always, thank you for your continued confidence in Bank of Sun Prairie.

Warm regards,



Jimmy Kauffman,  
President and CEO, Chairman of the Board

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**Best Financial Institution and**  
**Best Businesswoman Monica Gonzalez**

## Bank of Sun Prairie Colleagues Helping across our Communities

