

## 3rd Quarter 2022 Financial Results

**Our dividend is \$0.35 per share in 3rd Quarter.** At the end of third quarter, our net income is projected at \$3.96 Million. With projected assets of \$603 Million, up 13.1% year over year, and loan growth at \$93.5 Million, up 21.0% year over year, we hold a strong financial position. We have grown deposits by \$72.2 Million, a year-over-year growth of 15.5%.

With the increasing interest rate environment, we are starting to see signs of loan application volume softening. Home values peaked at \$450,000 in June and are now dropping. From July to August, national prices dropped from \$449,000 to \$435,000, their most significant month-to-month fall in recent history dating back to 2016, according to a report by Realtor.com®.

Not surprisingly, the rise in interest rates has resulted in potential homebuyers being able to afford less on the same budget. At the end of 2021, a homebuyer with a monthly mortgage budget of \$2,500 could afford a home worth up to \$517,500. In mid-June this year, that same homebuyer could afford a home worth up to \$399,750 – a significant drop in purchasing power. The median mortgage payment in the U.S. is \$2,391 according to Redfin's data.

We continue to actively monitor economic news and make changes as necessary in response. Thank you for your continued confidence in Bank of Sun Prairie.

Warm regards,



Jimmy Kauffman,  
President and CEO, Chairman of the Board

## Bank of Sun Prairie Opens branch in Sun Prairie West High School



Sun Prairie Area School District and Bank of Sun Prairie announced the opening of a Bank of Sun Prairie branch in Sun Prairie West High School on Tuesday, Sept. 6, the first day of the school year. While students, staff, teachers can do their banking at the branch, a major emphasis of the work done there is giving students the opportunity to learn more about money, banking, and planning for the future.

Sun Prairie Area School District's commitment to expanding knowledge of financial concepts is a driver behind us delivering solutions directly to students directly in their school environment. Bank of Sun Prairie's Financial Fitness Center is featured prominently in the branch and eventually in the classroom. We're also thrilled to employ students in the bank branch – we see it as a great career exploration opportunity for those interested in customer service, banking and finance.