



The Bridge to a **Strong Future**



2024 ANNUAL REPORT

# To Our Shareholders and Friends

Hello! I'm excited to share AbbyBank's 2024 financial results and our continued progress as we emerge from a challenging inflationary period. Last year, I highlighted the impact of sharply rising interest rates on community banks. Deposit costs outpaced the revenues gained on loans, compressing our Net Interest Margin (NIM) and reducing earnings. Now, with the Federal Reserve's "pivot" to lower rates, we expect improved NIM and stronger earnings, benefiting our shareholders.



**Craig A. Stuedemann**  
President

## Assets

In 2024, AbbyBank's Assets grew by 2.60%, reaching \$658.4 million, while Deposits and Funding ended the year at \$614.0 million. This growth reflected strong loan demand in the first half of the year and deposit stabilization in the latter half. Competition for deposits remained strong, yet AbbyBank was able to meet our customers' expectations. Loan demand tapered off in the second half of 2024 with election jitters and uncertainty over future government policies. We anticipate loan volume picking up again in 2025.

## Earnings

In 2024, AbbyBank's core operations achieved \$2,681,000 in Net Income, boosting Earnings Per Share to \$8.94 — a notable increase from 2023. Unlike last year, there were no significant accounting adjustments. This resulted in a Return on Assets (ROA) of 0.41% and a Return on Equity (ROE) of 6.60%. While these metrics show strong improvement, we expect continued growth as we reprice a significant portion of our balance sheet in 2025 and beyond.

Responding to the challenge, our management team has done a remarkable job controlling Operating Expenses. Compensation and benefits, our second-largest expense, increased by just 4.50%. Occupancy Expense decreased by almost 20%, and Other Operating Expenses declined by 7.70% last year.

## Capital – Book Value

Capital or your Stockholders' Equity also improved last year, growing by \$2.4 million to \$41.82 million. High interest rates over the past two years have increased the Unrealized Loss on Investments in Capital. With rates now moderating, this "paper loss" is shrinking, improving the Capital Ratio to 6.35%. As a result, Book Value improved from \$131 to over \$139 per share in 2024. We expect Book Value to keep strengthening as bank earnings rise and more of AbbyBank's investment portfolio is directed into loans. Your investment remains strong, with Tier One Capital increasing to 8.76%, considered "well-capitalized" by regulators.

## Dividends

The board declared a \$4.00 per share Dividend, paid in early 2025, marking a \$.10 increase over the past two years. Both the board and management are fully aligned as we emerge from recent NIM challenges. Our goal is to strategically increase dividends as ROA and ROE grow.

## The Future

Looking ahead to 2025 and beyond, I'm optimistic about AbbyBank's trajectory. Our budget forecasts higher revenues, net income, and capital for 2025. While the bank's size may stay flat or shrink slightly as we reposition assets, we do expect increased profitability.

We're pleased with the first year of our Withee branch and expect our Green Bay loan office to take off in 2025. We are adding new products and services that take advantage of today's technologies to make banking easier, faster, and more flexible. We're also excited to start a major remodel project at our Abbotsford office, improving efficiency and giving the building a fresh new look. Stop by this fall to see the progress!

These changes will enhance customer experience, promote the AbbyBank brand, and strengthen your investment. Thank you for your continued support as we build **The Bridge to a Strong Future**.



# Financial Highlights

Year Ended December 31 (Dollars in thousands, except per share amounts)

OPERATING RESULTS FOR THE YEAR	2024	2023	2022	2021
Total Operating Income	\$30,838	\$25,822	\$22,425	\$24,785
Total Operating Expense	\$27,889	\$22,855	\$16,601	\$16,944
Net Income	\$2,681	\$1,006	\$4,420	\$5,807

## PER SHARE DATA

Net Income	\$8.94	\$3.35	\$14.73	\$19.36
Book Value	\$139.39	\$131.37	\$121.73	\$172.96

## BALANCE SHEET AT YEAR END

Total Assets	\$658,373	\$641,763	\$619,097	\$644,847
Total Funding	\$614,049	\$600,202	\$580,132	\$590,506
Net Loans	\$424,989	\$423,263	\$377,728	\$369,512
Loan Loss Reserve	\$4,721	\$4,870	\$4,017	\$3,928
Stockholders' Equity	\$41,818	\$39,411	\$36,519	\$51,889

## SELECTED FINANCIAL RATIOS

Net Loans to Total Funding	69.21%	70.52%	65.11%	62.58%
Return on Average Total Assets	0.41%	0.16%	0.70%	0.92%
Return on Avg. Stockholders' Equity	6.60%	2.65%	10.00%	11.31%
Efficiency Ratio	81.18%	80.26%	69.08%	63.70%
Stockholders' Equity to Total Assets	6.35%	6.14%	5.90%	8.05%
Loan Loss Reserve to Total Loans	1.10%	1.14%	1.05%	1.05%

# 2024 Milestones

ABBYBANK  
ASSETS  
**\$658M**

ABBYBANCORP, INC.  
EARNINGS PER SHARE  
**\$8.94**

ABBYBANCORP, INC.  
DIVIDENDS PER SHARE  
**\$4.00**

ABBYBANK  
SHAREHOLDER EQUITY  
**\$41.8M**

ABBYBANK  
NET INCOME  
**\$2.6M**

# Trends

In 2024, AbbyBank remained resilient in an evolving financial environment. With the Federal Reserve lowering interest rates three times in response to cooling inflation, economic conditions slowly began to improve. Our team stayed focused on adapting to the changes around us. Despite facing challenges and steep competition for deposits, AbbyBank remained committed to maintaining high service standards. While supporting customer relationships, we successfully navigated these times, staying true to our mission of being **the most highly recommended community bank**.

Our commitment to providing value to our shareholders is evident in our decision to increase the dividend to \$4.00, reflecting our confidence in the bank's continued success. Through careful financial management—such as maintaining strong capital reserves and controlling operating expenses—AbbyBank is building **the bridge to a strong future**, ensuring stability and success in 2025 and beyond.

AbbyBank's Net Interest Margin (NIM) has been under pressure for the last two years. The NIM is measured as the difference between the interest we earn on investments and loans and the interest we pay on deposits. Intense competition for deposits has led to rapidly rising interest expense. However, many of our loans and investments were booked at lower interest rates and have not come up for renewal yet. As these assets mature over the next several months, they will reset at current rates and NIM will begin to increase, thus improving earnings. This will not only strengthen AbbyBank's overall financial position but also enhance returns for our shareholders.

The chart above shows how AbbyBank's NIM compares to a national peer group. We believe the NIM has "bottomed out" in 2024 and expect to see it return to the 3.00% range in 2025 and beyond.

At AbbyBank, we continue to invest in our team and operations to support long-term growth. While our assets per employee ended the year at \$6.21 million, slightly below our \$6.5 million goal, we are committed to maintaining appropriate staffing levels. This approach allows us to deliver exceptional service and effectively support our expanding customer base. As we implement new initiatives and drive efficiencies in 2025, we expect both productivity and assets per employee to increase.

## Responsive

In 2024, AbbyBank continued its commitment to meeting the evolving needs of our customers by enhancing our digital banking offerings. In the spring, we upgraded our online banking platform, incorporating the latest authentication technology to ensure secure and safe banking experiences. Along with this, we gave the platform a fresh look and feel, making it more user-friendly and intuitive for our customers.

Later in the year, we launched an updated version of our mobile banking app. This new design brought a more streamlined and user-friendly experience, with improved features to provide greater convenience and control. Notably, we enhanced Card Controls, allowing customers more flexibility in managing how their debit cards are used. The

app also includes a more accessible personal finance tool, helping customers track their budgets and manage external accounts all in one place. These upgrades reflect AbbyBank's dedication to providing our customers with the digital tools they need to manage their financial lives securely and with ease.

At AbbyBank, we understand that continuous learning is crucial for maintaining a responsive team. In 2024, we introduced new training focused on Artificial Intelligence (AI) to

empower our employees. Recognizing that AI is becoming increasingly prevalent in the workplace, we developed a comprehensive policy to ensure its safe and responsible use. AI can enhance efficiency, improve our products, services and customer experiences while still protecting privacy, security, and setting ethical standards. This proactive approach reflects our commitment to use cutting edge technology to serve our customers in an evolving digital world.

## Growing

In 2024, AbbyBank successfully expanded its footprint with the opening of our new Withee branch. One year into this market, we are proud to share that we've opened nearly 250 new accounts at the Withee branch. Our team swiftly capitalized on the closure of another financial institution in the Owen-Withee area by launching a new branch in under 60 days. This allowed customers to maintain access to banking services in their community while also providing AbbyBank an opportunity to expand its presence in this growing rural area.

As part of our long-term growth strategy, we are moving forward with a Loan Production Office (LPO) in Green Bay in 2025. This expansion will strengthen our presence in the Fox

Year	AbbyBank NIM	Peer NIM
2024	2.59%	3.46%
2023	2.72%	3.47%
2022	3.02%	3.45%
2021	3.12%	3.39%
2020	3.24%	3.56%

# Future Growth

Valley region, building on the success we've achieved in Appleton and continuing to meet the needs of our growing customer base. We believe the Green Bay area offers a prime opportunity for quality commercial growth, positioning AbbyBank for long-term success and a strong future.

## Loan Growth

With inflationary concerns lingering in 2024, the Federal Reserve was cautious in adjusting interest rates. The Prime rate was set at a 20-year high of 8.50% at the start of 2024. As the year progressed, three rate reductions occurred, totaling 1% with Prime Rate closing at 7.50%. Although this was a decrease, the overall reduction was not as significant as initially expected and may have created some hesitancy among borrowers evaluating projects and financing options.

For AbbyBank, the tailwinds from strong loan demand in 2023 carried over into 2024. The bank experienced notable growth in the first half of the year, with the portfolio reaching \$444 million. However, as the year progressed, interest rates remained elevated, loan demand tapered due to economic and election uncertainty, and, in the end, the portfolio finished at a level consistent with the start of the year. The portfolio mix was largely composed of the following categories: \$261 million in commercial loans, \$88 million in agricultural loans, and \$74 million in residential loans, totaling \$429 million at year-end 2024.

Looking ahead to 2025, the expectation is that the Federal Reserve will take a 'wait and see' approach, allowing the inflationary data to guide any future rate cuts. As this strategy is implemented, it should result in less volatility, enabling the bank and its customers to adapt to current market conditions and plan with greater confidence. Businesses and investors remain attentive to economic policy changes and their potential impact on future growth.

## Future Opportunities

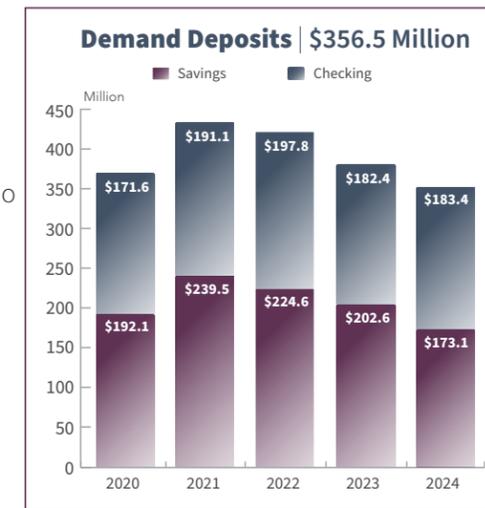
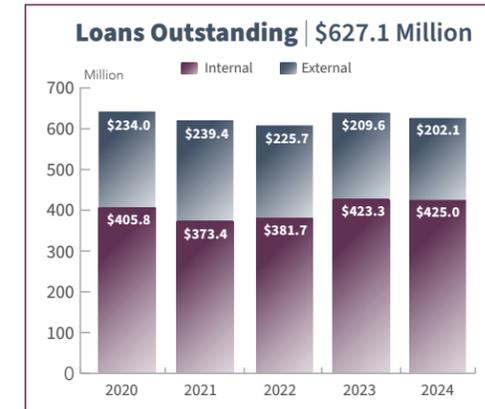
At AbbyBank, we believe our future success lies in strengthening both our community partnerships and internal operations.

Our Community Reinvestment Act (CRA) Committee is spearheading initiatives to empower our staff through targeted training. This approach equips us to deepen our community connections, identifying where financial literacy programs are most needed and providing critical money management skills. By collaborating with local municipalities, we are addressing key community challenges, such as affordable housing and small business support, to create more sustainable and thriving communities.

Additionally, our Human Resource Department has streamlined the application process for prospective employees. In partnership with an innovative platform, job seekers can now conveniently explore available positions on our website and apply online. We believe a more seamless recruiting process will enable AbbyBank to attract and retain the talented staff our customers trust with their finances and have come to rely on.

Looking ahead, AbbyBank is focused on enhancing convenience, technology, and services for our customers in the coming year. In 2025, we plan to introduce tap-to-pay debit cards for

faster, more secure transactions. We are also partnering with the Federal Home Loan Bank of Chicago to expand mortgage financing options. Additionally, we will begin a remodel of our home office in Abbotsford to improve the banking experience for customers and staff, which will include the implementation of Interactive Teller Machines (ITMs) for more flexible banking solutions. As part of our ongoing commitment to innovation, we are also continuing to research AI-driven tools like online chat and appointment scheduling to enhance customer convenience. These initiatives reflect our commitment to innovation and growth as we continue serving our diverse communities.



# AbbyBank Foundation, Inc.

## AbbyBank Foundation Donations

In 1986, AbbyBank established a private charitable foundation, now known as AbbyBank Foundation, Inc., as a meaningful way to give back to the communities we serve. Since its inception, the foundation has received \$1,826,300 in contributions from AbbyBank. These contributions have allowed the foundation to support numerous non-profit organizations that make a positive impact on our communities. To date, the AbbyBank Foundation has donated \$1,413,830.91 to organizations in Abbotsford, Appleton, Gresham, Medford, Shawano, Wausau, Weston, Withee, and surrounding areas.

We take great pride in supporting the communities we call home through the AbbyBank Foundation. We are committed to fostering positive change, and we continue to support projects that benefit our neighbors, friends, and the areas we serve.

For information on how to submit a charitable request to the AbbyBank Foundation, Inc., contact AbbyBank at 715-223-2345 or 1-800-288-2229 or visit [www.abbybank.com/about-us/our-story/charitable-foundation](http://www.abbybank.com/about-us/our-story/charitable-foundation).



**\$1,413,830**  
IN DONATIONS

## Organizations Receiving Donations During 2024

- Big Brothers Big Sisters of Northcentral Wisconsin
- Big Brothers Big Sisters of Northeastern Wisconsin
- Bridge Street Mission
- Colby Archery Club
- Colby Community Library
- Community Benefit Tree
- Friends of Black Creek Rural Fire & Rescue
- GiGi's Playhouse Wausau
- Junior Achievement of Wisconsin- NE Region
- Marathon County Literacy Council
- Opportunity of North Central WI, Inc.
- Peyton's Promise
- Rainbow Gymnastics
- REC Center Medford
- Shawano Menominee Resiliency Coalition
- St. Anthony de Padua Catholic School
- St. Joseph Food Program
- Taylor County Moving for a Cure
- United Way of Marathon County
- Veterans 1st of NEW, Inc.



Big Brothers Big Sisters of Northcentral Wisconsin



Colby Community Library



Peyton's Promise



REC Center Medford



Shawano Menominee Resiliency Coalition



Veterans 1st of NEW, Inc.

*Abby Bancorp, Inc.*

# Financial Highlights

Year Ended December 31 (Dollars in thousands, except per share amounts)

AS OF YEAR END	2024	2023	2022	2021
Total Assets	\$44,439	\$42,576	\$40,098	\$54,982
Stockholders' Equity	\$43,239	\$41,407	\$38,929	\$53,873
Shares Outstanding	299,842	299,637	299,772	299,712
Dividends per Share	\$4.00	\$3.90	\$3.90	\$3.70
Book Value per Share	\$144.21	\$138.19	\$129.86	\$179.75

## Statement of Condition

ASSETS				
Cash	\$2,616	\$3,159	\$3,560	\$3,070
AbbyBank (Book Value)	\$41,818	\$39,411	\$36,519	\$51,889
Other Assets	\$5	\$6	\$19	\$23
<b>Total Assets</b>	<b>\$44,439</b>	<b>\$42,576</b>	<b>\$40,098</b>	<b>\$54,982</b>

LIABILITIES & STOCKHOLDERS' EQUITY				
Dividends Payable	\$1,200	\$1,169	\$1,169	\$1,109
Loans Outstanding	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0
Stockholders' Equity	\$43,239	\$41,407	\$38,929	\$53,873
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$44,439</b>	<b>\$42,576</b>	<b>\$40,098</b>	<b>\$54,982</b>

# Community Highlights

AbbyBank's dedication to supporting the communities we serve is evident through our ongoing efforts in volunteering, fundraising, and donations. We take pride in partnering with local organizations and charities, knowing that these contributions positively impact our employees, customers, and shareholders while fostering stronger, more vibrant communities.

Each holiday season, many families in our communities face challenges providing for their loved ones. Through our matching holiday program, AbbyBank raised \$24,066.64

in 2024 across our eight locations to support local food pantries and organizations. Beneficiaries included Peyton's Promise (Wausau and Weston), First Baptist Food Pantry (Medford), Family Services Giving Closet (Shawano), Flo'ing with Kindness (Gresham), St. Joseph Food Program (Appleton), Owen-Withee Food Pantry (Withee), and Community United Pantry (Colby).

In 2024, AbbyBank positively impacted our area communities through various sponsorships, donations, or employee volunteer time.

## ABBYBANK'S ANNUAL VOLUNTEER DAY: Making a Difference Together

Each year, AbbyBank makes a commitment to community service, exemplified by our annual volunteer day. This dedicated initiative allows our employees to venture into the community, contributing their time and skills to create a positive impact. In our most recent volunteer day, 98 employees collectively invested 296 hours across 22

organizations, highlighting the remarkable influence one community bank can have in a single day. Our team's shared goal of giving back resulted in an inspiring day of service, embodying the spirit of community and gratitude. We extend our heartfelt thanks to our incredible team for their dedication to making this day truly special.

### 2024 AbbyBank Impact by the Numbers



**85**

ABBYBANK TEAM MEMBERS VOLUNTEERED



**2,039**

HOURS OF VOLUNTEER SERVICE



**138**

ORGANIZATIONS HELPED BY VOLUNTEERS



**190**

ORGANIZATIONS HELPED FINANCIALLY



**\$130K**

AMOUNT SPENT IN DONATIONS



Community United Food Pantry



Hurricane Helene Relief



Peyton's Promise

## Withee Grand Opening



Our grand opening in early 2024 was met with enthusiastic support from the local community, with many expressing their gratitude for maintaining essential banking services in this rural area. The positive response highlighted the importance of having a reliable financial partner in smaller communities, where access to banking can often be limited.



# The AbbyBank Team

Our dedication to excellent customer service requires our employees to work as a team in serving the needs of our valued customers. We are fortunate to have knowledgeable staff who are committed to providing friendly, timely assistance and resources to help customers address their financial needs and questions.

We take great pride in the longevity of our staff, with 60 of our 113 employees having been part of our team for over 5 years. This is a testament to our commitment to building strong relationships and providing a supportive work environment. Our experienced team continues to provide AbbyBank with a competitive edge as they remain key to our ongoing success.

## 5 Years



Lisa Acra Yesi Moreno Olvera Karen Simpson

## 10 Years



Carmen Woiak Brenda Anderson Samantha Olson Craig Stuedemann

## 20 Years



Lia Chang Angela Esselman Jenny Johnson Dick Wagner

## 25 Years



Tina Heeg

## 40 Years



Teri Schorer

## Staff Dedication

### 40+ Years:

Karla Feldbruegge  
Teri Schorer

### 35+ Years:

Darlene Kunze  
Penny Searer  
Lorraine Wagner

### 25+ Years:

Sharri Stroinski  
Betsy Briski  
Tracy Meyer  
Tina Heeg

### 20+ Years:

Vicki Halopka  
Lori Schmitt  
Heidi Block  
Philip Pesanka  
Mandi Schreiber  
Amanda Geurts  
Terra Orth  
Lia Chang  
Angela Esselman  
Jenny Johnson  
Tim Petersen  
Richard Wagner

### 15+ Years:

Megan Dassow  
Samantha Tesmer  
Craig Stuedemann  
Samantha Olson

### 10+ Years:

Denise Peterson  
Melissa Phillippi  
Tracy Hogden  
Sharon Jagodzinski  
Mai la Xiong  
Brenda Anderson  
Carmen Woiak

### 5+ Years:

Natalyn Jannene  
Leo Braun  
Gail Leader  
Stephanie Walter  
Sue Ackerman  
Jessica Dassow  
Rob Diedrich  
Peggy Gale  
Kim Netzer  
John Seal  
Perry Seegers  
Ron Juedes  
Carmen Thiede  
Laura Woebeking  
Heather Schulz  
Todd Brokl  
Dave Klein  
Tracy Engman  
Scott Chesbrough  
Adam Rekau  
Hillary Strebe  
Kelly Paczkowski  
Lisa Acra  
Kristina Morehead  
Yesi Moreno Olvera  
Andrea Quinney  
Karen Simpson  
Theresa Voelz

# Board of Directors



**Scott D. Christensen**  
*President*  
Christensen Farms  
Trucking, LLC  
Scott Christensen  
Farms, LLC  
Abbotsford, WI



**Curtis Day, CPA**  
*Certified Public Accountant*  
Wausau Tax &  
Accounting, Inc.  
Wausau, WI



**Troy Meyer**  
*Owner/Vice President*  
Meyer Buildings, Inc.  
Dorchester, WI



**Karen Piel**  
*Assistant Director,  
Gift Planning*  
Mayo Clinic Department  
of Development  
Wausau, WI



**Craig Stuedemann**  
*President & CEO  
Chairman of the  
Board*  
AbbyBank



**Patrick Trinko**  
*Director of Operations*  
Shawano Ambulance  
Service  
Shawano, WI



**Tricia Rothermel**  
*President & CEO*  
Greater Oshkosh Economic  
Development Corporation  
Appleton, WI

## Retiring Board Member

We would like to show our appreciation to **David Diesen** for his 19 years of dedication to our customers, staff, and shareholders. We wish him all the best in his retirement!

## Employee Retirements

We extend our appreciation to those employees who retired in 2024, thanking them for their years of service and dedication to our customers and AbbyBank. We wish the following retirees happiness and good health in their retirement:

**Peggy Hardt**

10 YEARS

**Karen Soyk**

37 YEARS

**Gary Thielman**

46 YEARS

## **ABBOTSFORD**

401 E. Spruce St.  
P.O. Box 648  
Abbotsford, WI 54405  
715.223.2345  
715.223.6385 Fax

## **APPLETON**

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Suite 103  
Appleton, WI 54913  
920.993.1234  
920.993.1235 Fax

## **GRESHAM**

801 Main St.  
P.O. Box 169  
Gresham, WI 54128  
715.787.3201  
715.787.4572 Fax

## **MEDFORD**

215 S. 8<sup>th</sup> St.  
P.O. Box 359  
Medford, WI 54451  
715.748.5333  
715.748.5332 Fax

## **SHAWANO**

1213 E. Green Bay St.  
P.O. Box 239  
Shawano, WI 54166  
715.526.2265  
715.526.2442 Fax

## **WAUSAU**

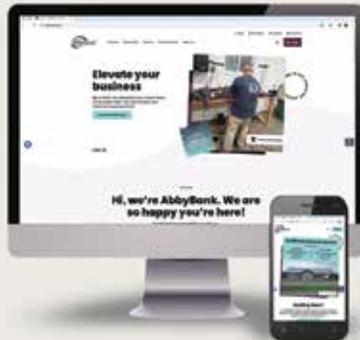
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## **WITHEE**

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715.229.3500



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