Charter Bank is an independently owned community bank, with one location at 1010 W. Clairemont Avenue in Eau Claire, Wisconsin. Community banks, like Charter Bank, are characterized by their local headquarters and consequently, local decision-making that benefits the community where the bank does business.

Since opening our doors as a de novo (new) bank in 1980, we’ve grown to an asset size of over $550 million, which gives Charter Bank the distinction of being the largest bank in the Chippewa Valley. This growth has been accomplished by providing our clients with financial products that exceed expectations. Our lending team has over 200 combined years of lending experience, resulting in exceptional growth in the number of loan clients and loan balances.

Our success would not be possible without the loyal patronage of thousands of Chippewa Valley residents. We are committed to rewarding their loyalty and support by making a positive difference in our community.

BOARD OF DIRECTORS
Front Row: Paul D. Kohler, Brenda L. Johnson, Jo Ellyn DeCesare, Dean M. Olson
In 2013 Charter Bank had a record year and was one of the top performing banks in the state of Wisconsin. In fact, Charter Bank was one of the highest performing financial institutions in the entire country. This past year Siefried and Brew, a community bank risk management firm, has named Charter Bank in the top 15th percentile of community banks in the nation. And once again, Bauer Financial, the nation’s leading bank rating and research firm, awarded Charter Bank its highest rating for a third straight year!

Our net income was up over 14.6% from a year ago, resulting in a Return on Shareholder Equity (ROE) of 16.13%. Our Return on Assets (ROA) was an astonishing 2.19% compared to last year’s record of 2.00%. This is even more impressive when compared to the state average ROA of less than 1%.

Part of our success is due to the bank’s seasoned staff and how efficiently they run our institution. Charter Bank’s efficiency ratio of 32.64%, as of December 30, 2013, gave the bank one of the very best efficiency ratios of the 1,200 banks in our peer group. Keeping our overhead low and having just one location has proven to be a successful strategy, especially when most banks are closing and consolidating branches. Many customers find that it is convenient to bank with us without even coming to the bank by utilizing our Internet banking, courier service, remote deposit capture, and our new mobile banking product which was rolled out in 2013.

Most banks in the state were unable to grow their loan portfolios this past year; however Charter Bank experienced a 3.6% increase in loans. Total loans outstanding now stand at $367,173,873 and our Loan Loss Reserve is nearly $11 million. Additionally, our credit quality continues to improve and is strong compared to industry averages.

Total deposits ended the year at $466,108,714 which is down 2.9% from last year. However, two of our core deposits, money market and savings, did show an increase of 4.1% from 2012. We are also pleased to report that Charter Bank’s market share of deposits is 27.25% of all FDIC insured banks located in the county of Eau Claire, according to the June 30, 2013, FDIC report.

This past year marked another year that the bank gave generously to the Eau Claire community. Area students received over $58,000 in scholarships. Charter Bank donated to nearly 100 different organizations in the Chippewa Valley, not mention the countless community volunteer hours by our dedicated employees.

Finally, 2013 saw Dean Olson retire after an illustrious banking career. Dean took over as Bank President and CEO in 1992 and retired at the end of March 2013 as CEO. During that time he guided Charter Bank from a small $20 million bank to one of the largest, most financially-sound institutions in Wisconsin. We are pleased to say that he will remain on our Board of Directors and wish him the very best in his retirement.

Our success at Charter Bank would not be possible without the loyal patronage of our customers. We are proud to say that Eau Claire is our home. Strong community banks like Charter Bank are vital to the success of communities like ours. Thus we will continue to remain an independent bank and provide exceptional customer service and financial products to the Chippewa Valley.

Paul D. Kohler, President & Chief Executive Officer
After 25 years of service Dean Olson, CEO of Charter Bank announced his retirement from Charter Bank. Under Olson’s leadership, Charter Bank has had a long history of being ranked as one of the top performing banks in Wisconsin and nationally. Dean served as President and CEO from 1992 to 2011, and currently serves as a bank consultant and member of Charter Bank’s Board of Directors.
BUSINESS ADVISORY BOARD
Annually, Charter Bank names a new Business Advisory Board to serve a one-year term. These local business representatives facilitate the development of new client relationships for Charter Bank and act as ambassadors for the bank in our community.
L to R: Jerry Jehn, Dave Schafer, Sara Vinopal, Mike Keil, Ryan Buesser, Joel Ruppert, Nicholas Mohr. Not pictured: Damien Hoernke.

WOMAN’S FINANCIAL COUNCIL
The Women’s Financial Council serves as Charter Bank ambassadors in our community and assists with community-related events for the bank. Their annual highlights include the selection of scholarship recipients and hosting our annual High School Art Show.
Back row: Melanie Peterka, Missy Stepanek
Front row: Amy Benedict, Marianne Klinkhammer, Amy Torgerson
<table>
<thead>
<tr>
<th>Assets</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$13,431,068</td>
<td>$29,337,478</td>
</tr>
<tr>
<td>Investment Securities</td>
<td>166,746,800</td>
<td>178,881,419</td>
</tr>
<tr>
<td>Federal Home Loan Bank Stock</td>
<td>1,440,000</td>
<td>1,440,000</td>
</tr>
<tr>
<td>Net Loans &amp; Leases</td>
<td>356,196,458</td>
<td>351,208,454</td>
</tr>
<tr>
<td>Premises and Fixed Assets</td>
<td>5,896,140</td>
<td>6,012,124</td>
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<tr>
<td>Foreclosed Assets</td>
<td>734,068</td>
<td>409,754</td>
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<tr>
<td>Cash Value of Life Insurance</td>
<td>10,507,138</td>
<td>10,095,249</td>
</tr>
<tr>
<td>Other Assets</td>
<td>3,751,971</td>
<td>4,939,669</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$559,218,643</td>
<td>$582,324,147</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Deposits</td>
<td>$466,108,714</td>
<td>$480,010,759</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>22,402,524</td>
<td>20,275,989</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>488,511,238</td>
<td>500,286,748</td>
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<tr>
<td><strong>Total Equity Capital</strong></td>
<td>70,707,405</td>
<td>82,037,399</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY CAPITAL</strong></td>
<td>$559,218,643</td>
<td>$582,324,147</td>
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</tbody>
</table>

Note: Financial Statement presented is not audited.

### ASSETS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$559,200,000</td>
</tr>
<tr>
<td>2012</td>
<td>$582,300,000</td>
</tr>
<tr>
<td>2011</td>
<td>$549,900,000</td>
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<tr>
<td>2010</td>
<td>$533,100,000</td>
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<tr>
<td>2009</td>
<td>$535,500,000</td>
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</table>

### LOANS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$356,200,000</td>
</tr>
<tr>
<td>2012</td>
<td>$351,200,000</td>
</tr>
<tr>
<td>2011</td>
<td>$352,700,000</td>
</tr>
<tr>
<td>2010</td>
<td>$350,600,000</td>
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<tr>
<td>2009</td>
<td>$356,900,000</td>
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</tbody>
</table>
## Statements of Income

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Interest and Dividend Income</td>
<td>$26,629,042</td>
<td>$28,082,109</td>
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<tr>
<td>Interest Expense</td>
<td>3,059,671</td>
<td>3,911,212</td>
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<tr>
<td>Net Interest Income</td>
<td>23,569,371</td>
<td>24,170,897</td>
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<tr>
<td>Provision for Loan Losses</td>
<td>(365,000)</td>
<td>3,950,000</td>
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<tr>
<td>Non-interest Income</td>
<td>1,715,557</td>
<td>3,139,845</td>
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<tr>
<td>Non-interest Expense</td>
<td>9,838,031</td>
<td>9,733,457</td>
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<tr>
<td>Provision for Income Tax</td>
<td>0 *</td>
<td>5,000 *</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$15,811,897</td>
<td>$13,627,285</td>
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</tbody>
</table>

*Except for amounts shown, income taxes are the liability of Charter Bank shareholders, as the bank is a Subchapter S Corporation.

## SECURITIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$166,800,000</td>
</tr>
<tr>
<td>2012</td>
<td>$178,900,000</td>
</tr>
<tr>
<td>2011</td>
<td>$167,100,000</td>
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<tr>
<td>2010</td>
<td>$162,100,000</td>
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<tr>
<td>2009</td>
<td>$157,300,000</td>
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</table>

## DEPOSITS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$466,100,000</td>
</tr>
<tr>
<td>2012</td>
<td>$480,000,000</td>
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<tr>
<td>2011</td>
<td>$439,000,000</td>
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<tr>
<td>2010</td>
<td>$430,500,000</td>
</tr>
<tr>
<td>2009</td>
<td>$422,900,000</td>
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</tbody>
</table>
Dedication to Serving

Our slogan – “Good For You … And Our Community Too!” – announces our dedication to providing resources and volunteering time and talent to many Chippewa Valley community organizations. Each year the bank contributes to private-not-for-profit organizations, and our staff participates in many community development events. We regularly review new opportunities to contribute to the well-being of the community we serve, and we plan to continue to pursue our community mission vigorously in the years ahead.

We support the following organizations through memberships and employee participation:

- American Heart Association
- Big Brothers, Big Sisters
- Children’s Museum of Eau Claire
- Chippewa Valley Innovation Center
- Chippewa Valley Museum
- CVTC Foundation
- Cystic Fibrosis
- Eau Claire Area Chamber of Commerce
- Eau Claire Area Economic Development Corporation
- Eau Claire Community Foundation
- Eau Claire Regional Arts Council
- Feed My People
- Friends of Beaver Creek Reserve
- Junior Achievement
- Kiwanis Clubs
- Literacy Volunteers
- REACH Foundation
- Rotary Club
- United Way of the Greater Chippewa Valley

Charter Bank sponsored the 2013 Memorial Day Parade held in downtown Eau Claire. The Eau Claire County Patriotic Council needed additional funds to cover the cost of the parade to be able to direct their other funding to support their individual affiliates.
Charter Bank is a dedicated sponsor of the **Feed My People Weekend Kid Meals** program, which offers summer meals to children who usually receive free weekend meals during the school year. In June, Charter Bank employees volunteered to bag close to 800 meals.

Left to right: Carol Ann Solberg, Jeri Parr, Michelle Harris, Wayne Richmond, Mary Reinert, Lynda LaCassee, Sue Diel, Deb Hintz, Barb Crandall, Kim Showsh.

We support the following organizations through donations:

- Advancing Hope, Jonah Fund
- Altoona Athletic Booster Club
- Altoona Police K-9 Unit
- Alzheimer’s Association
- American Red Cross
- Babe Ruth Baseball
- Big Brothers, Big Sisters
- Bobs House for Dogs
- Boy Scouts of America
- Chippewa Valley Council
- Boys & Girls Club
- Children’s Museum of Eau Claire
- Chippewa Valley Book Festival
- Chippewa Valley Free Clinic
- Chippewa Valley Museum
- Chippewa Valley Technical College Foundation
- Chippewa Valley Theatre Guild
- Chippewa Valley Symphony
- Chippewa Valley Youth Symphony
- Cystic Fibrosis
- Downtown Eau Claire, Inc.
- Dunn County Historical Society
- Eau Claire Cavaliers
- Eau Claire Chamber Educational Foundation
- Eau Claire Children’s Theatre
- Eau Claire Community Foundation
- Eau Claire Elks Lodge
- Eau Claire Humane Association
- Eau Claire Noon Lions Club
- Eau Claire Parks & Recreation
- Eau Claire Sculpture Tour
- Eau Claire Regional Arts Council
- Eau Claire Youth Hockey Association
- Faith Partners
- Feed My People
- Friends of Sacred Heart
- Friends of the L.E. Phillips Public Library
- Girl Scouts
- Girls on the Run
- Hope Gospel Mission
- Joshua’s Camp
- Junior Achievement
- L.E. Phillips Senior Center
- Literacy Volunteers of the Chippewa Valley
- Local High School Graduation Parties
- Marshfield Clinic
- Mayo Health System
- Old Abe Booster Club
- Paul Bunyan Logging Camp
- REACH Foundation
- Sacred Heart Hospital
- Salvation Army
- St. Francis Food Pantry
- The Community Table
- United Cerebral Palsy
- United Way of the Greater Chippewa Valley
- Whitetails Unlimited, Eau Claire Chapter
- YMCA

Several employees supported **Literacy Volunteers** by volunteering in the organization’s annual **Scrabble Bee** event.

Back row: Kim Showsh, Sheila Stabe
Front row: Jeff Biegel, Patti Bundy, Kathy Zehr
Children of all ages participated in the summer reading program at the L.E. Phillips Memorial Public Library. Children could earn special prizes by reaching an individual goal, such as the number of books read. The library and Charter Bank added an innovation this year with the ability for children to trade in their prizes for a special star valued at $1.00. At the end of the summer program, Paul Kohler presented Charter Bank’s donation of $500 to the Friends of the Library Give-A-Kid-A-Book project, corresponding with the number of “stars in the sky”.

To support Big Brothers, Big Sisters, Charter Bank put together three ’80s style bowling teams for the annual Bowl for Kids Sake event, the organization’s largest fundraiser. Charter Bank’s fundraising efforts led to a donation of over $6,000.

The Elk’s Lodge #402 in conjunction with Charter Bank and other area businesses continued their efforts of distributing dictionaries to local third grade classrooms. Through the funds raised from major sponsors and others in our community, over 1,200 free dictionaries were delivered to 21 schools in the Chippewa Valley.

Charter Bank walkers and supporters continued the annual tradition of raising funds and volunteering at the American Heart Association Heart Walk. Our team raised over $1,000.

Front row: Lori Schindler, Deb Bauer, Pat Peterson
Second row: Shelly Torgerson, Kathy Field
Third row: Leisha Scheffler, Kathy Strauch, Lisa Johnson
Back row: Cathryn Katelhut, Sheila Stabe, Shari Ederer, Patti Bundy
Over 80 high school artists showcased their artwork at the annual Charter Bank Student Art Show in the spring. Their artwork was exhibited for two weeks and gives the students a great opportunity to showcase their talents for the community. Paul Kohler with his daughter Sara and wife Karen (above).

A thoughtful Thank You card from the Chippewa Valley Free Clinic for the support Charter Bank gives them and our community, and our recent 5-star rating.

2013 COLLEGE SCHOLARSHIPS

In 2013, Charter Bank awarded 56 college scholarships to high school and post-high school students totaling over $50,000. To date, Charter Bank has awarded over $420,000 for our scholarship program.
Good for You
...and Our Community Too!