

2007  
Annual  
Report



Dear Friends,

It is with great pride and enthusiasm that we share with you the record-setting results of 2007 here at Bank of Sun Prairie. This annual report represents all the positive things that can happen when hard work and dedication combine in the best interests of our clients and customers.

Specifically, loans and deposits each increased by nearly 15% in 2007, generating a 20% increase in net income over 2006. By managing expenses, we were able to translate that activity into a healthy increase on book value – nearly \$2 per share.

The strong growth also resulted in record profit for the bank – over \$3 million, the best in our 104-year history.

Throughout this report, we introduce you to some of the business customers who contributed to the bank's growth – local clients who have relied on Bank of Sun Prairie for start-up help, ongoing support and sound financial advice. We're very appreciative that these valued clients have taken the time to share their stories and help us truly define what good customer service means to them.

Not all of our efforts involve loans and deposits. More than ever, the bank and its employees have assumed a real leadership role in the issues and causes that our community finds important. Our ongoing involvement in civic, charitable and business organizations resulted in hundreds of hours in staff commitment to our friends and neighbors in Sun Prairie and Cottage Grove.

As always, none of these positive relationships happens without the dedication and support of a caring and conscientious staff of professionals. When the opportunity arises, please join me in thanking each of our employees for their hard work and commitment.

Follow us into 2008 for more positive initiatives, including a change to our core processing system, which will provide us greater data management, flexibility and service potential. On behalf of the entire Bank of Sun Prairie family, we thank you for your trust and loyalty.

Sincerely,



Tom Tubbs  
Chairman of the Board



Alice Hensen  
President



## Plum Crazy, Owner Jody Myrold

*A new business is stressful, and having a partner like Bank of Sun Prairie to help with the details, big and small, lets me focus on the business instead of the banking. The staff at Bank of Sun Prairie really wants to help me have a successful business*



# Board of Directors

Glenn Fenske | Alice Hensen | Tom Howe  
 August J. List | David Simon | Tom Tubbs | John Yelk



## Management Team

Tom Tubbs, *Chairman of the Board*  
 Alice Hensen, *President*  
 Alan Sebranek, *Executive Vice President, CFO*  
 Ron Blawusch, *Senior Vice President, Loans*  
 Dave Suchomel, *Senior Vice President, Credit*  
 Cher Breunig, *Vice President, Auditor*  
 Anita Casper, *Vice President, Secretary*  
 Deborah Dotzauer, *Vice President, Loans*  
 Michelle Hahn, *Vice President, Real Estate Loans*  
 Kurt Kniess, *Vice President, Trust*  
 Mike Madden, *Vice President, Commercial Loans*  
 Bonnie Simpson, *Vice President, Operations*  
 Judy Veith, *Vice President, Bank Cards*  
 Ann Wood, *Vice President, Human Resources*

Tom Blyth, *Assistant Vice President, Loans*  
 Cheri Krisher, *Assistant Vice President, Branch Manager*  
 Chris Rompre, *Assistant Vice President, Branch Manager*  
 Debbie Williams, *Assistant Vice President, Branch Manager*  
 Gwen Cox, *Loan Supervisor*  
 Karen Est, *Teller and Proof Supervisor*  
 Diane Hensen, *Assistant Branch Manager*  
 Candy Heyroth, *Administrative Assistant*  
 Deb Holmen, *Personal Banking Supervisor*  
 Deb Krebs, *Marketing Manager*  
 Annie Kronzer, *Operations Supervisor*  
 Gayle Kuzenski, *Real Estate Lender*  
 Renee Schmied, *Operations Manager*  
 Paul Sukenik, *Business Lender*

### YEAR END COMPARATIVE ANALYSIS\*\*

<b>2007</b>	<b>\$296,818</b>
2006	\$263,994
2005	\$255,221
2004	\$238,303
2003	\$222,525
2002	\$213,968
2001	\$205,908
2000	\$195,784
1999	\$180,362
1998	\$188,073
1997	\$164,682

\*\*All numbers in thousands (000's)



## Annual Statement of Condition\*\*

ASSETS	2006	2007
Cash and due from banks	\$12,350	\$14,126
Investment securities	3,154	1,184
Federal funds sold	262	4,313
Interest bearing bank accounts	5,544	594
Real estate loans	192,433	224,838
Consumer loans	7,234	7,015
Bank card loans	1,645	1,741
Commercial and other loans	32,025	34,437
Reserve for possible loan loss	(1,483)	(1,676)
Other assets	10,830	10,246
<b>Total Assets</b>	<b>\$263,994</b>	<b>\$296,818</b>
LIABILITIES & STOCKHOLDERS EQUITY		
Non-interest bearing deposits	\$30,848	\$33,016
Interest bearing deposits	183,038	211,857
<b>Total Deposits</b>	<b>\$213,886</b>	<b>\$244,873</b>
Other liabilities	6,322	5,848
<b>Total Liabilities</b>	<b>\$220,208</b>	<b>\$250,721</b>
Stockholders equity (after adjustments)	43,786	46,097
<b>Total Liabilities &amp; Stockholders Equity</b>	<b>\$263,994</b>	<b>\$296,818</b>
<b>Book Value Per Share</b>	<b>\$36.49</b>	<b>\$38.41</b>

\*\*All numbers in thousands (000's)



## Annual Statement of Earnings\*

OPERATING INCOME	2006	2007
Interest on loans	\$14,185	\$18,583
Fees on loans	633	646
Interest on investment securities	144	61
Interest on federal funds	164	76
Interest on interest bearing bank accounts	758	53
Service charges & other fees	598	553
Trust fees	217	225
Other income	405	105
<b>Total Operating Income</b>	<b>\$17,104</b>	<b>\$20,302</b>
<b>OPERATING EXPENSES</b>		
Interest paid on deposits	\$6,353	\$8,218
Salaries and employee benefits	4,020	4,154
Other expenses	2,042	2,293
Net loan loss	38	69
<b>Total Operating Expenses</b>	<b>\$12,453</b>	<b>\$14,734</b>
Net operating profit	4,651	5,568
Estimated income taxes	(1,688)	(2,047)
<b>Net Income Before Dividends</b>	<b>\$2,963</b>	<b>\$3,521</b>
Dividends paid	(1,104)	(1,020)
Voluntary (increase)/ decrease to loan loss reserve	(187)	(193)
<b>Net Additions To Undivided Profits</b>	<b>\$1,672</b>	<b>\$2,308</b>
<b>Actual Net Income</b>	<b>\$2,776</b>	<b>\$3,328</b>

\*All numbers in thousands (000's)

## Changes In The Allowance For Loan Losses\*

For Years Ended December 31st	2006	2007
Balance – January 1st	\$1,296	\$1,483
Recoveries	28	72
Charge offs	(66)	(141)
Provision for loan losses	38	69
Voluntary increase/(decrease) to loan loss reserve	187	193
<b>Balance – December 31st</b>	<b>\$1,483</b>	<b>\$1,676</b>

\*All numbers in thousands (000's)



### Johnson Industries International Grant Nesheim and Peter Nelles

*Bank of Sun Prairie has a real understanding of the small business environment. Beyond the usual banking services, they help us create financial analyses to assess our business performance in key areas. There are a lot of banks that would loan us money, but Bank of Sun Prairie helps us make money.*

## From the Trust Department

There used to be a time when “estate planning” meant having a lawyer draft a simple will and trust.

But tax law has made estate planning much more complicated in recent years and undoubtedly, the larger and more diverse your financial portfolio, the more complex the estate plan. But without the proper plan in place, investors could be saddling loved ones with an enormous tax and legal burden.

The Bank of Sun Prairie Trust Department has over a quarter century of experience, and can help execute a variety of objectives from financial planning to the active administration of trusts and estates. We also deal with financial agencies, guardianships, employee benefit plans and property succession.

Each of our customers uses trust services for a different reason. Illness or an inability to make sound financial decisions are common starting points. Some individuals wish to alleviate the burden of their financial affairs, while others call upon us to mediate or prevent family disputes when they can’t agree on planning details. It is our job to remain impartial, informed and objective at all times.

We invite you to call on us if we can help you assess or address specific needs. We would be happy to discuss your situation and design a customized menu of solutions for you.

## Statement of Condition

ASSETS	2006	2007
Cash	\$0	\$0
Demand deposits (interest bearing)	9,432,912	12,495,735
Time deposits – Bank of Sun Prairie	2,964,090	3,330,976
Time deposits – other institutions	2,488,165	2,098,476
Land contracts and notes	682,989	661,857
Stocks	26,891,567	29,866,505
Bonds	2,990,203	4,273,618
Real estate	1,198,209	1,944,309
Other	1,676,063	1,487,001
Liabilities payable	-170,000	-170,000
<b>Total Department Assets</b>	<b>\$48,154,198</b>	<b>\$55,988,477</b>

## Talk of the Town Pizzeria, Kathy Hoover

*I've dealt with other banks, and Bank of Sun Prairie is above the rest. They recommend great strategies for growing my business, and the staff is constantly supportive. The service is fast, the people are friendly, and they truly want to see my business succeed.*



# Community Involvement



Cottage Grove Fireman's Parade entry

"Get Smart About Credit" Presentation



Business Breakfast Series



## Dr. Chris Stevens Family and Cosmetic Dentistry, Owner Chris Stevens

*Bank of Sun Prairie worked with me when I started my business, and even though I was a small customer then, I was always treated with respect. As my business grew and my needs changed, the bank was there to support me. The service has always been excellent, and they've always been there when I needed them.*

## Mission Statement

*To seek out and provide the very best financial services to commercial and consumer customers while making a fair and equitable profit for our stockholders.*



MEMBER FDIC

SUN PRAIRIE  
228 E. Main Street  
550 Broadway Drive  
119 Wilburn Road  
(608) 837-4511  
(608) 251-7335

COTTAGE GROVE  
419 W. Cottage  
Grove Road  
(608) 839-3977  
(608) 251-3977

