

# MILWAUKEE BUSINESS JOURNAL

## WISCONSIN'S STRONGEST BANKS

Taking a deep dive into the financial institutions shaping the state

BY LOGAN HANSON, PAGES 10-13



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# FINANCIAL FLEX

*Here's how the state's banks stack up, and what could be on the horizon for the industry*

BY LOGAN HANSON | lhanson@bizjournals.com

**N**early all banks operating in the Milwaukee area are in strong financial shape. There are about 50 national and local banks active in the seven-county region, with total assets ranging from \$24 million to more than \$3 trillion.

A Milwaukee Business Journal analysis of metrics gathered by the Federal Deposit Insurance Corp. shows 94% of those financial institutions are at low risk of failure.

Banks' strength has been of national interest in recent years following the Covid-19 pandemic, the interest rate environment and the 2023 collapses of Silicon Valley Bank and First Republic Bank.

The financial strength of local depositories puts the banks in a position to flow capital to Milwaukee-area businesses to support their operations and growth, as well as prospective buyers of homes, vehicles and other needs.

## Methodology and findings

The Business Journal analyzed banks' financial state using data collected by the FDIC for each of the banks headquartered in Wisconsin, trying to suss out who tops the list of strongest institutions.

We also turned to Kent Belasco, an associate professor of finance and banking at Marquette University, to get his view on the banks operating in Milwaukee. The upshot: They're "pretty strong." Belasco reviewed additional criteria that were not part of the Business Journal's analysis, including return on equity, return on assets and asset quality.

The strength of the area's banking sector is significant because it is an indicator of the community and

local economy's strength, Belasco said. Banks' health facilitates their ability to lend.

"As they continue to lend money to businesses – and there's many opportunities to do that – businesses grow, and when they grow, they create more jobs and people prosper and save more money, which puts more money in the banks," Belasco said.

## Wisconsin's largest bank

Associated Bank, the largest bank with its headquarters in the state, has a Texas ratio of about 3%, indicating that it is in a relatively strong position, especially compared with similar-sized institutions. Its problem loan ratio of 0.47% also ranks rather well compared with peers.

The bank has focused its efforts over the last couple years under CEO Andy Harmening on building its core customer deposits through the hiring of relationship managers. This is part of a strategic plan Harmening implemented in 2021 after he took over leadership of the Green Bay-based bank.

Associated Bank had more than \$34 billion in total deposits as of the end of the fourth quarter of 2024.

Harmening told the Business Journal in early 2025 that he is bullish on the bank's future.

"I expect we'll continue to have growth and success serving this community. I think that's good for us, I think that's good for our shareholders, and I think it's good for the state of Wisconsin," Harmening said in January.

## Relaxing regulations

As President Donald Trump implements changes to the banking industry, the expectation among bankers is there will be a reduction in regula-

tions, something Wisconsin Bankers Association CEO Rose Oswald Poels supports.

"We've always been a regulated industry and certainly support reasonable regulation given the role that we play," Poels said. "But I think the regulation swung too far (under President Joe Biden), so that is one hope that we have. One point of optimism that we have with the Trump administration (is) that over the next couple of years, we will see some of these regulations pared back."

This could open the door for more mergers and acquisitions, something Belasco says is necessary.

"I think the opportunities for M&A at some of the smaller banks could be pretty strong," Belasco said. "How much consolidation is hard to tell, but if much of what the administration is talking about plays out, I think there will be some good growth in the economy, and that opens the door for lots of opportunity including M&A."

Poels, though, expects the number of small banks – which is far larger in Wisconsin than many other states – will remain strong.

"We are and always have been a very strong community bank, independent bank, state," Poels said. "I think there's a place for those sized institutions just as much as there's a place for the larger institutions here as well."

As an industry, Poels said, Wisconsin banks could see more growth in 2025.

"There is this cautious optimism," Poels said. "I do expect the health of the state borrowers, whether they're individuals or businesses, to remain again generally very strong, and therefore the banking industry will also continue to remain very strong." ❧

## Strongest Micro Banks

Wisconsin is very strong in the category of small, community-focused banks, with almost 100 institutions having less than \$500 million in assets at the end of 2024.

1	2	3	4	5
<b>FARMERS AND MERCHANTS UNION BANK</b>	<b>WEST POINTE BANK</b>	<b>THE FIRST NATIONAL BANK OF BANGOR</b>	<b>THE PEOPLES COMMUNITY BANK</b>	<b>STATE BANK OF NEWBURG</b>
Problem-loan ratio	Problem-loan ratio	Problem-loan ratio	Problem-loan ratio	Problem-loan ratio
0.0%	0.0%	0.03%	0.03%	0.14%
Texas ratio	Texas ratio	Texas ratio	Texas ratio	Texas ratio
0.0%	0.0%	0.08%	0.17%	0.65%
Core-capital ratio	Core-capital ratio	Core-capital ratio	Core-capital ratio	Core-capital ratio
15.68%	18.15%	28.45%	12.70%	16.65%
Loan-to-deposit ratio	Loan-to-deposit ratio	Loan-to-deposit ratio	Loan-to-deposit ratio	Loan-to-deposit ratio
73.32%	82.27%	81.97%	58.44%	80.93%
Estimated % of insured deposits	Estimated % of insured deposits	Estimated % of insured deposits	Estimated % of insured deposits	Estimated % of insured deposits
71.47%	61.13%	48.13%	76.05%	65.56%
<b>\$73.1M</b> Total equity	<b>\$63.4M</b> Total equity	<b>\$96.6M</b> Total equity	<b>\$39.8M</b> Total equity	<b>\$48.5M</b> Total equity
<b>\$366.4M</b> Net loans and leases	<b>\$286.3M</b> Net loans and leases	<b>\$291.8M</b> Net loans and leases	<b>\$220.4M</b> Net loans and leases	<b>\$241M</b> Net loans and leases
<b>\$0</b> Noncurrent loans and leases	<b>\$0</b> Noncurrent loans and leases	<b>\$82K</b> Noncurrent loans and leases	<b>\$73K</b> Noncurrent loans and leases	<b>\$327K</b> Noncurrent loans and leases
<b>\$10.7M</b> Net income	<b>\$4.8M</b> Net income	<b>\$10.6M</b> Net income	<b>\$4.05M</b> Net income	<b>\$4.4M</b> Net income

### JUDGING CRITERIA

Our rankings were determined using eight categories in the following order of importance:

- Problem-loan ratio** shows the percentage of loans in a bank's portfolio that are 90 days past due or no longer accruing interest at the stated rate. This is the category first used to sort banks in each size group.
- Texas ratio** is determined by adding up the problem loans and dividing them by a bank's equity capital and loan-loss reserves. The smaller the number, the better.
- Core-capital ratio** measures the reserve capital banks set aside. The more core capital a bank has, the better it can handle problems.
- Loan-to-deposit ratio** determines the flexibility a bank's capital base retains if it faces trouble that might shake depositors. A lower number is better.
- Estimated percentage of insured deposits** looks at how much risk exists if a bank is forced to use its in-house capital to cover a high level of deposit withdrawals.
- Equity capital** is free of debt and available to be used in the interest of the business. Equity capital gives a bank versatility to make loans and seek growth.
- Income** is used to gauge a bank's prospects for a strong future. A bank might have few problem loans and large capital reserves, yet still be losing money.
- Net loans and leases** are used to help separate banks with similar numbers, giving more emphasis to the banks with larger portfolios.



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### Strongest Small Banks

Larger community banks are also a solid part of the state financial ecosystem: There are about three dozen banks with assets between \$500 million and \$1 billion.

1	2	3	4	5
<b>WESTBURY BANK</b>	<b>DMB COMMUNITY BANK</b>	<b>BANK OF SUN PRAIRIE</b>	<b>GREAT MIDWEST BANK</b>	<b>BANK OF WISCONSIN DELLS</b>
Problem-loan ratio	Problem-loan ratio	Problem-loan ratio	Problem-loan ratio	Problem-loan ratio
0.02%	0.0%	0.0%	0.16%	0.15%
Texas ratio	Texas ratio	Texas ratio	Texas ratio	Texas ratio
0.14%	0.0%	0.0%	0.85%	0.97%
Core-capital ratio	Core-capital ratio	Core-capital ratio	Core-capital ratio	Core-capital ratio
10.4%	11%	9.9%	16.2%	11.4%
Loan-to-deposit ratio	Loan-to-deposit ratio	Loan-to-deposit ratio	Loan-to-deposit ratio	Loan-to-deposit ratio
74.63%	82.53%	83.08%	88.62%	76.28%
Estimated % of insured deposits	Estimated % of insured deposits	Estimated % of insured deposits	Estimated % of insured deposits	Estimated % of insured deposits
69%	60.3%	65.7%	55.3%	57%
<b>\$76.4M</b> Total equity	<b>\$83.1M</b> Total equity	<b>\$72.4M</b> Total equity	<b>\$157.2M</b> Total equity	<b>\$97.2M</b> Total equity
<b>\$609.5M</b> Net loans and leases	<b>\$653.3M</b> Net loans and leases	<b>\$616.4M</b> Net loans and leases	<b>\$869.4M</b> Net loans and leases	<b>\$733.1M</b> Net loans and leases
<b>\$112K</b> Noncurrent loans and leases	<b>\$0</b> Noncurrent loans and leases	<b>\$0</b> Noncurrent loans and leases	<b>\$1.4M</b> Noncurrent loans and leases	<b>\$1.1M</b> Noncurrent loans and leases
<b>\$8.3M</b> Net income	<b>\$20K</b> Net income	<b>\$2.2M</b> Net income	<b>\$4.1M</b> Net income	<b>\$11.5M</b> Net income

### Strongest Midsize Banks

Midsized banks often offer more branches and have far larger loan portfolios. These banks come from the 21 banks with assets between \$1 billion and \$4 billion.

1	2
<b>NORTH SHORE BANK</b>	<b>JOHN DEERE FINANCIAL</b>
Problem-loan ratio	Problem-loan ratio
0.2%	0.4%
Texas ratio	Texas ratio
0.85%	1.77%
Core-capital ratio	Core-capital ratio
13%	19.6%
Loan-to-deposit ratio	Loan-to-deposit ratio
72.16%	99.15%
Estimated % of insured deposits	Estimated % of insured deposits
70.6%	0.01%
<b>\$364.2M</b> Total equity	<b>\$827.5M</b> Total equity
<b>\$1.9B</b> Net loans and leases	<b>\$3.4B</b> Net loans and leases
<b>\$3.2M</b> Noncurrent loans and leases	<b>\$14.8M</b> Noncurrent loans and leases
<b>\$22.5M</b> Net income	<b>\$163.9M</b> Net income

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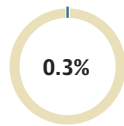
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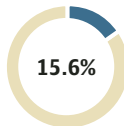
**3**  
**WATER-STONE BANK**

Problem-loan ratio



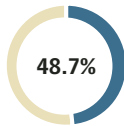
Texas ratio  
**1.64%**

Core-capital ratio



Loan-to-deposit ratio  
**81.44%**

Estimated % of insured deposits



**\$328.1M**  
Total equity

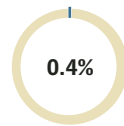
**\$1.8B**  
Net loans and leases

**\$5.7M**  
Noncurrent loans and leases

**\$18.3M**  
Net income

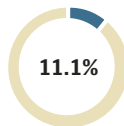
**4**  
**ONE COMMUNITY BANK**

Problem-loan ratio



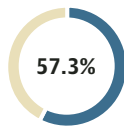
Texas ratio  
**2.83%**

Core-capital ratio



Loan-to-deposit ratio  
**83.06%**

Estimated % of insured deposits



**\$236M**  
Total equity

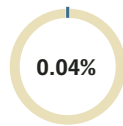
**\$1.8B**  
Net loans and leases

**\$7.2M**  
Noncurrent loans and leases

**\$18M**  
Net income

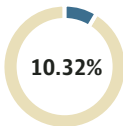
**5**  
**THE PARK BANK**

Problem-loan ratio



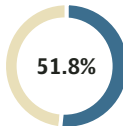
Texas ratio  
**0.32%**

Core-capital ratio



Loan-to-deposit ratio  
**84.84%**

Estimated % of insured deposits



**\$138.2M**  
Total equity

**\$1.2B**  
Net loans and leases

**\$487K**  
Noncurrent loans and leases

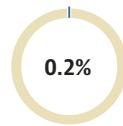
**\$5M**  
Net income

**Strongest Large Banks**

The large category is dominated by the largest bank in the state, Green Bay-headquartered Associated Bank. Below its \$43 billion in assets sit banks with assets ranging from \$4 billion to \$8.8 billion.

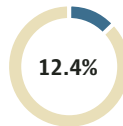
**1**  
**JOHNSON BANK**

Problem-loan ratio



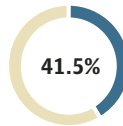
Texas ratio  
**1.01%**

Core-capital ratio



Loan-to-deposit ratio  
**73.71%**

Estimated % of insured deposits



**\$818.9M**  
Total equity

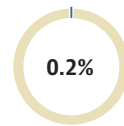
**\$5B**  
Net loans and leases

**\$9.1M**  
Noncurrent loans and leases

**\$58M**  
Net income

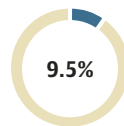
**2**  
**BANK FIRST**

Problem-loan ratio



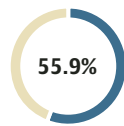
Texas ratio  
**1.36%**

Core-capital ratio



Loan-to-deposit ratio  
**77.37%**

Estimated % of insured deposits



**\$580.5M**  
Total equity

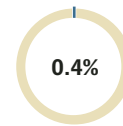
**\$3.5B**  
Net loans and leases

**\$8.5M**  
Noncurrent loans and leases

**\$67.6M**  
Net income

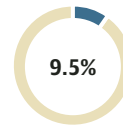
**3**  
**NICOLET NATIONAL BANK**

Problem-loan ratio



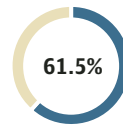
Texas ratio  
**2.38%**

Core-capital ratio



Loan-to-deposit ratio  
**74.77%**

Estimated % of insured deposits



**\$1.1B**  
Total equity

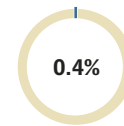
**\$6.6B**  
Net loans and leases

**\$28.4M**  
Noncurrent loans and leases

**\$122.2M**  
Net income

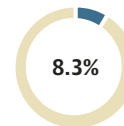
**4**  
**ASSOCIATED BANK**

Problem-loan ratio



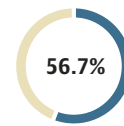
Texas ratio  
**2.68%**

Core-capital ratio



Loan-to-deposit ratio  
**70.02%**

Estimated % of insured deposits



**\$4.5B**  
Total equity

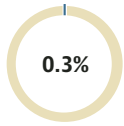
**\$30.1B**  
Net loans and leases

**\$128.9M**  
Noncurrent loans and leases

**\$129.2M**  
Net income

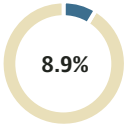
**5**  
**TOWN BANK**

Problem-loan ratio



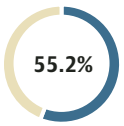
Texas ratio  
**1.88%**

Core-capital ratio



Loan-to-deposit ratio  
**72.46%**

Estimated % of insured deposits



**\$395.4M**  
Total equity

**\$3B**  
Net loans and leases

**\$7.8M**  
Noncurrent loans and leases

**\$41.7M**  
Net income

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