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State banks continuing to improve, DFI reports

MADISON -- Wisconsin’s state-chartered banks showed continued improvement in the second quarter, according to data released today by the Federal Deposit Insurance Corp. “Results from the second quarter continue to reflect the stabilization that is occurring in the banking industry in Wisconsin,” said Peter Bildsten, secretary of the Wisconsin Department of Financial Institutions, the agency that oversees state-chartered banks. “It was especially encouraging to see an improvement in the equity capital ratio, which puts state banks in a solid position to grow as the Wisconsin economy continues to improve.”

Bildsten pointed to several positive trends for Wisconsin’s 203 state-chartered banks. As of June 30:

- The ratio of equity capital to total assets was 11.5 percent, up 13.5 percent over last year and 4.1 percent over the quarter ending March 31, 2011.
- The reserve for potential loan losses improved to 3.2 percent, up 8.6 percent over last year and 1.6 percent over the first quarter.
- Total loans for one- to four-family residential housing units stood at $16.9 billion, a 4.2 percent increase compared to the first quarter.

“The increase in lending for residential housing is a good sign,” said Mike Mach, administrator of the DFI’s Division of Banking. “Home ownership is an important component of our economy and the fact that state banks have increased their portfolios in this area sends a positive message.”

For more information, visit the DFI website at www.wdfi.org.