



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

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Wisconsin's Banks Report Strong Third-Quarter Financial Performance

MADISON, Wis. – Wisconsin's 134 state-chartered banks continue to exhibit strong financial performance as of September 30, 2021, according to data released today by the [Wisconsin Department of Financial Institutions \(DFI\)](#).

Total assets of Wisconsin's state-chartered banks stand at more than \$67.8 billion through September 30, 2021, an increase of nearly \$5.1 billion from September 30, 2020. Excess liquidity from the extension of the COVID-19 pandemic's Paycheck Protection Program (PPP) loans combined with the low interest rate environment has put pressure on the net interest margin, decreasing it from 3.49% in September 2020 to 3.35% as of September 30, 2021. Net loans have decreased 2.16% from September 2020, down \$949.6 million, due, in part, to PPP loans being forgiven or paid down.

In the twelve months ending on September 30, 2021:

- The capital ratio remained strong at 10.97% compared to 11.12% in September 2020;
- The past due ratio declined to 0.76% from mid-pandemic levels when the ratio was 1.17% in September 2020;
- Net operating income was over \$679.3 million compared to \$557.1 million in September 2020. The return on average assets ratio has increased from 1.29% in September 2020 to 1.39% due, in part, to strong asset performance and continued secondary market refinance fee income; and
- Bank liquidity has been strong, putting pressure on the loans to assets ratio at 64.82% compared to mid-pandemic liquidity levels of 71.57% in September 2020.

“Wisconsin's state-chartered banks have helped their customers, small businesses, and communities in need throughout the COVID-19 pandemic while exhibiting sound financial performance through the third-quarter of 2021,” said DFI Secretary Kathy Blumenfeld. “Overall, Wisconsin's state-chartered banks are financially stable and a source of strength for the economy. While the financial indicators are positive, banks must remain diligent and continue to work with their customers to meet their financial needs as the pandemic continues to linger.”

To learn more, read DFI's [Bank Performance Indicator Report](#) as of September 30, 2021.

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