

Spring Bank raises nearly \$3.8 million

The Business Journal by Rich Kirchen, Senior Reporter

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File photo

Dave Schuelke (center) on a recent plant tour with a customer... "It's a very nice success. It surpassed our expectations as a business."

Spring Bank defied the odds when it opened right before the worst of the 2008 financial crisis and now the Brookfield bank has become the rare community bank that has raised capital to fund growth.

The bank recently completed selling new stock totaling nearly \$3.8 million, said president and chief executive officer [Dave Schuelke](#). The stock sale, which bank officials conducted themselves, exceeded their goal of \$3.5 million, he said.

"It's a very nice success," Schuelke said of the capital raise. "It surpassed our expectations as a business."

Spring Bank has 16 employees, one branch and offices at 16655 W. Wisconsin Ave.

The bank will use the proceeds as "more ammunition" to make more loans, Schuelke said. The bank also would consider acquiring another small community bank, he said.

"Acquisitions are not in our business plan — we plan on organic growth — but we could be opportunistic," Schuelke said.

Spring Bank's new capital increases the maximum size of loans the bank can make to about \$3.5 million from about \$2.7 million, Schuelke said.

The bank's total loans have continued to grow, presenting an additional choice for small to midsize businesses in southeast Wisconsin seeking loans. The bank was one of only eight southeast Wisconsin banks tracked by The Business Journal that increased lending in both the fourth quarter of 2011 and at year-end 2011 compared with year-end 2010.

The bank's total assets as of Dec. 31, 2011, were \$132.9 million and full-year earnings were \$1.2 million, which was the same as in 2010.

'Good story'

Spring Bank opened in August 2008, three weeks before the near-meltdown of Wall Street. By opening after the financial crisis peaked, the bank has avoided making high-risk loans, particularly for real estate, and charted a conservative course.

"It's a good story," said [Jon Winick](#), president of Clark Street Capital in Chicago. "There wasn't a whole lot of time for them to be stupid."

All banks are having difficulty raising capital today largely because banks are considered riskier investments and returns are lower than they have been historically, Winick said. Banks such as Spring Bank that have been profitable are more appealing to investors than banks with legacy-loan problems.

Spring Bank has required higher loan-to-value ratios of its loan customers than some other banks, Schuelke said.

"We started with a clean slate at the right time," Schuelke said. "That certainly did give us a boost."

Eighty-five percent of the new shares were sold to existing investors, which include some of the bank's customers, Schuelke said.

Among the 15 percent of new investors is [Jeff Treske](#), president of ICafe Inc., Pewaukee, which supplies products and services to manufacturers that apply paint, powder coating and plating. Treske's firm is a Spring Bank customer and he likes what he sees from the bank and its employees, he said.

Treske finds Spring Bank a compelling story for starting in 2008 and attracting business customers who have survived the hard economic times.

"We know what they're about — they're local," Treske said. "I believe there's great potential for them to succeed."