



# 2024

## ANNUAL REPORT

# Stronger Together

► Capitol Bankshares, Inc. & Subsidiary



# Community Involvement and Support

## Agrace

American Cancer Society  
American Family Children's Hospital  
American Heart Association  
Area Chambers of Commerce  
Area Kiwanis, Optimist, Rotary Clubs  
Boys & Girls Club of Dane County  
Capitol City Theatre  
Friends of the Waisman Center  
Friends of UW Health  
High Point Swim Club  
JDRF of Wisconsin  
Keep WI Warm/Cool Fund  
Leukemia & Lymphoma Society  
Lussier Community Education Center  
Madison Public Library  
Madison Symphony Orchestra  
Madison Waldorf School  
Middleton United Soccer Club  
Overture Center  
Ronald McDonald House  
Charities Madison  
Rush Wisconsin Soccer Club  
Second Harvest Food Bank of  
Southern Wisconsin  
Sun Prairie Storm  
United Way of Dane County  
Wildcat Youth Football  
Wisconsin Bankers Foundation  
Wisconsin Investment Partners

## Dear Shareholders:

2024 was a year of dynamic change. Three Federal Reserve rate cuts lowered short-term rates, while long-term rates edged higher, ending a two-year period of inverted interest rates that squeezed bank margins nationwide. We see this as a return to a normalized rate environment, but these shifts kept our Bankers busy helping customers reposition their financial resources. Their dedication hasn't gone unnoticed – Capitol Bank was named Best Bank in Madison by Madison.com's People's Choice Awards, while Newsweek recognized us as one of America's Best Regional Banks and Credit Unions for 2025 – honors that reflect our commitment to excellence and the trust of our customers.

### Financial Highlights as of December 31, 2024:

- Assets increased 6.61% to \$628.79 million year over year
- Net loans outstanding increased 0.92% to \$489.45 million year over year
- Deposits increased 6.28% to \$537.76 million year over year
- Bank year-to-date return on equity of 6.44%
- Consolidated year-to-date earnings of \$3.82 million
- Book value per share increased 5.76% to \$64.65

### Management Update

At year end, tech stocks comprised approximately 47% of the S&P 500 Index's total market capitalization. While technology remains a dominant force, at Capitol Bank we believe its true value lies in how we harness it to better serve our customers while leveraging our expertise. Over just six months, the U.S. economy has absorbed more than a full cycle of significant events – including rate changes, political shifts, natural disasters and geopolitical tensions – shaping both challenges and opportunities for our community and Capitol Bank in the years ahead.

Our goal is to remain steadfast in our commitment to customers, shareholders and employees, balancing both short-term priorities and long-term performance – anchored in the enduring, time-tested principles of sound banking.



Best Wishes,

Justin M. Hart  
President, Capitol Bankshares, Inc.  
Chief Executive Officer, Capitol Bank

Ami M. Myrland  
Assistant Secretary, Capitol Bankshares, Inc.  
President and Chief Financial Officer,  
Capitol Bank



Capitol Bankshares, Inc. and Subsidiary  
**CONSOLIDATED STATEMENTS OF INCOME**

Years Ended December 31, 2024 and 2023

(\$ amounts in thousands)	2024	2023
Interest and dividend income:		
Interest on loans, including fees	\$28,843	\$24,961
Interest on securities	1,727	1,299
Interest on interest-bearing deposits in banks	783	546
Other	169	265
<b>TOTAL INTEREST AND DIVIDEND INCOME</b>	<b>\$31,522</b>	<b>\$27,071</b>
Interest expense:		
Interest on deposits	\$15,706	\$11,766
Interest on short-term borrowings	1	2
Interest on borrowed funds	1,206	1,012
Total interest expense	16,913	12,780
Net interest income	14,609	14,291
Provision for credit losses	304	864
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<b>\$14,305</b>	<b>\$13,427</b>
Non-interest income:		
Service charges on deposits	\$405	\$391
Mortgage banking	583	384
Gain on sale of UFS stock	45	2,035
Other	433	435
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$1,466</b>	<b>\$3,245</b>
Non-interest expenses:		
Salaries and employee benefits	\$7,123	\$6,915
Occupancy	1,379	1,530
Data processing and office expense	865	825
Advertising and promotions	221	179
Professional fees	370	374
Net loss on sale of securities	-	315
Other	1,394	1,222
Total non-interest expenses	11,352	11,360
Income before provision for income taxes	4,419	5,312
Provision for income taxes	597	1,828
<b>NET INCOME</b>	<b>\$3,822</b>	<b>\$3,484</b>

Capitol Bankshares, Inc. and Subsidiary  
**CONSOLIDATED BALANCE SHEETS**

December 31, 2024 and 2023

Assets (\$ amounts in thousands)	2024	2023
Cash and cash equivalents	\$35,499	\$12,653
Interest-bearing deposits	600	1,498
Debt securities available for sale, net of allowance for credit losses of \$0 as of December 31, 2024 and 2023, respectively (amortized cost of \$85,953 and \$73,716 as of December 31, 2024 and 2023, respectively)	79,576	66,940
Loans held for sale	127	-
Loans	495,252	491,429
Allowance for credit losses	(5,802)	(6,419)
Loans, net of allowance for credit losses	489,450	485,010
Premises and equipment, net	3,439	3,730
Other investments	4,548	3,993
Mortgage servicing rights	901	888
Accrued interest receivable	1,826	1,975
Foreclosed assets, net	775	-
Cash surrender value of life insurance	7,473	7,243
Other assets	4,574	5,864
<b>TOTAL ASSETS</b>	<b>\$628,791</b>	<b>\$589,794</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Non-interest-bearing deposits	\$77,486	\$82,437
Interest-bearing deposits	460,274	423,530
Total deposits	537,760	505,967
Borrowed funds	22,000	17,000
Accrued interest payable	782	660
Other liabilities	5,231	5,325
<b>TOTAL LIABILITIES</b>	<b>\$565,773</b>	<b>\$528,952</b>
Stockholders' equity:		
Common stock, par value \$1 per share; 5,000,000 shares authorized; 999,416 and 995,316 issued and 974,748 and 995,316 outstanding at December 31, 2024 and 2023	\$999	\$995
Additional paid-in capital	8,411	8,123
Retained earnings	59,932	56,559
Accumulated other comprehensive loss	(4,523)	(4,835)
Treasury stock (24,668 and 0 shares)	(1,801)	-
Total stockholders' equity	63,018	60,842
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$628,791</b>	<b>\$589,794</b>



**MISSION:** To be a professional team of experts who combine our knowledge of customers and local market insights to deliver a rewarding and memorable banking experience.

## Capitol Bankshares, Inc. and Subsidiary

### CHANGES IN ALLOWANCE FOR CREDIT LOSS

December 31, 2024 and 2023

(\$ amounts in thousands)	2024	2023
Balance, beginning	\$6,419	\$5,391
Impact of adoption of ASU No. 2016-13 (ASC 326)	-	340
Charge-offs	(1,133)	-
Recoveries	5	8
Provision for credit loss	511	680
Allowance for credit loss	\$5,802	\$6,419

## Capitol Bankshares, Inc. and Subsidiary

### NON-ACCRUAL LOANS

December 31, 2024 and 2023

(\$ amounts in thousands)	2024	2023
Non-accrual loans	-	\$1,941

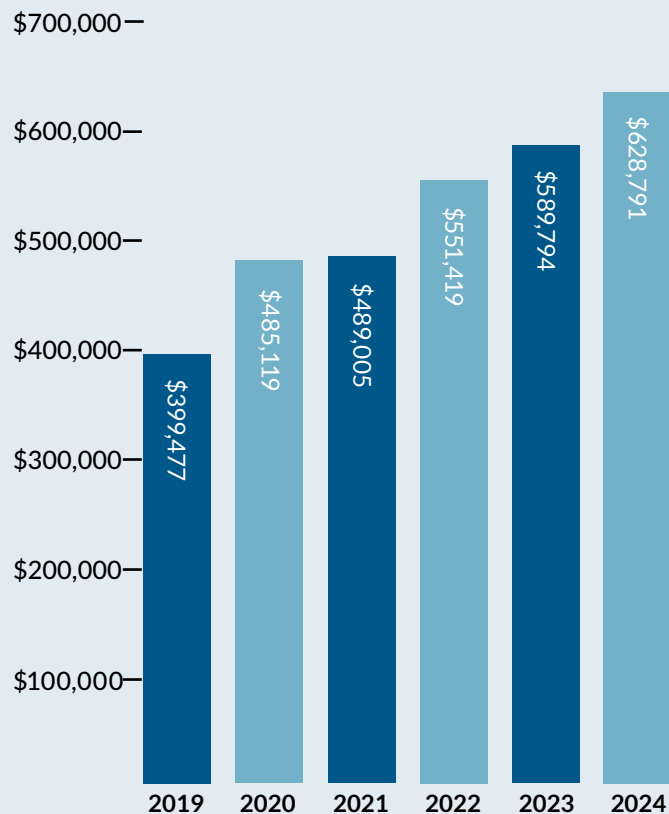
## Capitol Bankshares, Inc. and Subsidiary

### CHANGES IN STOCKHOLDERS' EQUITY

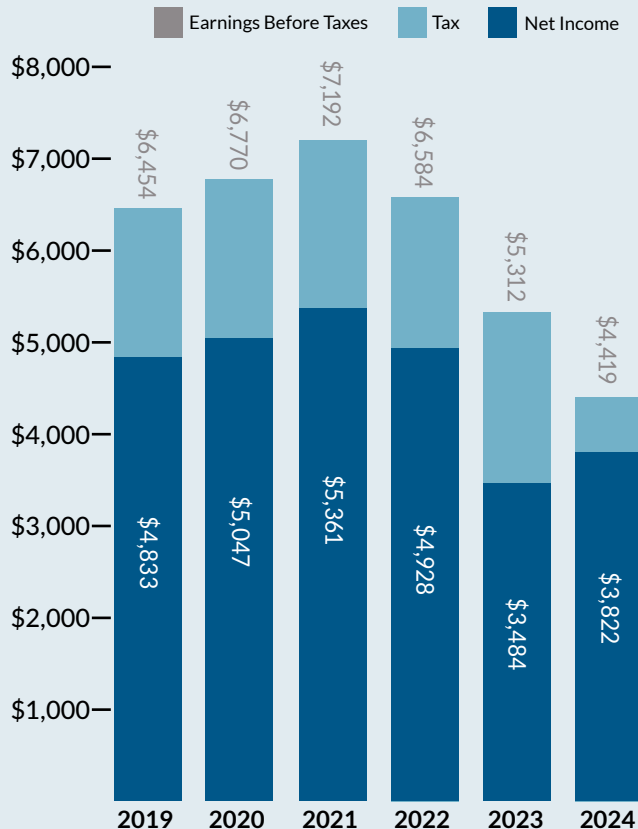
December 31, 2024 and 2023

(\$ amounts in thousands)	2024	2023
Balance, beginning	\$60,842	\$56,527
Cumulative effect of change in accounting principle	-	(365)
Net income	3,822	3,484
Other comprehensive income	312	1,490
Dividends to stockholders	(450)	(557)
Purchase of treasury stock (24,668 shares)	(1,801)	-
Stock compensation plan	293	263
Total stockholders' equity	\$63,018	\$60,842

## Consolidated ASSETS (\$ in thousands)

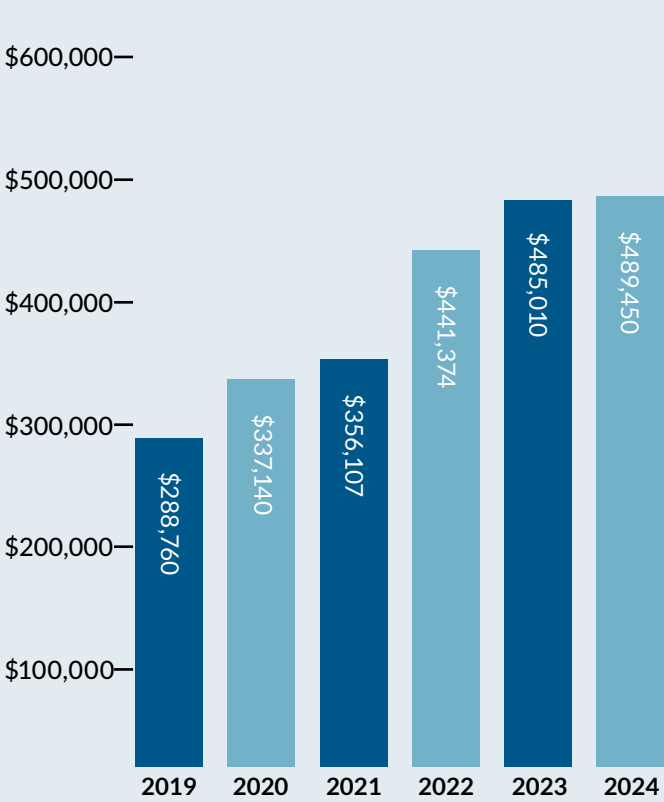


## Consolidated EARNINGS (\$ in thousands)

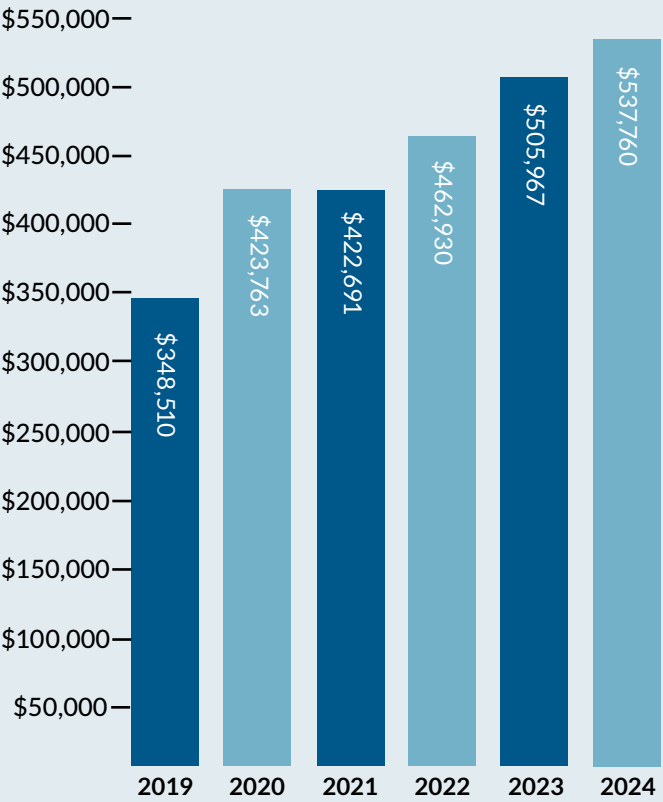




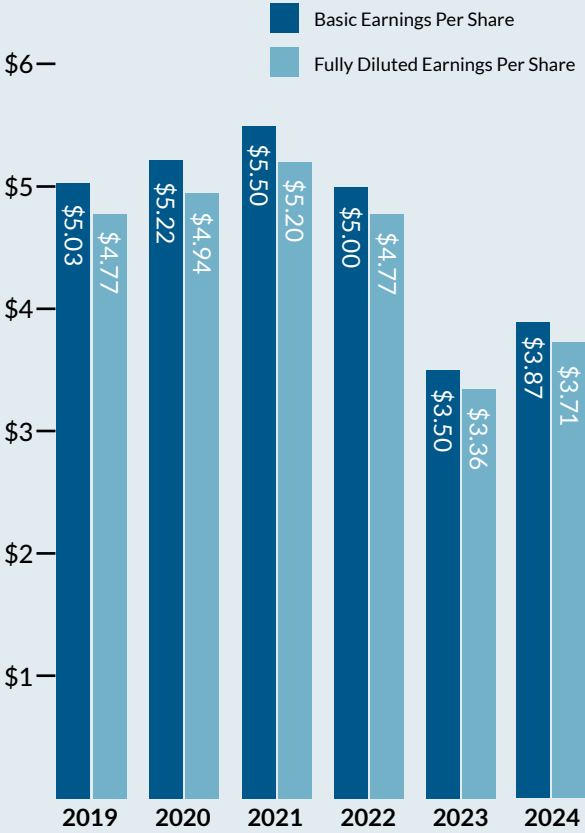
Consolidated  
**NET LOANS** (\$ in thousands)



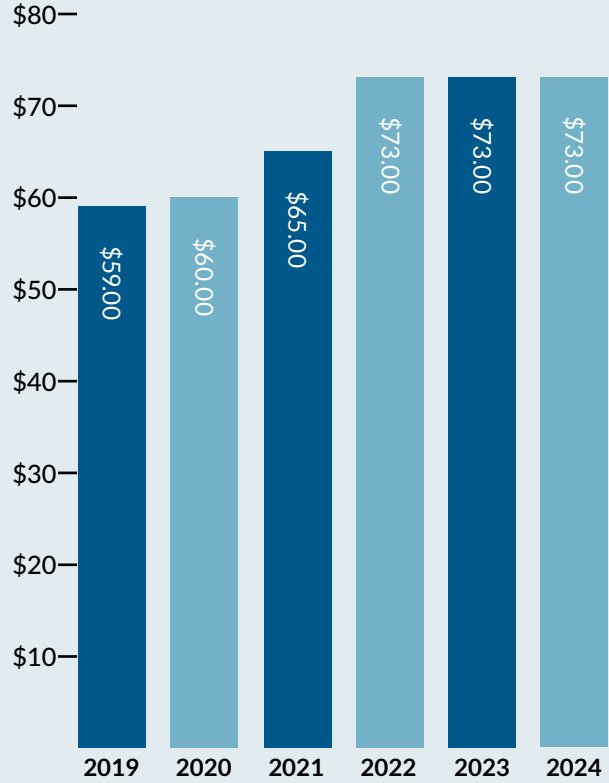
Consolidated  
**DEPOSITS** (\$ in thousands)



Consolidated  
**BASIC AND FULLY DILUTED EARNINGS PER SHARE**



Capitol Bankshares, Inc.  
**STOCK PRICE PER SHARE**



## BANK OFFICERS

Kenneth Thompson  
*Executive Chairman,  
Capitol Bankshares, Inc.*

Justin Hart  
*CEO, Capitol Bank  
President, Capitol Bankshares, Inc.*

Ami Myrland  
*President & CFO, Capitol Bank  
Asst. Secretary, Capitol Bankshares, Inc.*

Derek Moehring  
*EVP / Chief Credit Officer*

Lori Pond  
*EVP / Operations*

Gary Kuter  
*SVP / Chief Compliance & Risk Officer*

Amy Gile-Enge  
*SVP / Mortgage Lending*

Michael Johnston  
*SVP / Commercial Lending*

Troy Mitchell  
*SVP / Commercial Lending*

Matt Roegner  
*SVP / Commercial Lending*

David Robbins  
*Market President – East Madison*

Bader Beheiri  
*VP / Retail Banking*

Nick Inman  
*VP / Credit*

Jill Mack  
*VP / Private & Commercial Banking*

Shawna Sherry  
*VP / Loan Documentation*

Anne Conlin  
*AVP / Relationship Banking*

Tammy Fanning  
*AVP / Treasury Management  
& Business Development*

Cori Femrite  
*AVP / Mortgage Lending*

Heather Flood  
*AVP / Deposit Operations*

Karl Krug  
*AVP / Information Technology*

JoAnna Vanderpoel  
*AVP / Human Resources*

Annette Wolter  
*AVP / Loan Administration*

Kari Harpold  
*Treasury Management Officer*

Paige Janquart  
*Controller*

Brianne Schwichtenberg  
*Software Integration and  
Security Officer*

Hannah Stillman  
*Branch Manager – Verona*

## CAPITOL BANKSHARES, INC. AND SUBSIDIARY / DIRECTORS

Kenneth Thompson  
*Executive Chairman, Capitol Bankshares, Inc.*

Justin Hart  
*CEO, Capitol Bank  
President, Capitol Bankshares, Inc.*

Sean Cleary  
*President, Cleary Holdings, Inc.  
President, Cleary Building Corp.  
Owner, Cleary Transport, LLC  
Vice President, Capitol Bankshares, Inc.*

Mark Koehl  
*CPA, Retired  
Wipfli, LLP  
Treasurer, Capitol Bankshares, Inc.*

Michelle Behnke  
*Attorney, Boardman Clark, LLP  
Secretary, Capitol Bankshares, Inc.*

Joseph Hildebrandt  
*Managing Director, DaneVest Tech Trust and  
Phenomenelle Angels Trust*

Erik Johnson  
*Executive Chairman  
Hy Cite Enterprises, LLC*

Theodore Richards  
*Chairman of the Board  
Strand Associates, Inc.*

Jay Sekelsky  
*CFA, Retired CIO, Madison Investment Advisors  
Partner, Zermatt Investors, LLC*

## ADVISORY BOARD

Bruce Berndt, CPA, CGMA  
*Founder and Managing Partner, Berndt CPA, LLC*

Dan Bertler  
*Owner, Supreme Structures*

Sean Cleary  
*President, Cleary Holdings, Inc.  
President, Cleary Building Corp.  
Owner, Cleary Transport, LLC  
Vice President, Capitol Bankshares, Inc.*

Jeannie Cullen Schultz  
*Co-President, JP Cullen*

David Glusick, PE  
*Principal / Chairman of the Board, Vierbicher  
Associates, Inc.*

Dr. Brett Hoeft  
*Partner, Luedtke-Storm-Mackey  
Chiropractic Clinics, S.C., Verona*

Jim Rose, CPA  
*Independent Consultant*

Christopher Zak  
*Vice President, Sales and Relationship Manager,  
First American Title – National Commercial  
Services*

## EMERITUS BOARD MEMBERS

Frank Burgess  
James Dolister  
Richard Munz  
Gerald Peterson  
Gordon Renschler  
Robert Tensfeldt  
Albert Toon, Jr.



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BANK**

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[www.capitol.bank](http://www.capitol.bank)

Capitol Bank is:



*This statement has not been reviewed or  
confirmed for accuracy or relevance by the  
Federal Deposit Insurance Corporation.*