

Stearns Bank: A Fortress of Strength and a Safe Haven for Depositors

Industry leader addresses concern, sets itself apart from collapsing financial institutions, balance sheet risks, and poor investment decisions made by others

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/EINPresswire.com/ -- [Stearns Bank](#), N.A., a MN-based financial institution, is echoing its longstanding message of strength and stability amid recent bank shutdowns and the \$620 billion “unrealized losses” problem plaguing banks of all sizes – but not Stearns Bank. With its 25% capital and 2.78% reserves, which are consistently 2-3 times stronger than its peers, along with its 3% Return on Assets (ROA) and ultra-clean investment portfolio, Stearns Bank’s bulletproof balance sheet stands out as a fortress of strength in the banking industry.



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*Kelly Skalicky, Stearns Bank
President & CEO*

While senior leaders of Stearns Bank recognize people across the nation are shell shocked by recent bank shutdowns, namely Silicon Valley Bank, Silvergate Bank, and Signature Bank, they recognize the importance of inviting customers’ calls and questions.

“Our customers are smart, and they should ask questions to understand why Stearns Bank is a safe haven,” said Stearns Bank President & CEO, Kelly Skalicky. “We purposefully and consistently maintain a well-disciplined balance sheet for the peace of mind of our customers who deserve to know their money is safe and managed by a bank making smart, fiscally sound decisions.”

“Stearns Bank customers have safety and security, which is vital, especially now. Our customers and 22% employee-owners deserve the very best from us – and we deliver, with industry-leading strength and financial discipline” said Skalicky.

Stearns Bank continues to stand out as a fortress of strength, repeatedly achieving quarter after quarter the top IDC bank-safety rating of 300 – the highest possible safety-and-soundness rating by IDC Financial Publishing, Inc. (“IDC”).

IDC has been rating the safety and soundness of banks, savings institutions, and credit unions since 1985, using a rating scale of 1 (the worst and weakest) to 300 (the strongest and safest). The IDC calculates 24 key financial ratios for over 10,000 financial institutions, quarterly, measuring the 5 safety and soundness components used by regulators examining financial institutions: capital requirements, adequacy of capital, margins, earnings returns, and liquidity.

Skalicky analyzes IDC’s ratings regularly when reviewing the quality of other banks, noting that “IDC’s methodology and calculations are 100% transparent, uniform, and strictly based on financial information reported by each institution to their regulators. They are a good resource to assess safety and soundness, paired with other analyses we run.”

Stearns Bank’s investment portfolio is very small and presents no risks to the institution, maintaining a bulletproof balance sheet and achieving industry-leading performance for decades.

Consumers may not understand why some banks are stronger than others or how to assess a bank’s financial strength. A bank’s capital and reserves are essential to the bank’s ability to sustain unexpected risks of loss, surprise industry collapses, or other economic shocks. Capital and reserves are built up by the bank’s retained earnings, and many banks pay out their earnings to shareholders.

A bank’s forecasted earnings and future earnings are very important to sustain its financial strength because future years’ earnings support a bank’s operations (which may increase with increasing costs of operations), with excess future bank earnings available to be retained to increase its capital.

The failures of these banks highlight two dangerous risks: the first being high concentrations and exposure to the crypto industry; and the second being large, misplaced investments in long-term securities. In short, these banks failed because they took elevated risks to boost earnings. Consumers should question their financial institution’s exposure to the crypto industry and the mounting “unrealized losses” problem plaguing many banks across the country, large and small.

Contrary to the failed banks, Stearns Bank has maintained its historic financial discipline and bulletproof balance sheet with 25% capital and does not have exposure to the crypto industry or

unrealized losses.

“Crypto is a very high-risk, volatile industry that Stearns Bank is not exposed to,” Skalicky emphasized. “We invest minimally in securities and manage our industry concentrations closely, not taking risks that are “big swings for the fence” to boost earnings.”

Stearns Bank N.A. is in a unique position to operate and maintain an extraordinary level of capital and reserves because it is privately held and its shareholders are 100% vested in building financial strength and long-term value without demanding shareholder distributions from excess earnings. Instead, by being committed to financial discipline, Stearns Bank builds up its capital and reserves for extra protection against unexpected downturns in the economy.

Stearns Bank N.A. ended 2022 with \$2.2 billion in assets and strong earnings which enables Stearns Bank to consistently pay its deposit customers much higher interest rates than the national average in its high-yield, low-or-no fee deposit accounts.

From Stearns Bank’s standpoint, putting consumers in the best position for any potential economic situation remains a priority. While individual deposits held with Federal Deposit Insurance Corporation (FDIC) member banks, like Stearns Bank, are insured up to \$250,000 by the FDIC, the bank helps protect high-balance deposits with IntraFi Network DepositsSM to extend FDIC protection beyond the individual \$250,000 limit.

“At Stearns Bank, our nationwide customers can rest assured we are strong, and safe and sound – with our high-balance deposit customers sleeping well, knowing their high-yield, low-no fee accounts are building wealth and much valued personal financial security,” Skalicky said.

“We encourage them to [connect with us](#) with questions and to talk through all options. We’ll answer on the first ring, and help ensure that they are fully protected and earning the best interest rates on their business and personal deposits.”

About Stearns Bank N.A.

MN-based Stearns Bank N.A. is a \$2.2 billion, independently-owned financial institution with locations in MN, FL and AZ, and 35,000+ customers nationwide. Recognized as having a bulletproof balance sheet with 25% capital and rankings as one of the nation’s highest-performing banks most recently by American Banker and Independent Banker, Stearns Bank specializes in nationwide commercial construction lending, USDA and [SBA lending, and small business and equipment financing](#). Driven by a passion to help others achieve their greatest ambitions, Stearns Bank mission is to Get the Job Done! For more information, visit <https://www.stearnsbank.com/>.

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