

For Immediate Release



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To Banking or Business Editor:

BauerFinancial Updates Bank & CU Star-Ratings Cracks in Lending are Beginning to Appear

June 16, 2016: Coral Gables, FL: BAUERFINANCIAL, Inc., the nation's leading independent bank rating firm, has just released its latest bank and credit union ratings. While the new ratings do indicate the banking industry has made it through the Great Recession, cracks in the armor are beginning to appear.

At March 31, 2016, the nation's banks posted a 2% drop in net income from the first quarter of 2015. By itself, that is not necessarily a warning sign. However, the lower income was due to increased provisioning for future loan losses, specifically from commercial and industrial (C&I) loans. Industrywide, noncurrent C&I loans increased by \$9.3 billion (65%) in the first quarter. The majority of that increase was reported by the biggest banks.

Banks with more than \$10 billion in assets reported an 82% increase in noncurrent C&I loans (\$8.9 billion) while noncurrent C&I loans at community banks increased by just 12% (\$415 million).

The nation's credit unions are also reporting higher delinquency rates with a year over year increase of 14.2% in delinquent loans and 35.2% in provisions set aside to cover losses. Business loans were the hardest hit as credit unions posted a delinquency rate of 1.41% in their business loan portfolios. Putting that into perspective, however, last year the business loan delinquency rate was 0.95% and five years ago, it was 3.91%. While we are still far from where we were, it definitely bodes monitoring.

Looking up star-ratings is easy: simply visit bauerfinancial.com and select bank or credit union ratings. Then either browse an entire state or enter an institution name to narrow your search. Either way, check the rating of your banks and/or credit unions today!

It's Simple. It's Smart. And it's Free.

BAUERFINANCIAL has been providing the public with the knowledge they need to make informed decisions regarding their banking relationships since 1983. BAUERFINANCIAL is the source that bankers and consumers trust when making important banking decisions. When it comes to money, all decisions are important.

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Members of the press may request a free spreadsheet of all the bank and/or credit union star ratings in their state, along with financial highlights, by emailing research@bauerfinancial.com.