

For Immediate Release



CONTACT:

Karen Dorway
BAUERFINANCIAL, Inc.

TEL: 1.800.388.6686

FAX: 1.800.230.9569

www.bauerfinancial.com
research@bauerfinancial.com

To Banking or Business Editor:

New BauerFinancial Star-Ratings Reveal Red Flags on the Horizon for Banks and Credit Unions

March 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. Troubled and Problematic Banks, those rated 2-Stars or less, now number just 199, representing less than 3¼% of all banks. This is the first time since 2007 that we've had fewer than 200 on the list. As for credit unions: there are only 151 credit unions rated 2-Stars or below with year-end 2015 financial data; we haven't seen a number that low since 2006!

What has been flying under the radar is the number of credit unions that have been failing. Already this year, three credit unions have failed; an additional 11 small credit unions failed in 2015. They are faring much worse than banks in this area as there has only been one bank failure in 2016 and there were only eight in all of 2015. With roughly 80% of the combined industries rated either 5-Stars or 4-Stars, there are plenty of healthy options. We would suggest you make sure your institutions are among them.

Another red flag popping up is that for the first time in 5½ years, the banking industry posted a year-over year increase in net charge-offs (7% higher than a year ago). And for the first time in six years, provisions for loan losses exceeded charge-offs. The problem areas include both Commercial & Industrial loans as well as consumer loan portfolios. But, fear not. Any deficiencies are and will be reflected in the star-rating. The trick is to check yours each quarter.

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.

BAUER...Trusted.

##

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.