

Media Release



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FOR IMMEDIATE RELEASE:

To the Editor:

Community Banks: the Lifeblood of Small Towns, Businesses

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In the past decade, the total number of banks in the U.S. has shrunk by 25%; 50% from two decades ago. Not only are mergers and acquisitions eating away at the industry, new charters are not being sought. When this decade began, we had over 10,000 banks and 57% had assets of \$100 million or less. These small community banks have been hit the hardest with consolidation and now represent just 34% of the much smaller industry.

These are the banks that take the time for your children and grandchildren. In fact, many of us had our first savings accounts in a community bank. They're the banks that sponsor the little league teams and town gatherings. For millions of Americans community banks are much more than a place to cash your paycheck. In fact, based on September 30, 2010 financial data, these smallest banks had 290,000 small business loans on their books. Another 850,000 small businesses hold loans from banks with assets between \$100 million and \$500 million. That's over a million business owners that may not have gotten the help they needed from a larger bank.

Small banks tend to know their customers, the local business community, when to grant a loan... and when not to grant one. They don't need to be squeezed with over-regulation. The fact is, they have better balance sheets than their larger counterparts. The average leverage capital ratio at the smallest banks (assets less than \$100 million) was over 11.5% at September 30th, much higher than the 9% industry average. Their risk-based capital ratios are just as impressive as are their nonperforming asset ratios. These are clearly not the banks that threaten our economic well-being. On the contrary, they are the lifeblood of it.

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