



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC REPORTS ON RISING TREND OF CORPORATE BANKRUPTCIES

The outlook for bank credit quality in 2002 rests on whether the current problems of large corporate borrowers filter down to smaller businesses and consumers, the Federal Deposit Insurance Corporation said today. Financial problems in the corporate sector have coincided with a deterioration in large-bank credit quality in recent quarters, and is a significant factor behind the recession that began in March 2001, the agency noted in its publication, ***Bank Trends***.

The report's findings are summarized in the inaugural edition of ***FYI***, an e-mail bulletin covering FDIC analysis of emerging issues in banking and the economy. Both ***FYI*** and ***Bank Trends*** are available on www.fdic.gov. A copy of ***FYI*** is attached.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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