



PRESS RELEASE

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FDIC Reports On "U.S. Banking In A Global Economy"

The ongoing integration of the global economy presents new business opportunities for FDIC-insured institutions as well as new business risks—including those related to the emergence of large international financial imbalances, the FDIC reported in its Summer 2005 edition of *FDIC Outlook* released today.

A series of reports by FDIC analysts in this issue of *FDIC Outlook* addresses several different aspects of expanding global trade and finance, including:

- An analysis of U.S. banks with international operations, with data showing their structure and strategies and a comparison of the financial performance of their foreign and domestic operations. While this simple comparison shows that foreign operations tend to underperform domestic operations, it may fail to reflect certain intangible benefits of international banking activities.
- A discussion of what implications the record U.S. current account deficit might have for the U.S. economic and financial outlook. Included are interviews with two prominent experts—Stuart S. Brown and Roger M. Kubarych—who address policy options and alternative scenarios for how the current account deficit might ultimately be resolved.
- A report on the role of community lenders in financing the growing volume of international trade carried out by U.S. small businesses, with a discussion of the unique risk-management challenges posed by this type of commercial lending.

The Summer 2005 edition of *FDIC Outlook* is available on the Web at:
www.fdic.gov/bank/analytical/regional/index.html.



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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