PRESS RELEASE

Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE
January 10, 2006

Media Contact:
David Barr (202) 898-6992
dbarr@fdic.gov

Effects of Hurricanes Katrina and Rita on Local Banking Sector Beginning to Emerge; Housing markets moderating in parts of West, Northeast and South

FDIC analysts review current banking and economic conditions across the nation

Signs of the impact of Hurricanes Katrina and Rita on local economies and in particular in the banking sector along the Gulf Coast are beginning to emerge, according to analysis from the Federal Deposit Insurance Corporation (FDIC) released today. The winter 2005 edition of the FDIC Regional *Profile* and *FDIC State Profiles* also indicates that inventories of unsold homes grew in some parts of the West, Northeast and South, while the pace of sales has slowed and days on the market increased.

"Although the hurricanes' effect on the national economy has been muted, these storms are significantly influencing economic and banking conditions in the hardest hit areas," said Barbara A. Ryan, Associate Director and head of Regional Operations for the FDIC's Division of Insurance and Research. "Insured institutions along the Gulf Coast already are reporting somewhat higher past-due loan levels, and long-term credit weakness could emerge among some of these banks."

The *FDIC State Profiles* and *FDIC Regional Profile* are quarterly state-by-state and regional snapshots of economic and banking trends. The current editions of these publications highlight trends through third quarter 2005 and feature:

- insights into the impact of Hurricanes Katrina and Rita on directly-affected local economies and banking sectors;
- an assessment of the housing boom across the country, with analyses of regional inventory and listing trends in some of the most active housing markets; and
- analyses of local trends in bank branching and deposit activity as reported in the FDIC's annual Summary of Deposits survey.

FDIC State Profiles and the *FDIC Regional Profile* are available on the web at http://www.fdic.gov/bank/analytical/stateprofile/index.html .

FDIC

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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-04-2006