



More than 100 banks in the US have now collapsed so far this year after another seven were taken over by regulators late on Friday – the same day that seven European banks failed a financial health check.

With rising bad debts tied to commercial and residential mortgages, the number of US bank failures this year is expected to exceed last year's figure of 140. The largest of the seven US banks just seized by the Federal Deposit Insurance Corporation – which acts as a receiver and protects depositors – was Crescent Bank and Trust Company in Georgia, with more than \$1bn in assets. In all, the seven failed banks had total assets of \$2bn.

In Europe, investors will have a first real chance tomorrow to react to the results of banking stress tests designed to ease concerns about institutions' financial strength and exposure to debt-laden countries such as Greece.

Regulators assessed how banks would stand up to a double dip recession and a sovereign debt crisis. But several analysts questioned whether the tests were tough enough, since, for example, banks were only required to simulate losses on sovereign debt held for trading purposes and not on bonds they might hold to maturity.

[More...](#)