



PRESS RELEASE

Federal Deposit Insurance Corporation

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COMMERCIAL BANKS EARN \$17.4 BILLION IN THE THIRD QUARTER, 2001

Insured commercial banks earned \$17.4 billion in the third quarter of 2001, a drop of almost 10 percent from third quarter profits the year before, the Federal Deposit Insurance Corporation announced Thursday.

In the third quarter, banks set aside \$11.6 billion to cover anticipated loan losses. This was the largest quarterly provision since 1990.

In addition, the industry charged off \$9.3 billion in loans during the quarter, almost two-thirds more than they charged off a year before.

In a press briefing announcing bank earnings, FDIC Chairman Don Powell stressed that the industry has significant resources to absorb credit losses, noting "equity capital, reserves and pre-tax income together have never been higher.

"Like the rest of the economy, banks are feeling the effects of the recession, as well as the aftershocks of the terrorist attacks on America in September.

"No one can forecast the duration of a recession, however. Obviously, the longer this one lasts, the more stress it will put on the entire economy, including the banking industry," he said.

Attachment: [Chairman's Statement](#)

Attachment: [The FDIC Preliminary Bank Earnings Report Third Quarter, 2001](#)

Attachment: Archived Webcast (No longer available)



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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