



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## FDIC INSURANCE FUNDS ERODE IN 2001, REPORT SHOWS

Growth of insured deposits and recent increases in the reserves for future losses contributed to a decline in the reserve ratios of the deposit insurance funds in 2001, the Federal Deposit Insurance Corporation (FDIC) reported in today's *Quarterly Banking Profile*. The findings are summarized in the latest edition of *FYI*.

The dip in the funds came despite record bank and thrift earnings in 2001. Strong profits were made possible largely by lower interest rates, even though credit quality problems are beginning to have a noticeable effect on earnings.

*FYI* is an e-mail bulletin covering FDIC analysis of emerging issues in banking and the economy. *FYI* and the Quarterly Banking Profile are available on the FDIC's Web site at [www.fdic.gov](http://www.fdic.gov), where those interested in receiving each issue electronically may subscribe. A copy of *FYI* is attached.

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Attachment: <http://www.fdic.gov/bank/analytical/fyi/2002/031302fyi.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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