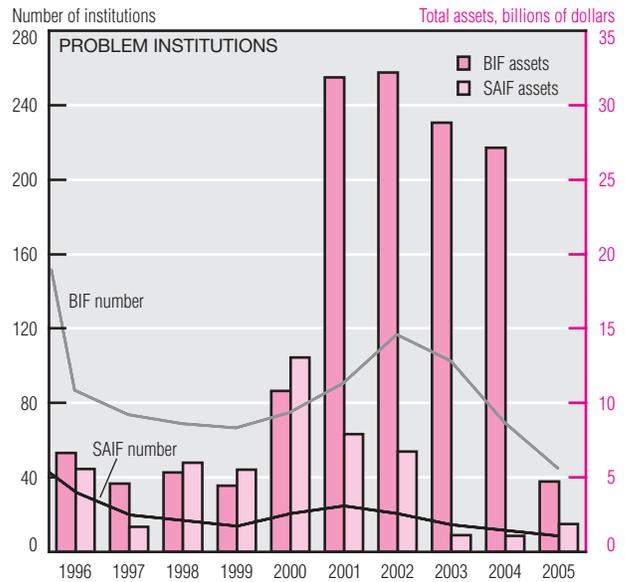
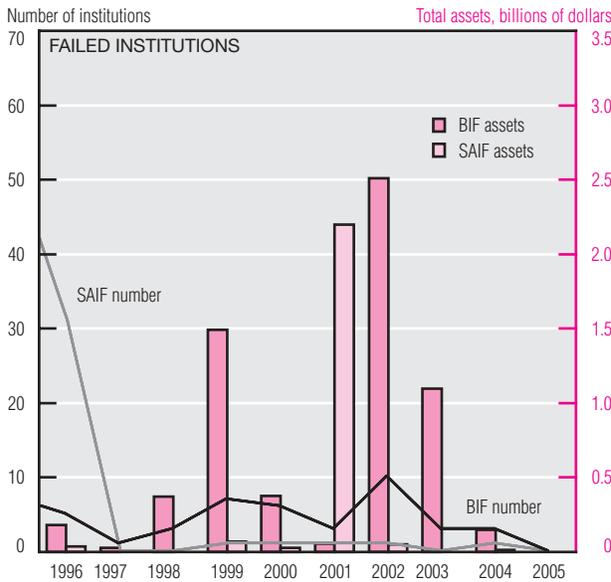
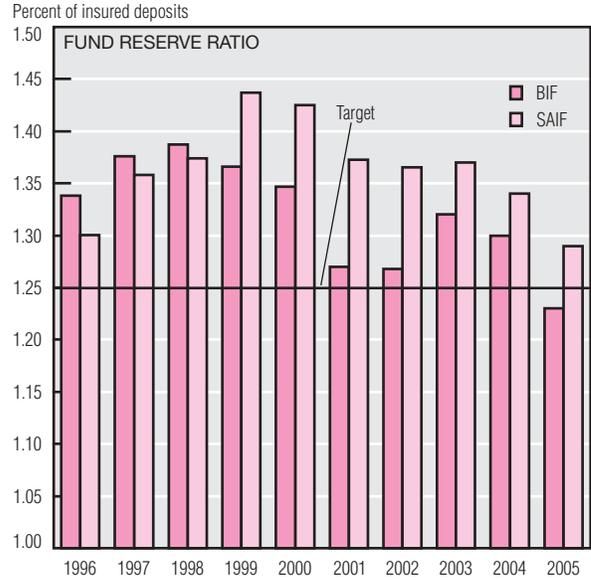
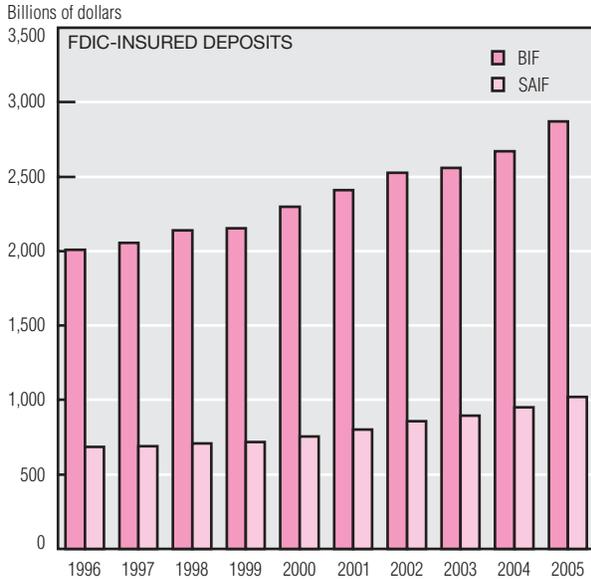


# FDIC Funds



SOURCE: Federal Deposit Insurance Corporation, *Quarterly Banking Profile*, various issues.

In 2005, deposits insured by the FDIC's Bank Insurance Fund (BIF) grew at a 7.51% annual rate, and those insured by the Savings Association Insurance Fund (SAIF) at 7.36%. As of December 31, 2005, the FDIC insured about \$2.9 trillion of BIF members' deposits and over \$1 trillion of SAIF members'. Growth in insured deposits outstripped BIF and SAIF reserves. As a result, BIF reserves fell from 1.30% of insured deposits at the end of 2004 to 1.23% at the end of 2005, slightly below the mandated 1.25% target ratio of reserves to insured deposits. Over this period, the SAIF ratio of reserves

to insured deposits fell from 1.34% to 1.29%. The solid position of both funds reflects the stability of the banking and thrift industries. Bank failures since 1995 have been miniscule in terms of failed institutions' numbers and total assets. No insured institution failed in 2005:IV, the sixth consecutive quarter and the longest period without failures since the FDIC's inception; 2005 was the first full calendar year with no failures. (The three BIF members that failed in 2004 were small institutions with total assets of \$151 million; the sole SAIF member that failed had only \$15 million.)

At the end of 2005, the total number of problem institutions (those with substandard examination ratings) dropped to 52, the lowest number in 36 years. From the end of 2004 to the end of 2005, the number fell from 69 to 44 for the BIF and from 11 to 8 for the SAIF; the total assets of problem institutions plunged from \$28.25 billion to \$6.61 billion. For the BIF, the decrease in the number of problem institutions accompanied a decrease in their assets from \$27.16 to \$4.74 billion. The SAIF's assets increased from \$1.09 to \$1.87 billion.