



NEWS RELEASE

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"NO NEWS IS GOOD NEWS," SAYS FDIC CHIEF

"The Federal Deposit Insurance Corporation is pleased to announce that no FDIC-insured banks failed this holiday week anywhere in the United States," FDIC Chairman L. William Seidman said today.

In a year-end statement, Mr. Seidman said the FDIC handled 200 failed and 21 assisted banks this year with total assets of \$53.8 billion, a record level in the agency's 55-year history. He noted that transactions involving another \$30 billion in bank assets were begun in 1988 and will be accounted for this year even though they are not expected to be consummated until 1989.

The FDIC anticipates that its insurance fund will end the year with a \$3 to \$4 billion loss. "However," Chairman Seidman said, "we are projecting that the fund will grow in 1989 and the number of bank failures will decline."

"The FDIC and the banking system have weathered a period of great stress and, while problems remain, we are confident we have the resources to deal with anything we can foresee in the year ahead."

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