



PRESS RELEASE

Federal Deposit Insurance Corporation

May 14, 1996

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FDIC ISSUES UPDATES ON THE INSURANCE FUNDS AND AGENCY SPENDING

FOR IMMEDIATE RELEASE

The FDIC announced today that the Bank Insurance Fund's (BIF) net income dropped to \$295 million in the first quarter of 1996, from \$1.3 billion a year earlier. The decline resulted almost entirely from the reduction in deposit insurance premiums last year. The Savings Association Insurance Fund (SAIF), by contrast, saw its net income rise to \$292 million in the first three months, up \$13 million from 1995's first quarter. The higher earnings resulted primarily from increased earnings on U.S. Treasury obligations.

The FDIC also released audited year-end financial information showing the BIF had a balance of \$25.5 billion (\$1.30 for every \$100 of insured deposits) and the SAIF had a balance of \$3.4 billion (47 cents per \$100 of insured deposits) at December 31.

The agency also released year-end 1995 information on its ongoing efforts to streamline, consolidate and reduce its operations. The FDIC spent \$1.37 billion in 1995, 23 percent below the previous year's level and eight percent below the amount budgeted for the year.



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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-34-96