



PRESS RELEASE

Federal Deposit Insurance Corporation

Media Contact:
David Barr (202-898-6992)

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FDIC ANNOUNCES 1996 FINANCIAL RESULTS

FOR IMMEDIATE RELEASE

The Bank Insurance Fund (BIF) earned \$1.4 billion in 1996, according to an FDIC management report on the Corporation's unaudited financial statements. The Savings Association Insurance Fund (SAIF) had net income of \$5.5 billion for the year, primarily resulting from a one-time special assessment of \$4.5 billion on SAIF members to fully capitalize the fund.

Both funds closed the year with record balances--the BIF with \$26.9 billion and the SAIF with \$8.9 billion. The continuing low numbers of bank and thrift failures contributed to the strong results. Only five BIF-insured banks and one SAIF-insured thrift were closed in 1996.

Revenue for the BIF totaled \$1.7 billion for the year. The fund earned \$1.3 billion in interest on investments in U.S. Treasury securities and received another \$73 million in deposit insurance assessments.

The SAIF received \$5.5 billion in revenue in 1996, consisting primarily of \$5.2 billion in deposit insurance assessments and \$254 million in interest on investments in U.S. Treasury securities.

The former Resolution Trust Corporation's (RTC) financial operations were merged into the FSLIC Resolution Fund (FRF) on January 1, 1996. During the first full year after the RTC went out of existence, former RTC assets in liquidation were reduced by 43 percent, or \$3.3 billion, to \$4.4 billion by year-end. Federal Financing Bank borrowings



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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for the FRF (RTC) were reduced by \$5.9 billion to \$4.6 billion. The FRF was established in 1989 to assume the remaining assets and obligations of the former Federal Savings and Loan Insurance Corporation (FSLIC).

The FDIC also provided information on its 1996 expenditures. The agency spent \$1.7 billion in 1996, seven percent below the amount budgeted for the year.

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