



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **FDIC REPORTS STRONG THIRD QUARTER EARNINGS FOR BANK AND THRIFT INSURANCE FUNDS**

### FOR IMMEDIATE RELEASE

The Bank Insurance Fund (BIF) earned \$808 million for the first nine months of 1998, according to an FDIC management report on the Corporation's unaudited financial statements. The Savings Association Insurance Fund (SAIF) earned \$363 million for the same period.

Both funds closed the third quarter with record fund balances—the BIF with \$29.1 billion and the SAIF with \$9.7 billion. The continuing low numbers of bank and thrift failures contributed to the strong results: only three BIF-insured banks failed and no SAIF-insured thrift failed during the first nine months of 1998.

BIF revenues totaled \$1.3 billion for the first nine months of 1998, including \$1.25 billion in interest on investments in U.S. Treasury securities and \$16 million in deposit insurance assessments. The SAIF earned \$431 million in revenue during the first three quarters, consisting of \$421 million in interest on investments in U.S. Treasury securities and \$10 million in deposit insurance assessments.

The FSLIC Resolution Fund (FRF) assets in liquidation were reduced by 32 percent, or \$748 million, to \$1.6 billion for the period ending September 30, 1998. Federal Financing Bank borrowings for the FRF, including accrued interest, were fully repaid in August 1998. This debt peaked at \$64 billion in 1991.



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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The FRF was established in 1989 to assume the remaining assets and obligations of the former Federal Savings and Loan Insurance Corporation. On January 1, 1996, the former Resolution Trust Corporation's financial operations were merged into the FRF.

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