



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC ANNOUNCES FIRST QUARTER 1998 FINANCIAL RESULTS

FOR IMMEDIATE RELEASE

The Bank Insurance Fund (BIF) reported \$267 million in net income for the first quarter of 1998, according to an FDIC management report on the Corporation's unaudited financial statements. The Savings Association Insurance Fund (SAIF) had net income of \$116 million for the quarter.

Both funds closed the first quarter with record balances - the BIF with \$28.6 billion and the SAIF with \$9.5 billion. The strong results can be attributed to the continuing low numbers of bank and thrift failures; no BIF- or SAIF-insured institutions were closed in the first quarter of 1998.

Revenue for the BIF totaled \$425 million for the first quarter. The fund earned \$408 million in interest on investments in U.S. Treasury securities and received another \$5 million in deposit insurance assessments. The SAIF received \$135 million in revenue in the first quarter of 1998.

During the first quarter of 1998, the FSLIC Resolution Fund (FRF) assets in liquidation were reduced by 16 percent, or \$373 million, to \$2.0 billion. Federal Financing Bank borrowings for the FRF, including accrued interest, were reduced by \$271 million to \$578 million during the quarter. The FRF was established in 1989 to assume the remaining assets and obligations of the former Federal Savings and Loan Insurance Corporation (FSLIC). On January 1, 1996, the former Resolution Trust Corporation's (RTC) financial operations were merged into the FRF.

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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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