



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Media Contact:  
David Barr (202) 898-6992

## FDIC ANNOUNCES 1997 FINANCIAL RESULTS

### FOR IMMEDIATE RELEASE

The Bank Insurance Fund (BIF) earned \$1.4 billion in 1997, according to an FDIC management report on the Corporation's unaudited financial statements. The Savings Association Insurance Fund (SAIF) had net income of \$0.5 billion for the year.

Both funds closed the year with record balances—the BIF with \$28.3 billion and the SAIF with \$9.4 billion. The continuing low numbers of bank and thrift failures contributed to the strong results. Only one insured institution—a BIF-insured bank—failed during the year. No SAIF-insured thrifts were closed in 1997.

Revenue for the BIF totaled \$1.6 billion for the year. The fund earned \$1.5 billion in interest on investments in U.S. Treasury securities and received another \$25 million in deposit insurance assessments.

The SAIF received \$550 million in revenue in 1997, consisting primarily of \$535 million in interest on investments in U.S. Treasury securities and \$14 million in deposit insurance assessments.

The FSLIC Resolution Fund (FRF) assets in liquidation were reduced by 51 percent, or \$2.5 billion, to \$2.4 billion by year-end. Federal Financing Bank borrowings for the FRF were reduced by \$3.7 billion to \$0.8 billion. The FRF was established in 1989 to assume the remaining assets and obligations of the former Federal Savings and Loan Insurance Corporation (FSLIC). In 1996, the former Resolution Trust Corporation's financial operations were merged into the FRF.

The FDIC also provided information on its 1997 expenditures. The agency spent \$1.4 billion in 1997, 15 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.

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