



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## FDIC REPORTS 1998 AND FIRST QUARTER 1999 EARNINGS FOR BANK AND THRIFT INSURANCE FUNDS

### FOR IMMEDIATE RELEASE

The Bank Insurance Fund (BIF) earned \$1.3 billion in 1998 and \$244 million in the first quarter of 1999, according to an FDIC management report on the Corporation's unaudited financial statements. The Savings Association Insurance Fund (SAIF) earned \$468 million and \$99 million for the same periods.

The BIF closed the first quarter with a balance of \$29.9 billion. The SAIF closed the quarter with an unrestricted fund balance of \$9.0 billion and \$978 million in the SAIF Special Reserve. The continuing low numbers of bank and thrift failures contributed to the strong results. Only four BIF-insured banks failed since the beginning of 1998; no SAIF-insured thrift failed.

BIF revenues totaled \$2 billion for 1998 and \$438 million for the first quarter of 1999. The fund's investments in U.S. Treasury securities earned \$1.7 billion in interest in 1998 and \$420 million during the first quarter of 1999. Deposit insurance assessments were \$22 million and \$10 million for the same periods.

The SAIF earned \$584 million in revenue during 1998 and \$141 million in the first quarter of 1999. Almost all revenue for both periods was derived from interest on investments in U.S. Treasury securities.

The FSLIC Resolution Fund (FRF) assets in liquidation were reduced by 61 percent, or \$1.4 billion, to \$930 million over the past five quarters. 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.



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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