



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC REPORTS SECOND QUARTER EARNINGS FOR BANK AND THRIFT INSURANCE FUNDS

FOR IMMEDIATE RELEASE

The Bank Insurance Fund (BIF) earned \$219 million for the first six months of 1999, according to an FDIC management report on the Corporation's unaudited financial statements. The Savings Association Insurance Fund (SAIF) earned \$226 million for the same period.

The BIF closed the second quarter with a fund balance of \$29.8 billion. The SAIF had an unrestricted fund balance of \$9.1 billion and \$978 million in the restricted Special Reserve. The continuing low numbers of bank and thrift failures contributed to the strong results. Only two BIF-insured banks failed during the first six months; no SAIF-insured thrifts failed.

BIF revenues totaled \$902 million for the first six months of 1999, including \$857 million in interest on investments in U.S. Treasury obligations and \$16 million in deposit insurance assessments. The SAIF earned \$292 million in revenue during the first six months, consisting of \$286 million in interest on investments in U.S. Treasury obligations and \$6 million in deposit insurance assessments.

The FSLIC Resolution Fund (FRF) assets in liquidation were reduced by 60 percent, or \$1.092 billion, to \$714 million during the previous 12 months. 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 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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