



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **FDIC REPORTS SECOND QUARTER 2001 FINANCIAL RESULTS FOR BANK AND THRIFT INSURANCE FUNDS**

The Federal Deposit Insurance Corporation (FDIC) today announced that the Bank Insurance Fund (BIF) reported comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) of \$706 million for the first six months of 2001, compared to \$366 million for the same period last year. As of June 30, 2001, the fund balance was \$31.7 billion, up from \$31.0 billion at year-end 2000. BIF revenues totaled \$1.1 billion for the first six months of 2001, including \$954 million in interest on investments in U.S. Treasury obligations and \$21 million in deposit insurance assessments. In addition, the BIF realized a gain of \$78 million on the sale of \$1.4 billion of U.S. Treasury securities designated as available-for-sale.

The Savings Association Insurance Fund (SAIF) reported comprehensive income of \$33 million compared to \$257 million for the same period last year. The SAIF had a fund balance of \$10.8 billion as of June 30, 2001. SAIF revenues totaled \$374 million for first six months of 2001, including \$338 million in interest on investments in U.S. Treasury obligations and \$18 million in deposit insurance assessments. In addition, the SAIF realized a gain of \$16 million on the sale of \$207 million of U.S. Treasury securities designated as available-for-sale.

The FSLIC Resolution Fund-Resolution Trust Corporation (FRF-RTC) made a payment of \$400 million to the Resolution Funding Corporation (REFCORP) during the quarter, bringing total payments to REFCORP to \$2.4 billion. The proceeds were used by REFCORP to pay interest on bonds that were issued to fund early RTC thrift resolutions. Any such payments by FRF-RTC benefit the U.S. Treasury, which would otherwise be obligated to pay the interest on the bonds.



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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FRF assets in liquidation were reduced by 38 percent, or \$155 million, to \$257 million during the previous 12 months.

The figures the FDIC reported are unaudited.