PRESS RELEASE
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November 4, 2003

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FDIC REPORTS THIRD QUARTER 2003 FINANCIAL RESULTS FOR BANK AND THRIFT INSURANCE FUNDS

FOR IMMEDIATE RELEASE

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 $1.4 billion for the nine months ending September 30, 2003, compared to $944 million for the same period last year. Over the year-to-date period, estimated losses for future and actual failures, as well as litigation, decreased by $1.1 billion and operating expenses decreased by $32 million. However, these increases in income were partially offset by lower unrealized gains on available-for-sale securities ($542 million) and lower interest revenue on U.S. Treasury obligations ($119 million). As of September 30, 2003, the fund balance was $33.5 billion, up from $32.1 billion at year-end 2002.

BIF's contingent liability for anticipated failures declined by $592 million, or 59 percent, to $416 million for the year and declined by $369 million, or 47 percent, for the third quarter. This overall reduction in the reserves is the result of improvements in the loss reserve methodology, improvement in the financial condition of a few large banks, and the reversal of the loss reserves for the two current year bank failures.

The Savings Association Insurance Fund (SAIF) reported comprehensive income of $439 million for the nine months ending September 30, 2003, compared to $651 million for the same period last year. This difference of $212 million was primarily due to a decrease in unrealized gains on available-for-sale securities of $188 million and a slight reduction in interest revenue of $21 million. As of September 30, 2003, the fund balance was $12.2 billion, up from $11.7 billion at year-end 2002.

SAIF's contingent liability for anticipated failures decreased by $88 million, or 98 percent, to $2 million for the year and decreased by $24 million, or 92 percent, for the third quarter. The overall reduction is the result of improvements in the loss reserve methodology and the improved financial condition of a few large institutions. As of September 30, 2003, SAIF's current liabilities totaled less than 1 percent of the fund balance.

The figures the FDIC reported are unaudited.