



# PRESS RELEASE

Federal Deposit Insurance Corporation

August 28, 2003

Media Contact:  
David Barr (202) 898-6992

## **FDIC REPORTS SECOND 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 \$750 million for the six months ending June 30, 2003, compared to \$748 million for the same period last year. While interest revenue and unrealized gains from U.S. Treasury obligations decreased by \$131 million, this was offset by lower estimated losses for actual and future bank failures of \$110 million and lower operating expenses of \$24 million. As of June 30, 2003, the fund balance was \$32.8 billion, up from \$32.1 billion at year-end 2002.

The Savings Association Insurance Fund (SAIF) reported comprehensive income of \$336 million compared to \$388 million for the same period last year. The decrease of \$52 million resulted primarily from lower unrealized gains and reduced interest revenue from U.S. Treasury obligations. As of June 30, 2003, the fund balance was \$12.1 billion, up from \$11.7 billion at year-end 2002.

Two BIF-insured institutions, Southern Pacific Bank, Los Angeles, CA, and First National Bank of Blanchardville, Blanchardville, WI, failed during the first six months of 2003 with total assets at failure of \$1.1 billion and estimated losses of \$110 million. During the same period last year, there were seven failures with total assets and estimated losses of \$2.4 billion and \$611 million, respectively.

The FSLIC Resolution Fund-Resolution Trust Corporation (FRF-RTC) made a payment of \$50 million to the Resolution Funding Corporation (REFCORP) during the quarter,



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.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-79-2003

bringing total payments to REFCORP to \$4.6 billion since April 2000. 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.

FRF assets in liquidation were reduced by 27 percent, or \$59 million, to \$160 million during the previous 12 months.

The figures the FDIC reported are unaudited.