



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC REPORTS FIRST 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 \$332 million for the three months ending March 31, 2003, compared to \$258 million for the same period last year. Although net income declined slightly, by \$7 million, compared to last year, unrealized gains on available-for-sale (AFS) securities increased by \$81 million. As of March 31, 2003, the fund balance was \$32.4 billion, up from \$32.1 billion at year-end 2002.

The Savings Association Insurance Fund (SAIF) reported comprehensive income of \$159 million compared to \$114 million for the same period last year. The increase was primarily due to lower estimated losses for future failures and higher unrealized gains on AFS securities. As of March 31, 2003, the fund balance was \$11.9 billion, up from \$11.7 billion at year-end 2002.

One BIF-insured institution, Southern Pacific Bank, with total assets of \$1.1 billion, failed during the first quarter of 2003, compared to six failures with total assets of \$2.0 billion for the same period last year.

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 \$4.5 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 30 percent, or \$75 million, to \$172 million during the previous 12 months.

The figures the FDIC reported are unaudited.



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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