



# PRESS RELEASE

Federal Deposit Insurance Corporation

November 15, 2004

Media Contact:  
David Barr (202) 898-6992

## FDIC Reports Third Quarter 2004 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 \$685 million for the nine months ending September 30, 2004, compared to \$1.4 billion for the same period last year. This reduction was due to a decrease in unrealized gains on available-for-sale securities of \$176 million and a reduction in net income of \$551 million. The decline in net income primarily resulted from a smaller negative adjustment of \$133 million to the provision for losses at September 2004, compared to a negative \$682 million adjustment for the same period last year. As of September 30, 2004, the fund balance was \$34.5 billion, up from \$33.8 billion at year-end 2003.

The Savings Association Insurance Fund (SAIF) reported comprehensive income of \$283 million compared to \$439 million for the same period last year. The decrease of \$156 million primarily resulted from a decrease of \$56 million in unrealized gains on available-for-sale securities, and the fluctuation in the provision for losses during the first nine months of 2004 compared to last year. The SAIF's provision for losses was \$23 million at September 2004, compared to a negative \$92 million for the same period last year. As of September 30, 2004, the fund balance was \$12.5 billion, up from \$12.2 billion at year-end 2003.

During 2004, the BIF's negative adjustments to the provision for losses were primarily attributable to the reduction of estimated losses for actual failures. The increase to the provision for losses for the SAIF resulted from increases in estimated losses for both future and actual failures. During 2003, both the BIF and SAIF reported negative provisions for losses primarily due to the improvements in the loss reserve methodology and the improved financial condition of a few large institutions.



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-116-2004

Three BIF-insured institutions, Reliance Bank, Guaranty National Bank, and Bank of Ephraim failed during the first nine months of 2004 with total assets at failure of \$151 million. One SAIF-insured institution, Dollar Savings Bank, failed during the same period with total assets at failure of \$15 million.

The FSLIC Resolution Fund (FRF) reported comprehensive income of \$94 million for the nine months ending September 30, 2004.

The figures the FDIC reported are unaudited.