



PRESS RELEASE

Federal Deposit Insurance Corporation

August 20, 2004

Media Contact:
David Barr (202-898-6992)

FDIC Reports Second 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 \$328 million for the six months ending June 30, 2004, compared to \$750 million for the same period last year. This reduction was due to a decrease in unrealized gains on available-for-sale securities of \$298 million and a reduction in net income of \$124 million. The decline in net income primarily resulted from 1) a smaller negative adjustment to the provision for loss of \$69 million at June 2004, compared to a negative \$142 million adjustment for the same period last year; 2) higher operating expenses of \$23 million; and 3) a decrease in interest revenue of \$37 million. As of June 30, 2004, the fund balance was \$34.1 billion, up from \$33.8 billion at year-end 2003.

The Savings Association Insurance Fund (SAIF) reported comprehensive income of \$171 million compared to \$336 million for the same period last year. The decrease of \$165 million primarily resulted from 1) a decrease of \$96 million in unrealized gains on available-for-sale securities, and 2) a smaller negative adjustment to the provision for loss of \$1 million at June 2004, compared to a negative \$66 million adjustment for the same period last year. The SAIF had a fund balance of \$12.4 billion as of June 30, 2004, up from \$12.2 billion at year-end 2003.

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

The FSLIC Resolution Fund (FRF) reported comprehensive income of \$32 million for the six months ending June 30, 2004.

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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to 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-84-2004