



PRESS RELEASE

Federal Deposit Insurance Corporation

February 17, 2004

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FDIC Reports Year-End 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 (AFS) securities) of \$1.7 billion for the year ending December 31, 2003, compared to \$1.6 billion for 2002. During the year estimated losses for future and actual failures, as well as litigation, decreased by \$832 million. While this had a positive impact on income, it was partially offset by lower unrealized gains on AFS securities of \$576 million and lower interest income on U.S. Treasury obligations of \$162 million. As of December 31, 2003, the fund balance was \$33.8 billion, up from \$32.1 billion at year-end 2002.

Although BIF's comprehensive income rose by six percent over the prior year, comprehensive income for the Savings Association Insurance Fund (SAIF) fell by 39 percent. The SAIF reported comprehensive income of \$493 million compared to \$812 million for 2002. The decrease in comprehensive income was primarily due to lower interest revenue and unrealized gains on AFS securities of \$230 million, and a smaller reduction in the estimated losses for future failures of \$55 million. The SAIF had a fund balance of \$12.2 billion as of December 31, 2003, up from \$11.7 billion a year earlier.

The BIF and SAIF contingent liabilities for anticipated failures declined by 82 percent to \$178 million, and 97 percent to \$3 million, respectively, for the year. BIF and SAIF reserves for future failures have declined steadily over the past year as a result of overall favorable trends in the bank and thrift industries and improvement in the financial condition of a few large, troubled 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, 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-14-2004

Three BIF-insured banks failed during 2003 with total assets at failure of \$1.1 billion. No SAIF-insured thrifts failed during 2003.

The FSLIC Resolution Fund (FRF) reported comprehensive income of \$51 million for the year ending December 31, 2003. In 2003, the FRF-RTC made payments of \$450 million to the Resolution Funding Corporation, bringing total payments to \$4.6 billion. These payments serve to reduce contributed capital.

The figures the FDIC reported are unaudited.