PRESS RELEASE
Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE
May 25, 2005

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FDIC Reports First Quarter 2005 Financial Results for Bank and Thrift Insurance Funds

The Federal Deposit Insurance Corporation (FDIC) today announced that the Bank Insurance Fund (BIF) increased modestly during the first quarter of 2005 (by approximately 0.1 percent) to $34.82 billion while the Savings Association Insurance Fund (SAIF) increased by $73 million (0.6 percent) to $12.8 billion. Overall, the deposit insurance funds remained financially sound and exhibited healthy core earnings during the first quarter of 2005. Additionally, the estimated level of probable and reasonably estimable failure activity at the end of the first quarter remained at or near historically low levels for both insurance funds. No BIF- or SAIF-insured institutions failed during the first three months of 2005.

The book values of the BIF and SAIF investment portfolios increased during the first quarter of 2005. Moreover, as a result of higher Treasury yields on securities purchased during the quarter, the BIF portfolio's yield increased by 11 basis points, rising to 4.77 percent; similarly, the SAIF portfolio's yield also increased by 11 basis points, rising to 4.80 percent.

Operating- and investment-related expenses ran below budget by 10 percent and 12 percent, respectively.

One of the ongoing corporate-wide initiatives that will begin to yield tangible operating cost savings beginning in 2006 is the corporate buyout program. The buyout period closed on May 2, with 565 employees leaving the Corporation.

The emphasis on expediting the liquidation of the remaining non-cash assets of the FSLIC Resolution Fund (FRF) continues to yield tangible results. As of March 31, 2005, the book value of FRF assets in liquidation stood at only $63 million and the FDIC projects that this book value could be reduced by approximately $30 million by year-end.

The figures reported are unaudited.