PRESS RELEASE

Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

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FDIC Reports Year-End 2005 Financial Results for Bank and Thrift Insurance Funds

Unqualified audit opinions on Funds' financial statements issued by the Government Accountability Office

The Federal Deposit Insurance Corporation (FDIC) today announced that the Corporation has received its fourteenth consecutive set of unqualified audit opinions on the financial statements of the three funds that it manages.

Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale (AFS) securities) for the Bank Insurance Fund (BIF) decreased 32% to $680 million in 2005 from $1.004 billion in 2004. For the second consecutive year, comprehensive income has declined as a result of several factors. The year-over-year reduction of $324 million was primarily due to an increase in unrealized losses on AFS securities of $279 million, lower recoveries of prior years' provisions for insurance losses of $143 million, an increase in operating expenses of $25 million, and a decrease in assessment revenues of $43 million, offset by an increase of $161 million in interest revenue on U.S. Treasury obligations. As of December 31, 2005, BIF's fund balance was $35.5 billion (including $298 million in net unrealized gains on AFS securities), up from $34.8 billion at year-end 2004.

SAIF's comprehensive income for 2005 was $409 million as compared with $480 million in 2004, a decrease of 15%. This represents the third consecutive year in which comprehensive income has fallen. The year-over-year reduction of $71 million was primarily due to an increase in unrealized losses on AFS securities of $93 million and lower recoveries of prior years' provisions for insurance losses of $50 million, offset by a $73 million increase in interest revenue on U.S. Treasury obligations. As of December 31, 2005, SAIF's fund balance was $13.1 billion (including $108 million in net unrealized gains on AFS securities), up from $12.7 billion at year-end 2004.

No BIF-insured or SAIF-insured institutions failed during 2005—making it the first calendar year in FDIC's history with no failure activity. The contingent liability for anticipated failures for both deposit insurance funds remain at or near historically low levels given the current and projected health of the banking and thrift industries ($2 million and $4 million for BIF and SAIF, respectively).

The FSLIC Resolution Fund (FRF) reported a comprehensive loss of $826 million in 2005 primarily due to the payment of judgments and settlements in seven Goodwill cases totaling $625 million. The FRF received appropriations from the U.S. Treasury to fund these Goodwill payments.

Attachment: 2005 Annual Report