



PRESS RELEASE

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

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FDIC Reports Third Quarter 2007 Financial Results for the Deposit Insurance Fund

The Federal Deposit Insurance Corporation (FDIC) today announced that the Deposit Insurance Fund (DIF) earned \$1.6 billion in comprehensive income for the first nine months of 2007, increasing the fund balance to \$51.8 billion as of September 30. DIF's comprehensive income for the nine-month year-to-date period was \$1.6 billion, an increase of 14 percent over \$1.4 billion a year ago. Excluding exit fees of \$345 million earned during the first quarter of 2006 (a one-time adjustment), comprehensive income rose by \$539 million, or 51 percent, from a year ago. This year-over-year increase was primarily due to a \$190 million increase in interest revenue, a \$382 million increase in assessment revenue and a \$139 million decrease in the unrealized loss on available-for-sale securities, all of which were offset by a \$27 million increase in operating expenses and a \$157 million increase in the provision for insurance losses.

DIF assessments were \$170 million for the third quarter of 2007, compared to \$140 million for the second quarter. The \$30 million increase primarily resulted from a reduction in the estimate of assessment credits to be used by financial institutions to offset gross assessments.

The DIF investment portfolio's yield-to-maturity increased by 3 basis points during the first nine months of 2007, rising to 4.92 percent as of September 30, 2007, from 4.89 percent as of December 31, 2006. During the period, newly purchased securities had slightly higher average yields than those of maturing securities.

For the nine months ending September 30, 2007, Corporate Operating and Investment Budget related expenditures of \$723 million and \$9 million were below budget by 13 percent and 15 percent, respectively. Corporate Operating Budget expenditures were lower than expected, to a large extent the result of limited resolutions and receivership activities through the third quarter of 2007.

A more comprehensive analysis of the Corporation's financial statements, investments, and budget for the first nine months of 2007 is available on the FDIC's Web site at http://www.fdic.gov/about/strategic/corporate/cfo_report_3rdqtr_07/index.html



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-104-2007