



PRESS RELEASE

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

FOR IMMEDIATE RELEASE
September 11, 2007

Media Contact:
David Barr (202) 898-6992
dbarr@fdic.gov

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

The Federal Deposit Insurance Corporation (FDIC) today announced that the Deposit Insurance Fund (DIF) earned \$1.06 billion in comprehensive income for the first six months of 2007, increasing the fund balance to \$51.2 billion as of June 30, 2007. DIF's comprehensive income for the six-month year-to-date period was higher compared to a year ago (\$1.06 billion vs. \$967 million). The increase (excluding the one-time adjustment of exit fees earned of \$346 million in 2006) is primarily a result of higher interest earned on investment securities of \$172 million, an increase in assessments earned of \$222 million, and a \$53 million higher contribution to year-to-date comprehensive income from unrealized gain/loss on available-for-sale (AFS) securities, net.

DIF's estimated assessment revenue was \$140 million for the second quarter of 2007, compared to \$94 million earned during the first quarter. This increase primarily resulted from a reduction in the amount of assessment credits estimated to be used by financial institutions to offset gross assessments. Through the first two quarters of 2007, institutions were expected to use approximately \$1.6 billion, or 34 percent, of the initial \$4.7 billion one-time assessment credit (second quarter assessments will be collected on September 28, 2007).

The DIF investment portfolio's yield-to-maturity increased by 8 basis points during the first half of 2007, rising to 4.97 percent as of June 30, 2007, from 4.89 percent as of December 31, 2006. During the period, newly purchased securities had higher average yields than those of maturing securities.

For the six months ending June 30, 2007, Corporate Operating and Investment Budget related expenditures of \$471 million and \$6 million were below budget by 10 percent and 53 percent, respectively. Corporate Operating Budget expenditures were lower than expected as a result of limited resolutions and receivership activities through the second quarter.

A more comprehensive analysis of the Corporation's financial statements, investments, and budget for the first half of 2007 is available on the FDIC's Web site at http://www.fdic.gov/about/strategic/corporate/cfo_report_2ndqtr_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-77-2007