



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **FDIC Reports Year-End 2007 Financial Results for the Deposit Insurance Fund and the FSLIC Resolution Fund**

*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 sixteenth consecutive set of unqualified audit opinions on the financial statements of the two funds that it manages – the Deposit Insurance Fund (DIF) and the FSLIC Resolution Fund (FRF). The Government Accountability Office (GAO), the FDIC's external auditor, also reported that no material weaknesses or significant deficiencies were identified during the periods covered by the GAO's audits with respect to either the Corporation's financial reporting or controls over its financial systems.

For 2007, DIF's comprehensive income totaled \$2.2 billion compared to \$1.6 billion for last year. Excluding the recognition of exit fees earned of \$345 million (a one-time adjustment) from the 2006 results, comprehensive income rose by \$1.0 billion from a year ago. This year-over-year increase was primarily due to a \$611 million increase in assessment revenue, a \$299 million increase in interest revenue, a higher contribution from unrealized gain/loss on available-for-sale (AFS) securities of \$298 million, offset by a \$42 million increase in operating expenses and a \$147 million increase in the provision for insurance losses.

FRF's net income for 2007 was \$64 million compared to a \$203 million loss for 2006. This change is primarily due to an increase in criminal restitution income of \$19 million, an increase in the recovery of tax benefits of \$33 million, and a decrease in expenses for Goodwill/Guarini litigation settlements/judgments of \$215 million.

For the 12 months ending December 31, 2007, total Corporate Operating and Investment Budget related expenditures of \$1.0 billion and \$12 million ran below budget by 10 percent and 18 percent, respectively. The variance with respect to the Corporate Operating Budget expenditures was primarily the result of limited resolutions and receivership activity in the Receivership Funding component of the budget during the year.

A complete copy of FDIC's 2007 Annual Report is available on the FDIC's Web site at [http://www.fdic.gov/about/strategic/report/2007annualreport/index\\_pdf.html](http://www.fdic.gov/about/strategic/report/2007annualreport/index_pdf.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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-12-2008