

FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund Financial Indicators

- BIF Reserve Ratio is 1.35 percent as of December 31, 2000
- SAIF Reserve Ratio is 1.43 percent as of December 31, 2000



Executive Management Report

Financial Results (unaudited)
For the three months ending March 31, 2001

Executive Summary **For the Three Months Ending March 31, 2001**

Bank Insurance Fund (BIF):

- Revenue totaled \$478 million for the three months ending March 31, 2001. The fund earned \$462 million in interest on investments in U.S. Treasury obligations and \$11 million in deposit insurance assessments.
- Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) was \$451 million for the three months ending March 31, 2001, increasing the fund balance to \$31.4 billion.
- Receivables from bank resolutions are \$60 million at March 31, 2001. This receivable peaked at \$27.8 billion in 1992 due to the large number of bank failures occurring at that time.
- One BIF-insured institution failed during the first quarter of 2001. Total assets at failure were \$17 million.

Savings Association Insurance Fund (SAIF):

- Revenue totaled \$174 million for the three months ending March 31, 2001. The fund earned \$164 million in interest on U.S. Treasury obligations and \$9 million in deposit insurance assessments.
- Comprehensive income was \$214 million for the three months ending March 31, 2001, increasing the fund balance to \$11 billion.
- The contingent liability for anticipated failures remained unchanged from year-end 2000 at \$234 million as of March 31, 2001. In addition to this recorded contingent liability, the FDIC has identified a small number of SAIF-insured financial institutions that may pose a greater risk of loss to the insurance fund unless institution management can resolve existing problems. If these institutions fail, they may cause a material loss to the SAIF.

FSLIC Resolution Fund (FRF):

~FRF-FSLIC~

- The U.S. Department of Treasury (U.S. Treasury) has determined that the FRF is responsible for the payment of judgments and settlements in most supervisory goodwill litigation cases against the U.S. Government.

Future goodwill litigation payments cannot be reasonably estimated at this time. This uncertainty arises, in part, from the existence of significant unresolved issues pending at the appellate or trial court level, as well as the unique circumstances of each case.

Funds to cover goodwill judgments and settlements are provided by an open-ended appropriation as provided by section 110 of the Department of Justice Appropriations Act, 2000. Because of this, any liabilities for goodwill litigation should have no material impact on the financial condition of the FRF-FSLIC. If an appropriation to the FRF-FSLIC was not available to pay the goodwill litigation judgments and compromise settlements, these liabilities would be material and could adversely affect the financial condition of the fund.

- In addition to payments for goodwill settlements, the FRF is responsible for reimbursing the U.S. Department of Justice for its goodwill litigation expenses.

Executive Summary For the Three Months Ending March 31, 2001

(Continued) *~FRF-FSLIC~*

- On February 16, 2001, the Federal Circuit Court of Appeals reversed, in part, and remanded, the judgment previously entered in favor of Glendale Federal Bank in the amount of \$909 million. In this open bank case, the trial court had initially determined that Glendale should be awarded over \$500 million in restitution based primarily on the amount Glendale saved FSLIC through its 1981 acquisition of Broward Savings. The Federal Circuit concluded that a restitution award granted on this basis was inappropriate in this case because FSLIC would not have liquidated Broward but instead had other alternatives to liquidation. The Federal Circuit did, however, determine that as a general matter Glendale was entitled to reliance damages that would consist of both pre- and post-FIRREA costs that Glendale incurred in reliance on its contract with the Government. The Federal Circuit did not determine how reliance damages should be calculated. Rather, it remanded the case back to the trial court for a determination of the specific amount of reliance damages.
- On April 3, 2001, the United States Court of Appeals for the Federal Circuit rendered its decision in California Federal v. United States. The Court clarified the law for Goodwill cases in two significant areas. First, the Court sustained the lower court on the contract issue by holding that no signed assistance agreement is required to have an enforceable contract. Second, the Court reversed the lower court holding that a claim of lost profits is not, as a matter of law, too speculative as to prevent a trial on that issue. The Court then affirmed the lower court's award of \$24 million in damages and the case was remanded to the lower court for further proceedings on damages based on lost profits.
- Assets in liquidation totaled \$24 million as of March 31, 2001.

~FRF-RTC~

- The RTC Completion Act (Act) requires the FDIC to return to the U.S. Treasury any funds that were transferred to the RTC pursuant to the Act but not needed by the RTC. The Act made available approximately \$18 billion worth of additional funding, of which \$4.556 billion was used. In

addition, the FDIC must transfer to the Resolution Funding Corporation (REFCORP) the net proceeds from the sale of FRF-RTC assets (once all liabilities of the FRF-RTC have been provided for) to pay the interest on REFCORP bonds. Any such payments benefit the U.S. Treasury, which would otherwise be obligated to pay the interest on the bonds.

With the last payment of \$271 million on March 3, 2000, the FRF-RTC has fully repaid the \$4.556 billion to the U.S. Treasury. Beginning in April 2000, the FRF-RTC has made four payments totaling \$1.956 billion to REFCORP. The last payment to REFCORP of \$507 million was made on January 8, 2001. The FRF-RTC cash balance is \$806 million at March 31, 2001.

- Assets in liquidation totaled \$264 million as of March 31, 2001.

INSURANCE FUNDS

Bank Insurance Fund (BIF)

Savings Association Insurance Fund (SAIF)

The BIF and SAIF are separate insurance funds responsible for protecting insured depositors in operating banks and thrift institutions from loss due to failure of the institution. Since 1989, an active institution's insurance fund membership and primary federal regulator have been generally determined by the institution's charter type. Deposits of BIF-member institutions are generally insured by the BIF; BIF members are predominantly commercial and savings banks supervised by the FDIC, the Office of the Comptroller of the Currency, or the Federal Reserve. Deposits of SAIF-member institutions are generally insured by the SAIF; SAIF members are predominantly thrifts supervised by the Office of Thrift Supervision.

FINANCIAL HIGHLIGHTS

<i>Dollars in Millions</i>	BIF (Unaudited)		SAIF (Unaudited)	
	03/31/01	03/31/00	03/31/01	03/31/00
Revenue	\$ 478	\$ 458	\$ 174	\$ 155
Operating Expenses	180	176	23	25
Insurance Losses/Expenses	2	29	0	2
Unrealized Gain on AFS (1) Securities, Net (Current Period)	155	72	63	26
Comprehensive Income	451	325	214	154
Fund Balance	\$ 31,426	\$ 29,739	\$ 10,973	\$ 10,435
December 2000/1999 Reserve Ratio (2)	1.35%	1.36%	1.43%	1.45%
December 2000/1999 Fund Balance	\$ 30,975	\$ 29,414	\$ 10,759	\$ 10,281
Estimated Insured Deposits	\$ 2,301,604 (a)	\$ 2,157,536 (b)	\$ 752,756 (a)	\$ 711,345 (b)
Total Insured Institutions	8,591 (a)	8,852 (b)	1,333 (a)	1,388 (b)
Number of Failures, YTD	1	1	0	1
Total Corporate Outlays, YTD	\$16	\$70	\$0	\$29
Total Estimated Corporate Losses, YTD	\$0	\$19	\$0	\$1
Total Assets at Failure (Current Year)	\$17	\$113	\$0	\$30
Assets in Liquidation (3)	\$202	\$1,353	\$7	\$11

(1) Available-for-Sale (AFS)

(2) The Reserve Ratio is equal to the fourth quarter Unrestricted Fund Balance divided by the fourth quarter Estimated Insured Deposits. The statutorily established Designated Reserve Ratio is 1.25%.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

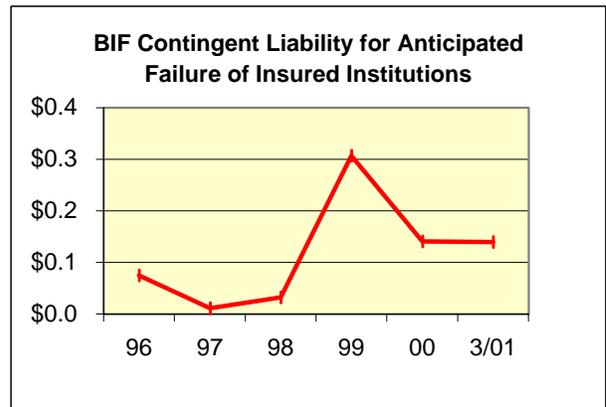
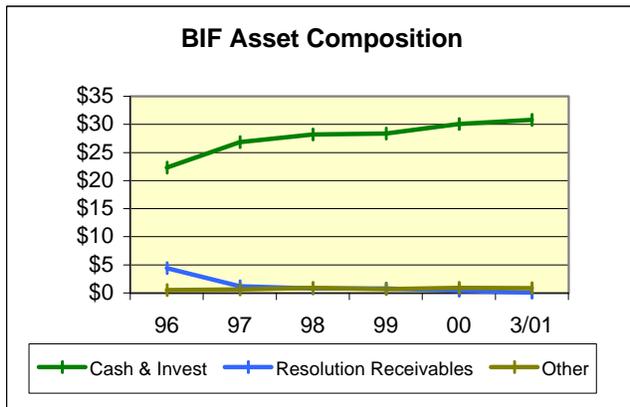
(a) Source: Fourth Quarter 2000 FDIC Quarterly Banking Profile. BIF figure includes 19 U.S. branches of foreign banks.

(b) Source: Fourth Quarter 1999 FDIC Quarterly Banking Profile. BIF figure includes 20 U.S. branches of foreign banks.

Bank Insurance Fund Statements of Financial Position March 2001

<i>Dollars in Millions</i>	(Unaudited) March 31	
	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 360	\$ 548
Investment in U.S. Treasury obligations, net	30,452	28,274
Interest receivable on investments and other assets, net	532	487
Receivables from bank resolutions, net	60	612
Assets acquired from assisted banks and terminated receiverships, net	11	17
Property and buildings, net	166	156
Software development and other capitalized assets, net	131	106
Total Assets	\$ 31,712	\$ 30,200
<u>Liabilities</u>		
Accounts payable and other liabilities	\$ 121	\$ 134
<u>Contingent Liabilities for:</u>		
Anticipated failure of insured institutions	139	314
Assistance agreements	0	1
Litigation losses	24	10
Asset securitization guarantees	2	2
Total Liabilities	286	461
<u>Fund Balance</u>		
Accumulated net income	31,051	29,747
Unrealized gain/(loss) on available-for-sale securities, net	375	(8)
Total Fund Balance	31,426	29,739
Total Liabilities and Fund Balance	\$ 31,712	\$ 30,200

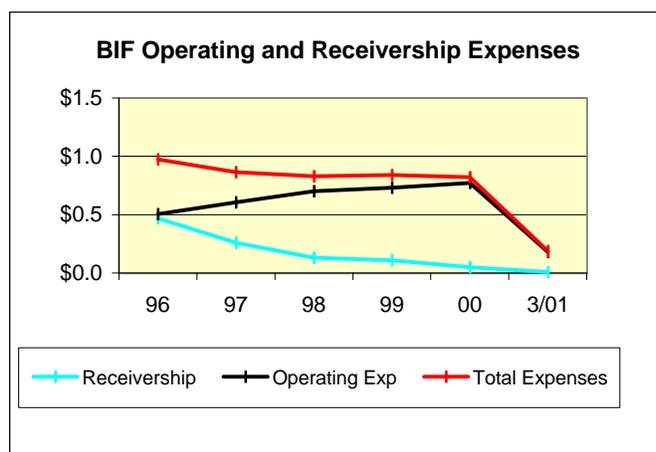
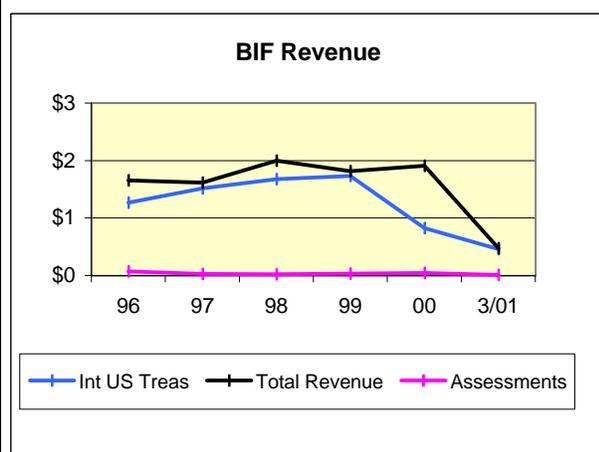
Chart Data: Dollars in Billions



Bank Insurance Fund Statements of Income and Fund Balance March 2001

Dollars in Millions

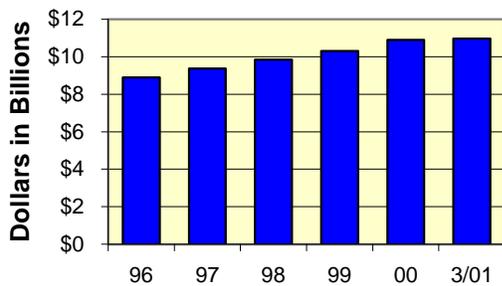
	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending March 31:	
	2001	2000	2001	2000
Revenue				
Interest on U.S. Treasury obligations	\$ 462	\$ 432	\$ 462	\$ 432
Assessments	11	17	11	17
Interest on advances and subrogated claims	0	2	0	2
Revenue from assets acquired from assisted banks and terminated receiverships	2	4	2	4
Other revenue	3	3	3	3
Total Revenue	478	458	478	458
Expenses and Losses				
Operating expenses	180	176	180	176
Insurance Losses/Expenses:				
Provision for insurance losses	(1)	20	(1)	20
Expenses for assets acquired from assisted banks and terminated receiverships	3	5	3	5
Interest and other insurance expenses	0	4	0	4
Total Expenses and Losses	182	205	182	205
Net Income	296	253	296	253
Unrealized gain on available-for-sale securities, net (current period)	155	72	155	72
Comprehensive Income	451	325	451	325
Fund Balance - Beginning	30,975	29,414	30,975	29,414
Fund Balance - Ending	\$ 31,426	\$ 29,739	\$ 31,426	\$ 29,739

Chart Data: Dollars in Billions

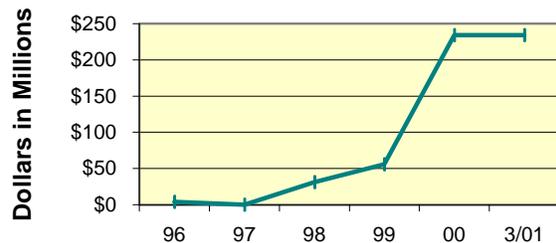
Savings Association Insurance Fund Statements of Financial Position March 2001

<i>Dollars in Millions</i>	(Unaudited) March 31	
	<u>2001</u>	<u>2000</u>
Assets		
Cash and cash equivalents - unrestricted	\$ 55	\$ 264
Cash and other assets - restricted for SAIF-member exit fees	288	272
Investment in U.S. Treasury obligations, net	10,993	10,047
Interest receivable on investments and other assets, net	170	156
Receivables from thrift resolutions, net	3	30
Total Assets	\$ 11,509	\$ 10,769
Liabilities		
Accounts payable and other liabilities	\$ 12	\$ 5
Contingent liability for:		
Anticipated failures of insured institutions	234	57
Litigation losses	2	0
SAIF-member exit fees and investment proceeds held in escrow	288	272
Total Liabilities	536	334
Fund Balance		
Accumulated net income	10,828	10,441
Unrealized gain/(loss) on available-for-sale securities, net	145	(6)
Total Fund Balance	10,973	10,435
Total Liabilities and Fund Balance	\$ 11,509	\$ 10,769

SAIF Total Fund Balance



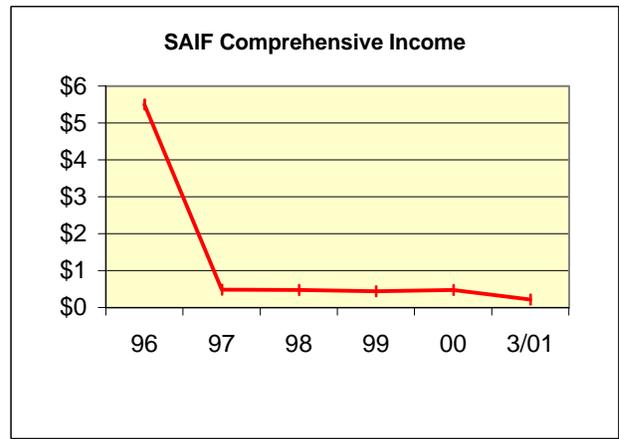
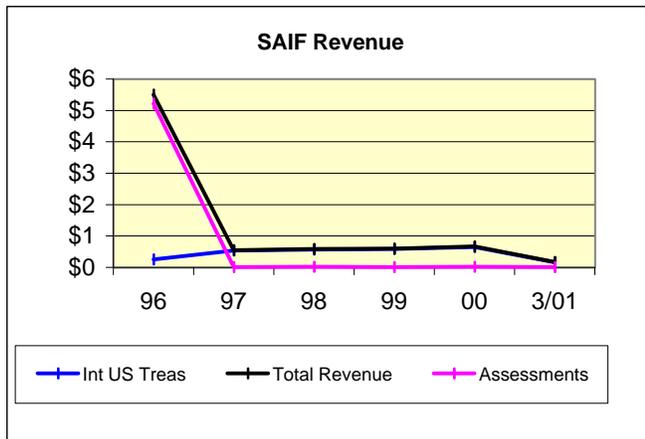
SAIF Contingent Liability for Anticipated Failure of Insured Institutions



Savings Association Insurance Fund Statements of Income and Fund Balance March 2001

<i>Dollars in Millions</i>	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending March 31:	
	2001	2000	2001	2000
Revenue				
Interest on U.S. Treasury obligations	\$ 164	\$ 151	\$ 164	\$ 151
Assessments	9	4	9	4
Other revenue	1	0	1	0
Total Revenue	174	155	174	155
Expenses and Losses				
Operating expenses	23	25	23	25
Provision for insurance losses	0	2	0	2
Other insurance expenses	0	0	0	0
Total Expenses and Losses	23	27	23	27
Net Income				
Unrealized gain on available-for-sale securities, net (current period)	63	26	63	26
Comprehensive Income	214	154	214	154
Fund Balance - Beginning	10,759	10,281	10,759	10,281
Fund Balance - Ending	\$ 10,973	\$ 10,435	\$ 10,973	\$ 10,435

Chart Data: Dollars in Billions



RESOLUTION FUND

FSLIC Resolution Fund (FRF)

The FRF is a FDIC-managed resolution fund that was originally created to wind up the affairs of the former Federal Savings and Loan Insurance Corporation (FSLIC). It is also responsible for liquidating the assets and liabilities that were transferred from the former Resolution Trust Corporation (RTC) in 1996. Statutorily, the FRF is reported as one fund; for management reporting and operational purposes, the FRF is split into its FSLIC and RTC components and accounted for separately. The assets of one component are not available to satisfy the obligations of the other.

The FRF will continue to operate until all of its assets are sold or otherwise liquidated and all of its liabilities are satisfied.

FRF-FSLIC

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) abolished the insolvent FSLIC, created the FRF, and transferred the assets and liabilities of the FSLIC to the FRF or RTC, effective August 9, 1989. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury.

FRF-RTC

The RTC was created to manage and resolve all thrifts previously insured by the FSLIC for which a conservator or receiver was appointed on January 1, 1989, or later. Resolution responsibility transferred from the RTC to the SAIF on July 1, 1995, and the RTC was terminated as of December 31, 1995. All remaining assets and liabilities of the RTC were transferred to the FRF on January 1, 1996. Upon dissolution of this component of the FRF, any funds remaining will be transferred to the U.S. Treasury or the Resolution Funding Corporation, as appropriate.

FSLIC Resolution Fund Statements of Cash Flows and Selected Statistics March 2001

Dollars in Millions

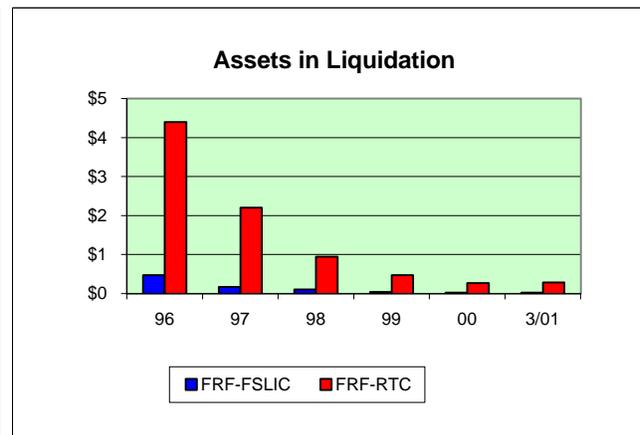
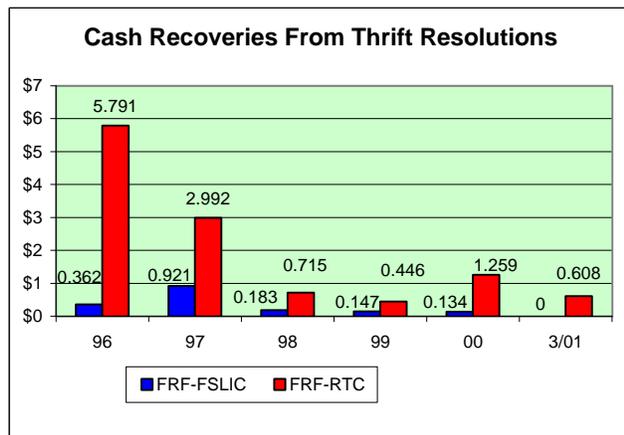
	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2001	2000	2001	2000	2001	2000
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided From Operating Activities	\$35	\$45	\$91	\$1,000	\$126	\$1,045
Cash Used for Operating Activities	(4)	(4)	(26)	(92)	(30)	(96)
Net Cash Provided by Operating Activities	31	41	65	908	96	949
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships, AFS (1)	0	0	194	252	194	252
Cash Flows From Financing Activities:						
U.S. Treasury Payments for Goodwill Settlements	0	0	0	0	0	0
Return of U.S. Treasury Payments (2)	0	0	0	(391)	0	(391)
Payments to Resolution Funding Corporation (2)	0	0	(507)	0	(507)	0
Net Increase in Cash	\$31	\$41	(\$248)	\$769	(\$217)	\$810
Selected Statistics						
Resolution Equity (2)	\$2,451	\$2,270	\$2,816	\$4,075	\$5,267	\$6,345
Number of Active Receiverships	2	8	150	203	152	211
Number of Other Liquidating Entities	15	25	16	17	31	42
Assets in Liquidation (3)	\$24	\$37	\$264	\$407	\$288	\$444

(1) Available-for-Sale (AFS)

(2) As of March 31, 2001, FRF-RTC paid \$4.556 billion to the U.S. Treasury and \$1.956 billion to the Resolution Funding Corporation.

(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

Chart Data: Dollars in Billions



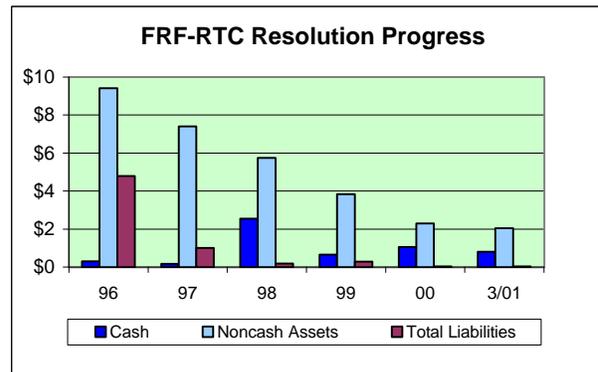
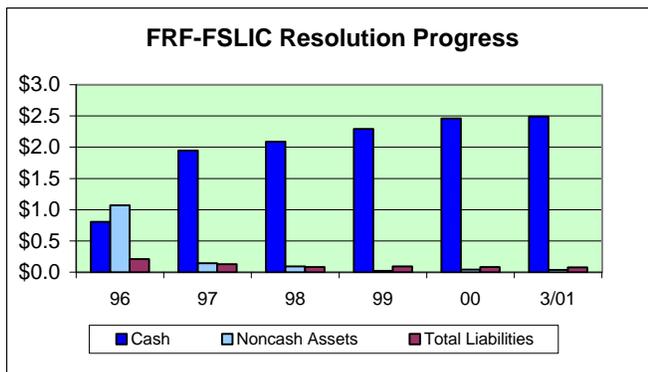
FSLIC Resolution Fund Statements of Financial Position March 2001

Dollars in Millions

	FRF - FSLIC (Unaudited) March 31		FRF - RTC (Unaudited) March 31		FRF - CONSOLIDATED (Unaudited) March 31	
	2001	2000	2001	2000	2001	2000
Assets						
Cash and cash equivalents	\$ 2,491	\$ 2,334	\$ 806	\$ 1,424	\$ 3,297	\$ 3,758
Receivables from thrift resolutions, net	27	12	334	404	361	416
Investment in securitization related assets acquired from receiverships	0	0	1,676	2,451	1,676	2,451
Assets acquired from assisted thrifts and terminated receiverships, net	11	10	20	22	31	32
Other assets, net	0	0	10	31	10	31
Total Assets	\$ 2,529	\$ 2,356	\$ 2,846	\$ 4,332	\$ 5,375	\$ 6,688
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	\$ 6	\$ 18	\$ 23	\$ 26	\$ 29	\$ 44
Liabilities from thrift resolutions	71	68	5	230	76	298
Contingent Liabilities for:						
Litigation losses	1	0	2	1	3	1
Total Liabilities	78	86	30	257	108	343
Resolution Equity						
Contributed capital (1)	44,157	44,157	84,821	86,780	128,978	130,937
Accumulated deficit	(41,706)	(41,887)	(82,499)	(83,057)	(124,205)	(124,944)
Unrealized gain on available-for-sale securities, net	0	0	494	352	494	352
Accumulated deficit, net	(41,706)	(41,887)	(82,005)	(82,705)	(123,711)	(124,592)
Total Resolution Equity	2,451	2,270	2,816	4,075	5,267	6,345
Total Liabilities and Resolution Equity	\$ 2,529	\$ 2,356	\$ 2,846	\$ 4,332	\$ 5,375	\$ 6,688

(1) As of March 31, 2001, Contributed Capital decreased \$6.5 billion due to the FRF-RTC payments to the U.S. Treasury and the Resolution Funding Corporation.

Chart Data: Dollars in Billions



FSLIC Resolution Fund Statements of Income and Accumulated Deficit March 2001

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2001	2000	2001	2000	2001	2000
Revenue						
Interest on securitization related assets acquired from receiverships	\$ 0	\$ 0	\$ 10	\$ 21	\$ 10	\$ 21
Interest on U.S. Treasury obligations	34	32	0	0	34	32
Interest on advances and subrogated claims	0	0	0	2	0	2
Revenue from assets acquired from assisted thrifts and terminated receiverships	1	1	7	5	8	6
Realized gain on investment in securitization related assets acquired from receiverships	0	0	34	20	34	20
Limited partnership equity interests and other revenue	0	0	2	2	2	2
Total Revenue	35	33	53	50	88	83
Expenses and Losses						
Operating expenses	2	1	15	19	17	20
Realized loss on investment in securitization related assets acquired from receiverships	0	0	10	10	10	10
Provision for losses	0	(8)	(3)	(2)	(3)	(10)
Expenses for goodwill settlements and litigation	0	(1)	0	0	0	(1)
Expenses for assets acquired from assisted thrifts and terminated receiverships	0	1	1	3	1	4
Interest expense on notes payable and other expenses	1	2	0	3	1	5
Total Expenses and Losses	3	(5)	23	33	26	28
Net Income	32	38	30	17	62	55
Unrealized gain/(loss) on available-for-sale securities, net (current period)	0	0	39	(28)	39	(28)
Comprehensive Income/(Loss)	32	38	69	(11)	101	27
Accumulated Deficit - Beginning	(41,738)	(41,925)	(82,074)	(82,694)	(123,812)	(124,619)
Accumulated Deficit - Ending	\$ (41,706)	\$ (41,887)	\$ (82,005)	\$ (82,705)	\$ (123,711)	\$ (124,592)

Chart Data: Dollars in Billions

