FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund
Financial Indicators

- **BIF Reserve Ratio is 1.26 percent as of December 31, 2001**
- **SAIF Reserve Ratio is 1.36 percent as of December 31, 2001**

Executive Management Report

Financial Results (unaudited)
For the twelve months ending December 31, 2001

http://fdic01/division/dof/reports/emr/index.html

Division of Finance

Executive Summary
For the Twelve Months Ending December 31, 2001

Bank Insurance Fund (BIF):

- Revenue totaled $2 billion for the twelve months ending December 31, 2001. The fund earned $1.8 billion in interest on investments in U.S. Treasury obligations and $48 million in deposit insurance assessments. In addition, the BIF realized a gain of $78 million on the sale of $1.5 billion of U.S. Treasury securities designated as available-for-sale.

- Comprehensive loss was $536 million for the twelve months ending December 31, 2001, decreasing the fund balance to $30.4 billion. This loss was primarily attributable to a $1.8 billion increase in the contingent liability for anticipated failures, which totaled $1.9 billion at year-end. The increase in this liability resulted from higher levels of problem bank assets, deteriorating credit quality, weaker supervisory ratings, and the presence of business models that are untested in a recession.

  In addition to the recorded contingent liability for anticipated failures, the FDIC has identified increasing risk in the financial services industry that could result in a material loss to the BIF should the potentially vulnerable financial institutions ultimately fail. As a result, there are other banks for which the risk of failure is less certain, but still considered reasonably possible. Should these banks fail, the BIF could incur additional estimated losses up to $5.1 billion.

- Since year-end 2000, the reserve ratio fell by 9 basis points to 1.26 percent at December 31, 2001. If the reserve ratio falls below the designated reserve ratio (DRR) of 1.25 percent, the Federal Deposit Insurance Corporation Improvement Act of 1991 authorizes and mandates BIF assessments if needed to maintain the fund at the DRR or to return the fund to the DRR if it falls below the DRR. The FDIC is required to set semiannual assessment rates that are sufficient to increase the reserve ratio to the DRR not later than one year after such rates are set, or in accordance with a recapitalization schedule of fifteen years or less.

- Receivables from bank resolutions decreased by $271 million from year-end 2000 to $79 million at December 31, 2001. This decrease was due to recoveries of payments made to cover obligations to insured depositors for failed institutions.

- Three BIF-insured institutions failed during 2001. Total assets at failure were $54 million.

Savings Association Insurance Fund (SAIF):

- Revenue totaled $733 million for the twelve months ending December 31, 2001. The fund earned $634 million in interest on U.S. Treasury obligations and $35 million in deposit insurance assessments. In addition, the SAIF realized a gain of $52 million on the sale of $795 million of U.S. Treasury securities designated as available-for-sale.

- Comprehensive income was $176 million for the twelve months ending December 31, 2001, increasing the fund balance to $10.9 billion.

- In addition to the recorded contingent liability for anticipated failures of $233 million, the FDIC has identified increasing risk in the financial services industry that could result in a material loss to the SAIF should the potentially vulnerable financial institutions ultimately fail. As a result, there are other thrifts for which the risk of failure is less certain, but still considered reasonably possible. Should these thrifts fail, the SAIF could incur additional estimated losses up to $1.8 billion.

- On July 27, 2001, the Office of Thrift Supervision (OTS) closed Superior Bank, FSB, Hinsdale, Illinois, and named FDIC receiver of the failed institution and conservator of a newly chartered, full-service mutual savings bank. Superior Bank, FSB, a nationwide subprime mortgage lender, had total assets of $2.2 billion and total deposits of $1.6 billion. The financial condition of Superior Bank rapidly deteriorated, and bank management was unable to resolve existing problems. The FDIC Board of Directors decided that the least-cost resolution alternative was to organize a new institution under FDIC control to maximize the value of the institution, effect an orderly resolution, and minimize disruption to insured depositors and other customers. The December 31, 2001 fund balance reflects a preliminary estimated loss of $440 million for this failed institution. This loss estimate includes a $140 million valuation discount (time value of money and credit risk) with respect to the $360 million note arising from a settlement agreement reached with the owners of

(Continued)

~SAIF~

the institution. In addition, this loss estimate reflects actual recoveries on assets sold, which were less than earlier projections. The final loss on this failure will be affected by the actual recoveries on the remaining assets and payment of claims and operational expenses.

Additionally, the FDIC extended a $1.5 billion line of credit to the conservatorship for liquidity purposes. As of December 31, 2001, $163 million of the line of credit remained unpaid.

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.

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

- Paralleling the goodwill litigation cases are eight similar cases alleging that the government breached agreements regarding tax benefits associated with certain FSLIC-assisted acquisitions. These agreements contained the promise of tax deductions for losses incurred on the sale of certain thrift assets purchased by plaintiffs, from the FSLIC, even though the FSLIC provided them with tax-exempt reimbursement. A provision in the Omnibus Budget Reconciliation Act of 1993 (popularly referred to as the "Guarini legislation") eliminated the tax deductions for these losses. To date, there have been liability determinations in three of the "Guarini cases." Decisions on liability have not yet been made in the other five.

  The FDIC believes that it is possible that substantial amounts may be paid from the FRF-FSLIC as a result of the judgments and settlements from the " Guarini litigation." However, because of the uncertainty surrounding the method of computing damages, the amount of the damages is not estimable at this time.

- Assets in liquidation totaled $14 million as of December 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 seven payments totaling $2.856 billion to REFCORP. The last payment to REFCORP of $200 million was made on October 11, 2001. The FRF-RTC cash balance is $801 million at December 31, 2001.

- Assets in liquidation totaled $234 million as of December 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

Dollars in Millions	BIF		SAIF	
	(Unaudited) 12/31/01	12/31/00	(Unaudited) 12/31/01	12/31/00
Revenue	$ 1,997	$ 1,906	$ 733	$ 664
Operating Expenses	786	773	102	111
Insurance Losses/Expenses	1,773	(128)	462	189
Unrealized Gain on AFS (1)				
Securities, Net (Current Period)	26	300	7	114
Comprehensive (Loss)/Income	(536)	1,561	176	478
Fund Balance	$ 30,439	$ 30,975	$ 10,935	$ 10,759
December 2001/2000 Reserve Ratio (2)	1.26%	1.35%	1.36%	1.43%
December 2001/2000 Fund Balance	$ 30,439	$ 30,975	$ 10,935	$ 10,759
Estimated Insured Deposits	$ 2,408,878 (a)	$ 2,301,604 (b)	$ 801,849 (a)	$ 752,756 (b)
Total Insured Institutions	8,344 (a)	8,591 (b)	1,287 (a)	1,333 (b)
Number of Failures, YTD	3	6	1	1
Total Corporate Outlays, YTD	$50	$302	$1,022	$29
Total Estimated Corporate Losses, YTD	$5	$39	$440	$1
Total Assets at Failure (Current Year)	$54	$378	$2,180	$30
Assets in Liquidation (3)	$132	$226	$194	$8

(1) Available-for-Sale (AFS)

(2) The Reserve Ratio is equal to the fourth quarter 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.

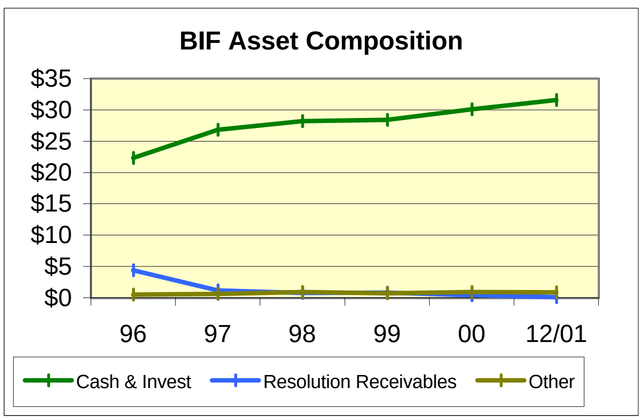
(a) Source: Fourth Quarter 2001 FDIC Quarterly Banking Profile. BIF figure includes 18 U.S. branches of foreign banks.

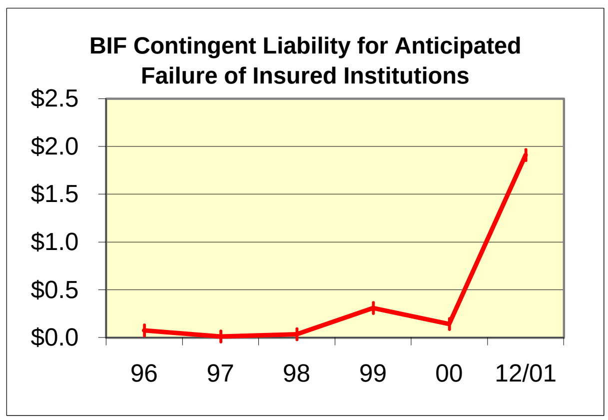
(b) Source: Fourth Quarter 2000 FDIC Quarterly Banking Profile. BIF figure includes 20 U.S. branches of foreign banks.

Bank Insurance Fund
Statements of Financial Position
December 2001

Dollars in Millions	(Unaudited) December 31 2001	December 31 2000
Assets		
Cash and cash equivalents	$ 1,437	$ 156
Investment in U.S. Treasury obligations, net	30,163	29,932
Interest receivable on investments and other assets, net	547	565
Receivables from bank resolutions, net	79	350
Property and buildings, net	168	167
Software development and other capitalized assets, net	136	136
Total Assets	**$ 32,530**	**$ 31,306**
Liabilities		
Accounts payable and other liabilities	$ 135	$ 166
Contingent Liabilities for:		
Anticipated failure of insured institutions	1,911	141
Litigation losses	37	22
Other contingencies	8	2
Total Liabilities	**2,091**	**331**
Fund Balance		
Accumulated net income	30,193	30,755
Unrealized gain on available-for-sale securities, net	246	220
Total Fund Balance	**30,439**	**30,975**
Total Liabilities and Fund Balance	**$ 32,530**	**$ 31,306**

Chart Data: Dollars in Billions

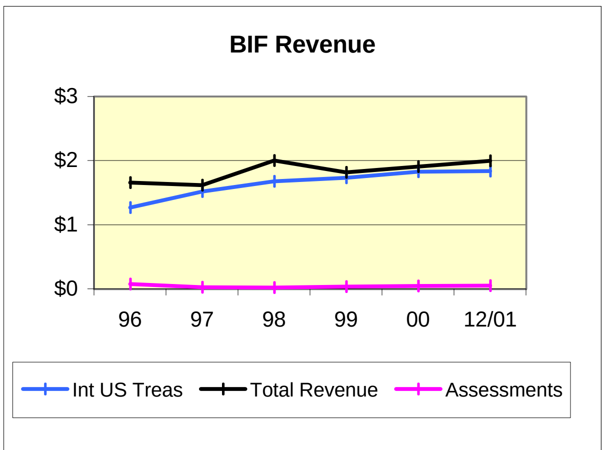


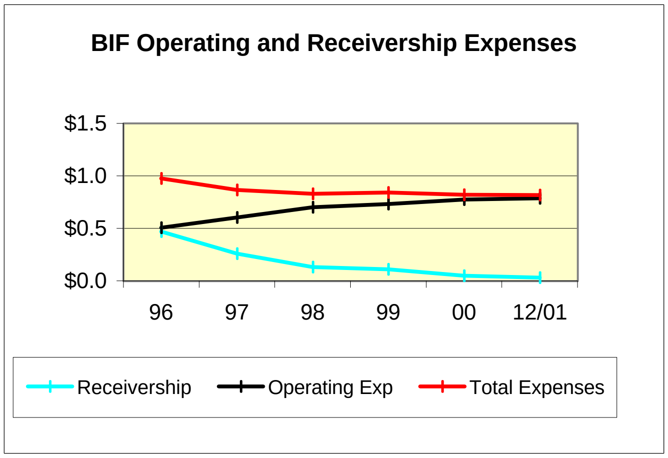


Bank Insurance Fund
Statements of Income and Fund Balance
December 2001

Dollars in Millions	(Unaudited) Year-to-Date: 2001	(Unaudited) Year-to-Date: 2000	(Unaudited) Quarter Ending December 31: 2001	(Unaudited) Quarter Ending December 31: 2000
Revenue				
Interest on U.S. Treasury obligations	$ 1,835	$ 1,827	$ 430	$ 468
Assessments	48	45	13	9
Realized gain on sale of U.S. Treasury obligations	78	0	0	0
Other revenue	36	34	16	7
Total Revenue	**1,997**	**1,906**	**459**	**484**
Expenses and Losses				
Operating expenses	786	773	218	218
Insurance Losses/Expenses:				
Provision for insurance losses	1,756	(153)	1,445	0
Interest and other insurance expenses	17	25	5	6
Total Expenses and Losses	**2,559**	**645**	**1,668**	**224**
Net (Loss)/Income	**(562)**	**1,261**	**(1,209)**	**260**
Unrealized gain/(loss) on available-for-sale securities, net (current period)	26	300	(186)	160
Comprehensive (Loss)/Income	**(536)**	**1,561**	**(1,395)**	**420**
Fund Balance - Beginning	**30,975**	**29,414**	**31,834**	**30,555**
Fund Balance - Ending	**$ 30,439**	**$ 30,975**	**$ 30,439**	**$ 30,975**

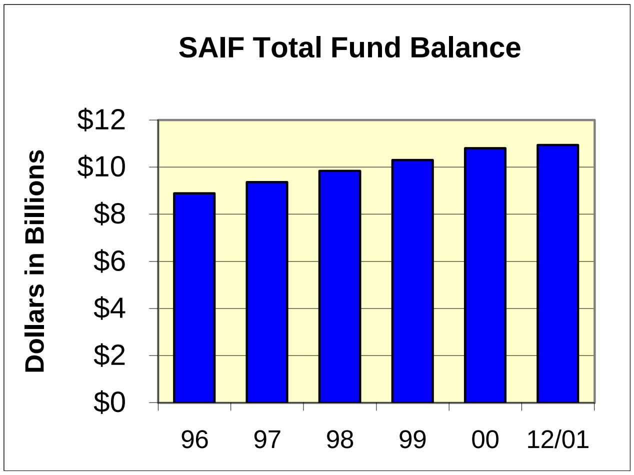
Chart Data: Dollars in Billions

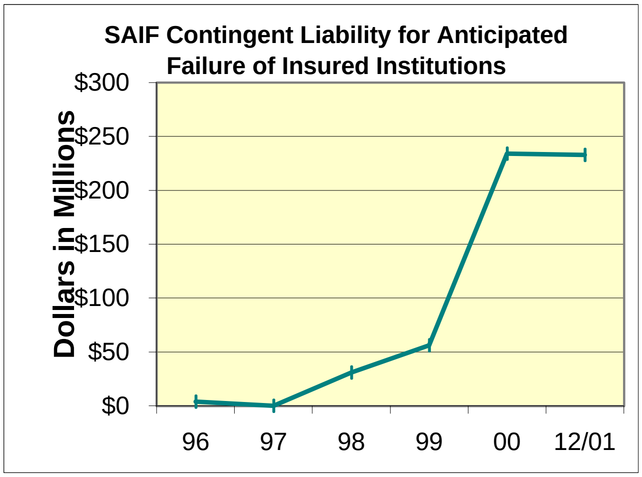




Savings Association Insurance Fund
Statements of Financial Position
December 2001

Dollars in Millions		(Unaudited) December 31 2001		December 31 2000
Assets				
Cash and cash equivalents - unrestricted	$	277	$	150
Cash and other assets - restricted for SAIF-member exit fees		299		284
Investment in U.S. Treasury obligations, net		9,464		10,660
Interest receivable on investments and other assets, net		156		188
Receivables from thrift resolutions, net		1,285		4
Total Assets	**$**	**11,481**	**$**	**11,286**
Liabilities				
Accounts payable and other liabilities	$	8	$	7
Liabilities from thrift resolutions		0		0
Contingent Liabilities for:				
Anticipated failure of insured institutions		233		234
Litigation losses		6		2
SAIF-member exit fees and investment proceeds held in escrow		299		284
Total Liabilities		**546**		**527**
Fund Balance				
Accumulated net income		10,846		10,677
Unrealized gain on available-for-sale securities, net		89		82
Total Fund Balance		**10,935**		**10,759**
Total Liabilities and Fund Balance	**$**	**11,481**	**$**	**11,286**

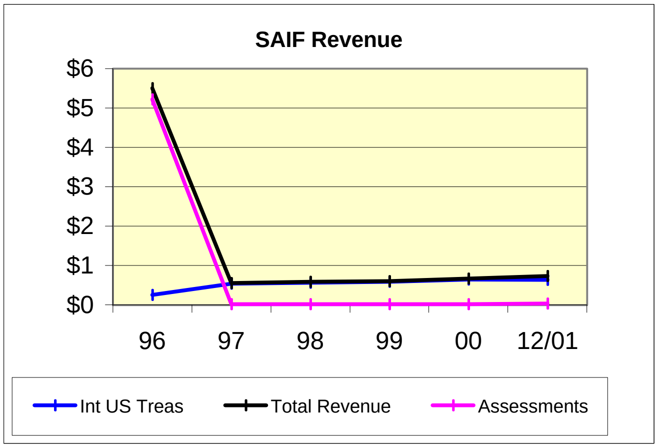


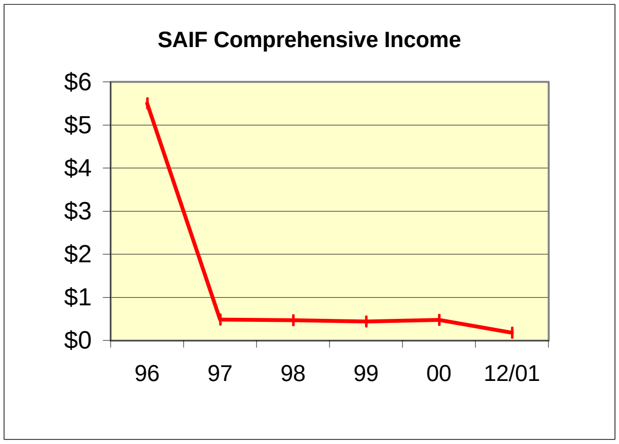


Savings Association Insurance Fund
Statements of Income and Fund Balance
December 2001

Dollars in Millions	(Unaudited) Year-to-Date: 2001	2000	(Unaudited) Quarter Ending December 31: 2001	2000
Revenue				
Interest on U.S. Treasury obligations	$ 634	$ 644	$ 140	$ 165
Assessments	35	19	8	5
Realized gain on sale of U.S. Treasury obligations	52	0	24	0
Other revenue	12	1	6	1
Total Revenue	**733**	**664**	**178**	**171**
Expenses and Losses				
Operating expenses	102	111	28	32
Provision for insurance losses	443	181	(66)	146
Other expenses	19	8	15	(1)
Total Expenses and Losses	**564**	**300**	**(23)**	**177**
Net Income	**169**	**364**	**201**	**(6)**
Unrealized gain/(loss) on available-for-sale securities, net (current period)	7	114	(81)	59
Comprehensive Income	**176**	**478**	**120**	**53**
Fund Balance - Beginning	**10,759**	**10,281**	**10,815**	**10,706**
Fund Balance - Ending	**$ 10,935**	**$ 10,759**	**$ 10,935**	**$ 10,759**

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

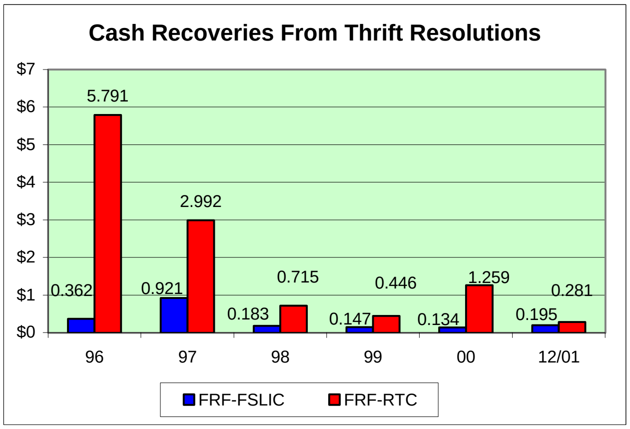
The RTC was created to manage and resolve all thrifts previously insured by the FSLIC for which a conservator or receiver was appointed on January 1, 1989, or later. Resolution responsibility transferred from the RTC to the SAIF on July 1, 1995, and the RTC was terminated as of December 31, 1995. All 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.

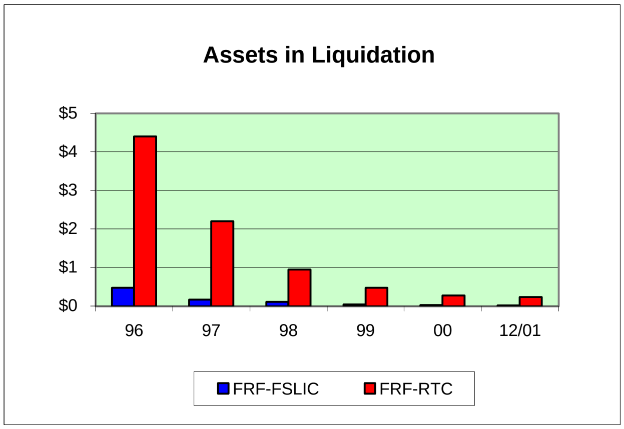
FSLIC Resolution Fund
Statements of Cash Flows and Selected Statistics
December 2001

Dollars in Millions	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
Cash Flows	**2001**	**2000**	**2001**	**2000**	**2001**	**2000**
Cash Flows From Operating Activities:						
Cash Provided From Operating Activities	$307	$290	$358	$1,424	$665	$1,714
Cash Used for Operating Activities	(77)	(123)	(101)	(209)	(178)	(332)
Net Cash Provided by Operating Activities	230	167	257	1,215	487	1,382
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships, AFS (1)	0	0	902	1,028	902	1,028
Cash Flows From Financing Activities:						
Return of U.S. Treasury Payments (2)	0	0	(5)	(395)	(5)	(395)
Payments to Resolution Funding Corporation (2)	0	0	(1,407)	(1,449)	(1,407)	(1,449)
Net Increase/(Decrease) in Cash	$230	$167	($253)	$399	($23)	$566
Selected Statistics						
Resolution Equity (2)	$2,784	$2,419	$2,089	$3,254	$4,873	$5,673
Number of Active Receiverships	1	2	129	150	130	152
Number of Other Liquidating Entities	14	15	15	16	29	31
Assets in Liquidation (3)	$14	$28	$234	$273	$248	$301

(1) Available-for-Sale (AFS)
(2) As of December 31, 2001, FRF-RTC paid $4.6 billion to the U.S. Treasury and $2.856 billion to the Resolution Funding Corp.
(3) Assets in liquidation is the total book value of the noncash assets to be liquidated.

Chart Data: Dollars in Billions





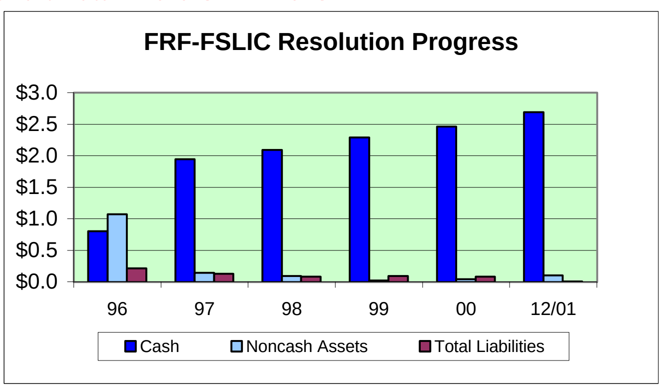
FSLIC Resolution Fund
Statements of Financial Position
December 2001

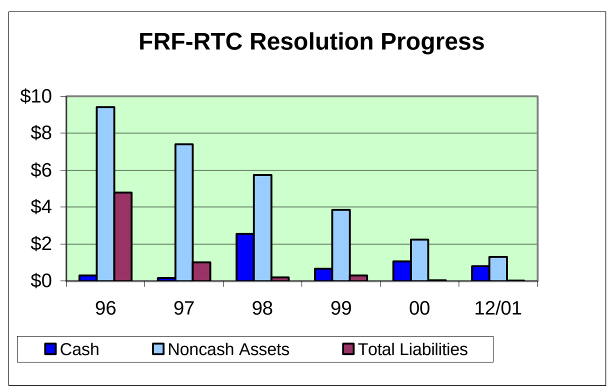
Dollars in Millions

	FRF - FSLIC (Unaudited) December 31		FRF - RTC (Unaudited) December 31		FRF - CONSOLIDATED (Unaudited) December 31	
	2001	**2000**	**2001**	**2000**	**2001**	**2000**
Assets						
Cash and cash equivalents	$ 2,690	$ 2,460	$ 801	$ 1,054	$ 3,491	$ 3,514
Receivables from thrift resolutions, net	98	27	188	390	286	417
Investment in securitization related assets acquired from receiverships	0	0	1,087	1,812	1,087	1,812
Other assets, net	3	13	26	38	29	51
Total Assets	**$ 2,791**	**$ 2,500**	**$ 2,102**	**$ 3,294**	**$ 4,893**	**$ 5,794**
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	$ 6	$ 10	$ 9	$ 31	$ 15	$ 41
Liabilities from thrift resolutions	0	70	0	5	0	75
Contingent liabilities for litigation losses	1	1	4	4	5	5
Total Liabilities	**7**	**81**	**13**	**40**	**20**	**121**
Resolution Equity						
Contributed capital (1)	44,157	44,157	83,916	85,328	128,073	129,485
Accumulated deficit	(41,373)	(41,738)	(82,133)	(82,529)	(123,506)	(124,267)
Unrealized gain on available-for-sale securities, net	0	0	306	455	306	455
Accumulated deficit, net	(41,373)	(41,738)	(81,827)	(82,074)	(123,200)	(123,812)
Total Resolution Equity	**2,784**	**2,419**	**2,089**	**3,254**	**4,873**	**5,673**
Total Liabilities and Resolution Equity	**$ 2,791**	**$ 2,500**	**$ 2,102**	**$ 3,294**	**$ 4,893**	**$ 5,794**

(1) As of December 31, 2001, Contributed Capital decreased $7.4 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
December 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	$ 33	$ 86	$ 33	$ 86
Interest on U.S. Treasury obligations	99	145	0	0	99	145
Interest on advances and subrogated claims	0	0	18	159	18	159
Realized gain on investment in securitization-related assets acquired from receiverships	0	0	352	91	352	91
Other revenue	51	4	27	37	78	41
Total Revenue	**150**	**149**	**430**	**373**	**580**	**522**
Expenses and Losses						
Operating expenses	7	3	68	71	75	74
Realized loss on investment in securitization related assets acquired from receiverships	0	0	23	37	23	37
Provision for losses	(309)	(152)	(60)	(286)	(369)	(438)
Expenses for goodwill settlements and litigation	60	94	0	0	60	94
Interest expense on notes payable and other expenses	27	17	3	6	30	23
Total Expenses and Losses	**(215)**	**(38)**	**34**	**(172)**	**(181)**	**(210)**
Net Income	**365**	**187**	**396**	**545**	**761**	**732**
Unrealized gain/(loss) on available-for-sale securities, net (current period)	0	0	(149)	75	(149)	75
Comprehensive Income	**365**	**187**	**247**	**620**	**612**	**807**
Accumulated Deficit - Beginning	**(41,738)**	**(41,925)**	**(82,074)**	**(82,694)**	**(123,812)**	**(124,619)**
Accumulated Deficit - Ending	**$ (41,373)**	**$ (41,738)**	**$ (81,827)**	**$ (82,074)**	**$ (123,200)**	**$ (123,812)**

Chart Data: Dollars in Billions