

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 three months ending March 31, 2002

Executive Summary

For the Three Months Ending March 31, 2002

Bank Insurance Fund (BIF):

- Revenue totaled \$406 million for the three months ending March 31, 2002. The fund earned \$384 million in interest on investments in U.S. Treasury obligations and \$17 million in deposit insurance assessments.
- Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) was \$258 million for the three months ending March 31, 2002, increasing the fund balance to \$30.7 billion.
- The reserve ratio at December 31, 2001, was 1.26 percent. If this ratio falls below the designated reserve ratio (DRR) of 1.25 percent, the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) 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 assessments 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 increased by \$920 million to \$999 million during the first quarter of 2002. This net increase was due to the failure of six BIF-insured institutions during the first three months of 2002. Total assets at failure were \$2 billion, and the BIF made payments of \$1.5 billion to cover obligations to insured depositors.
- Assets in liquidation increased by \$1.5 billion to \$1.7 billion during the first quarter of 2002.

Savings Association Insurance Fund (SAIF):

- Revenue totaled \$129 million for the three months ending March 31, 2002. The fund earned \$122 million in interest on U.S. Treasury obligations and \$6 million in deposit insurance assessments.
- Comprehensive income was \$114 million for the three months ending March 31, 2002, increasing the fund balance to \$11 billion.
- Receivables from thrift resolutions decreased by \$667 million to \$618 million during the first

quarter of 2002. This decrease was primarily due to recoveries totaling \$502 million of payments made to cover obligations to insured depositors for the Superior Bank, FSB receivership.

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.

- On March 21, 2002, FRF-FSLIC received an appropriation of \$21.5 million from the Department of Treasury for the goodwill judgment in Landmark Land Company v. United States. Payment to Landmark was made on March 28, 2002.
- On March 21, 2002, the trial court in Bluebonnet Savings Bank v. United States issued an opinion directing the clerk of the court to enter judgment in favor of plaintiff James Fail for \$132,398,200. The decision cited what the court believed was controlling language in the prior Court of Appeals for the Federal Circuit's decision in the matter and felt constrained to award the full amount claimed by plaintiff Fail based on the appellate court's directions on remand.

Executive Summary **For the Three Months Ending March 31, 2002**

(Continued)

~FRF~

- 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 March 31, 2002.

~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 eight payments totaling \$3.347 billion to REFCORP. The last payment to REFCORP of \$492 million was made

on January 11, 2002. The FRF-RTC cash balance is \$753 million at March 31, 2002.

- Assets in liquidation totaled \$219 million as of March 31, 2002.

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		SAIF	
	(Unaudited)		(Unaudited)	
	03/31/02	03/31/01	03/31/02	03/31/01
Revenue	\$ 406	\$ 478	\$ 129	\$ 174
Operating Expenses	183	180	28	23
Insurance Losses/Expenses	(13)	2	(3)	0
Unrealized Gain on AFS (1)				
Securities, Net (Current Period)	22	155	10	63
Comprehensive Income	258	451	114	214
Fund Balance	\$ 30,697	\$ 31,426	\$ 11,049	\$ 10,973
December 2001/ December 2000				
Reserve Ratio (2)	1.26%	1.35%	1.36%	1.43%
December 2001/December 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	6	1	0	0
Total Corporate Outlays, YTD	\$1,491	\$16	\$0	\$0
Total Estimated Corporate Losses, YTD	\$644	\$0	\$0	\$0
Total Assets at Failure (Current Year)	\$2,024	\$17	\$0	\$0
Assets in Liquidation (3)	\$1,665	\$202	\$188	\$7

(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.

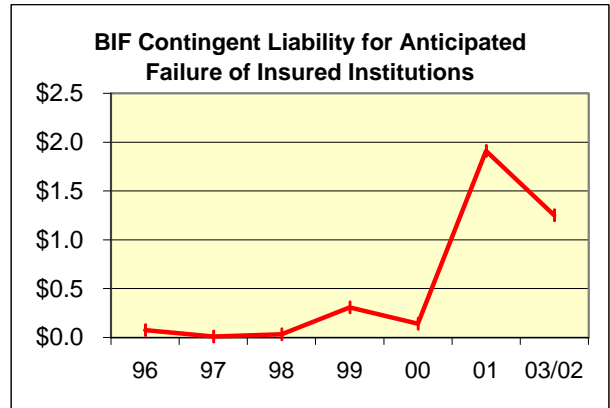
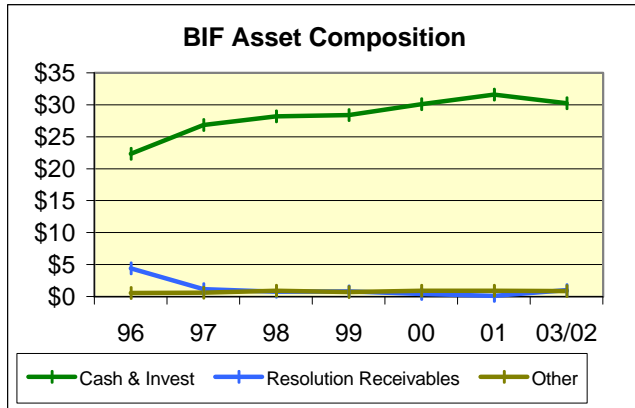
(a) Source: Fourth Quarter 2001 FDIC Quarterly Banking Profile. BIF figure includes 18 U.S. branches of foreign banks.

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

Bank Insurance Fund Statements of Financial Position March 2002

<i>Dollars in Millions</i>	(Unaudited) March 31	
	2002	2001
Assets		
Cash and cash equivalents	\$ 806	\$ 360
Investment in U.S. Treasury obligations, net	29,453	30,452
Interest receivable on investments and other assets, net	553	543
Receivables from bank resolutions, net	999	60
Property and buildings, net	166	166
Software development and other capitalized assets, net	130	131
Total Assets	\$ 32,107	\$ 31,712
Liabilities		
Accounts payable and other liabilities	\$ 126	\$ 121
<i>Contingent Liabilities for:</i>		
Anticipated failure of insured institutions	1,252	139
Litigation losses	25	24
Other contingencies	7	2
Total Liabilities	1,410	286
Fund Balance		
Accumulated net income	30,429	31,051
Unrealized gain on available-for-sale securities, net	268	375
Total Fund Balance	30,697	31,426
Total Liabilities and Fund Balance	\$ 32,107	\$ 31,712

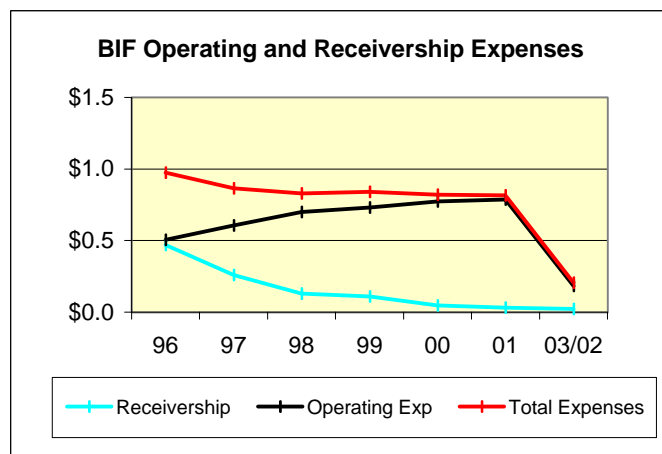
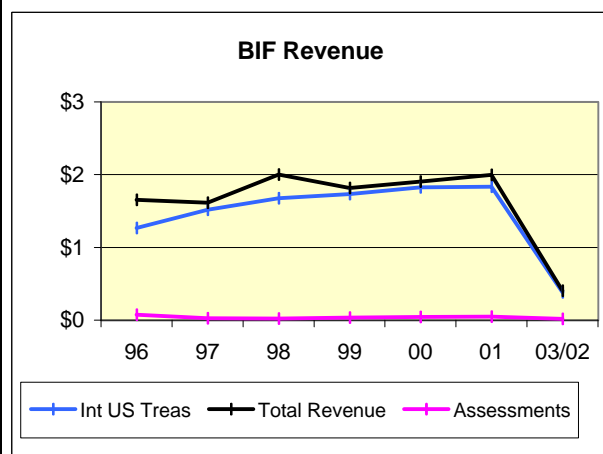
Chart Data: Dollars in Billions



Bank Insurance Fund Statements of Income and Fund Balance March 2002

Dollars in Millions

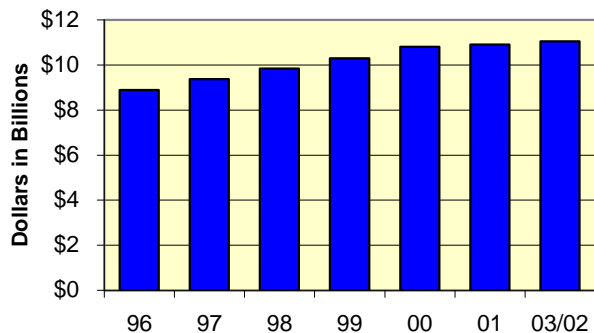
	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending March 31:	
	2002	2001	2002	2001
Revenue				
Interest on U.S. Treasury obligations	\$ 384	\$ 462	\$ 384	\$ 462
Assessments	17	11	17	11
Other revenue	5	5	5	5
Total Revenue	406	478	406	478
Expenses and Losses				
Operating expenses	183	180	183	180
Insurance Losses/Expenses:				
Provision for insurance losses	(18)	(1)	(18)	(1)
Interest and other insurance expenses	5	3	5	3
Total Expenses and Losses	170	182	170	182
Net Income	236	296	236	296
Unrealized gain on available-for-sale securities, net (current period)	22	155	22	155
Comprehensive Income	258	451	258	451
Fund Balance - Beginning	30,439	30,975	30,439	30,975
Fund Balance - Ending	\$ 30,697	\$ 31,426	\$ 30,697	\$ 31,426

Chart Data: Dollars in Billions

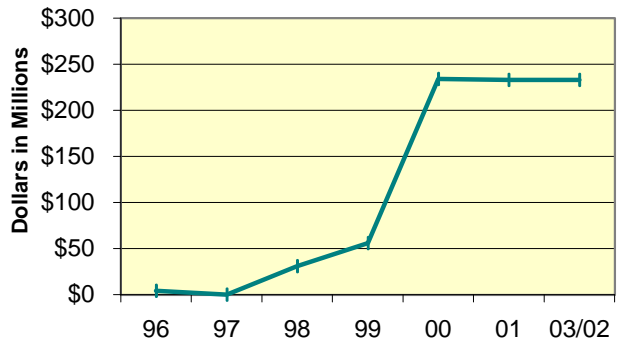
Savings Association Insurance Fund Statements of Financial Position March 2002

<i>Dollars in Millions</i>	(Unaudited) March 31	
	<u>2002</u>	<u>2001</u>
Assets		
Cash and cash equivalents - unrestricted	\$ 1,001	\$ 55
Cash and other assets - restricted for SAIF-member exit fees	303	288
Investment in U.S. Treasury obligations, net	9,567	10,993
Interest receivable on investments and other assets, net	146	170
Receivables from thrift resolutions, net	618	3
Total Assets	\$ 11,635	\$ 11,509
Liabilities		
Accounts payable and other liabilities	\$ 49	\$ 12
<i>Contingent Liabilities for:</i>		
Anticipated failure of insured institutions	233	234
Litigation losses	1	2
SAIF-member exit fees and investment proceeds held in escrow	303	288
Total Liabilities	586	536
Fund Balance		
Accumulated net income	10,950	10,828
Unrealized gain on available-for-sale securities, net	99	145
Total Fund Balance	11,049	10,973
Total Liabilities and Fund Balance	\$ 11,635	\$ 11,509

SAIF Total Fund Balance



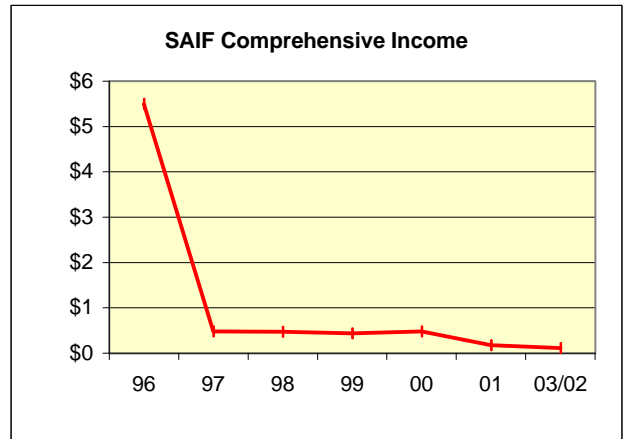
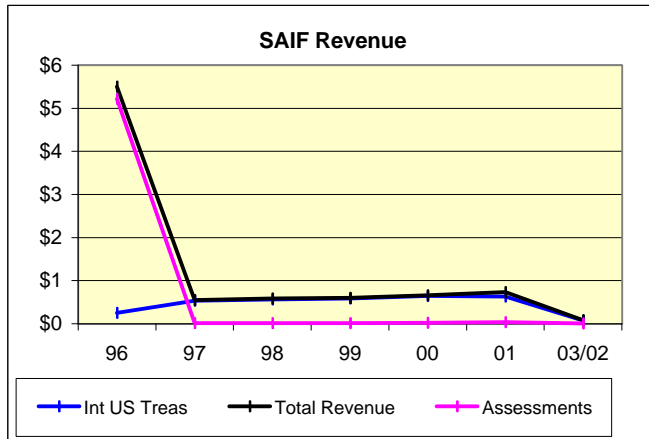
SAIF Contingent Liability for Anticipated Failure of Insured Institutions



Savings Association Insurance Fund Statements of Income and Fund Balance March 2002

<i>Dollars in Millions</i>	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending March 31:	
	2002	2001	2002	2001
Revenue				
Interest on U.S. Treasury obligations	\$ 122	\$ 164	\$ 122	\$ 164
Assessments	6	9	6	9
Other revenue	1	1	1	1
Total Revenue	129	174	129	174
Expenses and Losses				
Operating expenses	28	23	28	23
Provision for insurance losses	(3)	0	(3)	0
Other expenses	0	0	0	0
Total Expenses and Losses	25	23	25	23
Net Income				
Unrealized gain on available-for-sale securities, net (current period)	10	63	10	63
Comprehensive Income	114	214	114	214
Fund Balance - Beginning	10,935	10,759	10,935	10,759
Fund Balance - Ending	\$ 11,049	\$ 10,973	\$ 11,049	\$ 10,973

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 2002

Dollars in Millions

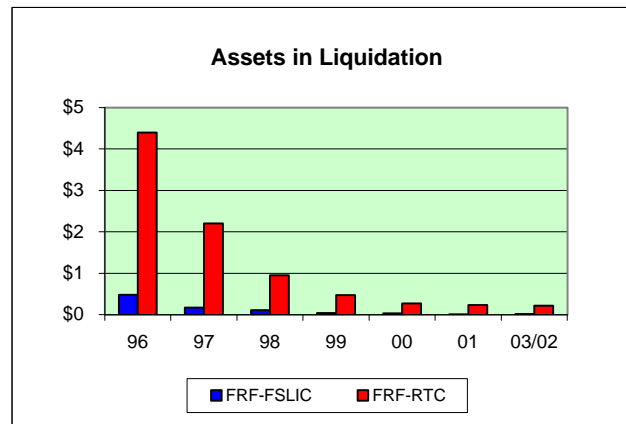
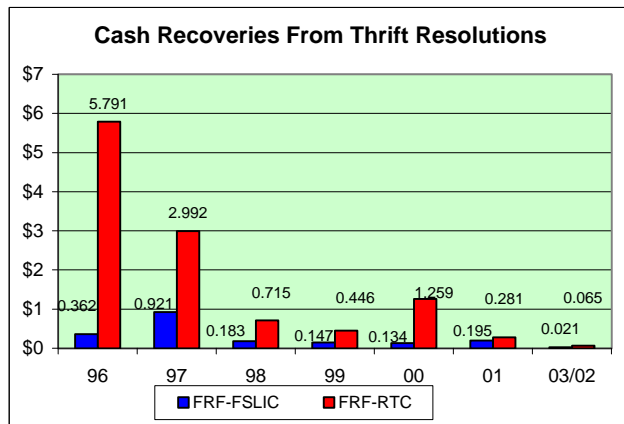
	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2002	2001	2002	2001	2002	2001
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided From Operating Activities	\$33	\$24	\$65	\$91	\$98	\$115
Cash Used for Operating Activities	(23)	(3)	(24)	(26)	(47)	(29)
Net Cash Provided by Operating Activities	10	21	41	65	51	86
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships, AFS (1)	0	0	402	194	402	194
Cash Flows From Financing Activities:						
U.S. Treasury payments for goodwill judgements	21	0	0	0	21	0
Payments to Resolution Funding Corporation (2)	0	0	(492)	(507)	(492)	(507)
Net Increase/(Decrease) in Cash	\$31	\$21	(\$49)	(\$248)	(\$18)	(\$227)
Selected Statistics						
Resolution Equity (2)	\$2,795	\$2,451	\$1,619	\$2,816	\$4,415	\$5,267
Number of Active Receiverships	1	2	109	150	110	152
Number of Other Liquidating Entities	14	15	15	16	29	31
Assets in Liquidation (3)	\$14	\$24	\$219	\$264	\$233	\$288

(1) Available-for-Sale (AFS)

(2) As of March 31, 2002, FRF-RTC paid \$4.6 billion to the U.S. Treasury and \$3.347 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



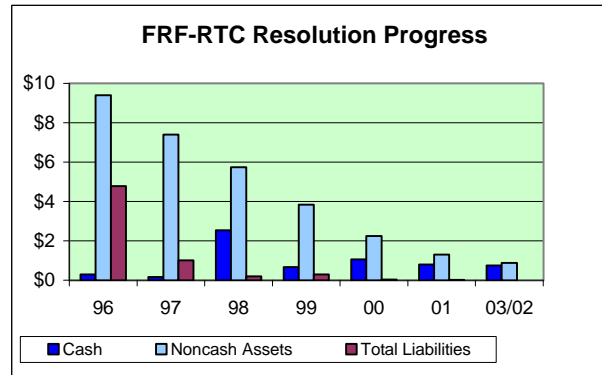
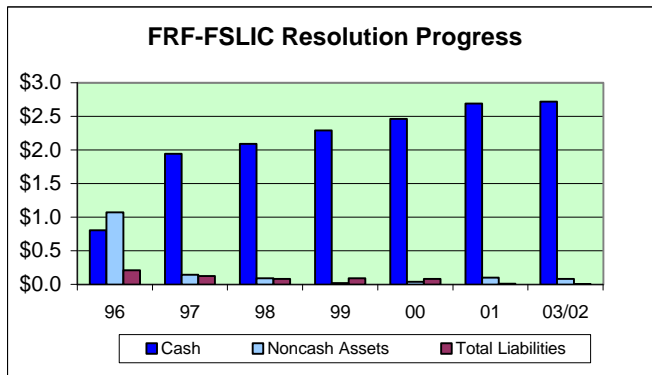
FSLIC Resolution Fund Statements of Financial Position March 2002

Dollars in Millions

	FRF - FSLIC (Unaudited) March 31		FRF - RTC (Unaudited) March 31		FRF - CONSOLIDATED (Unaudited) March 31	
	2002	2001	2002	2001	2002	2001
Assets						
Cash and cash equivalents	\$ 2,721	\$ 2,491	\$ 753	\$ 806	\$ 3,474	\$ 3,297
Receivables from thrift resolutions, net	78	27	141	334	219	361
Investment in securitization related assets acquired from receiverships	0	0	708	1,676	708	1,676
Other assets, net	2	11	25	30	27	41
Total Assets	\$ 2,801	\$ 2,529	\$ 1,627	\$ 2,846	\$ 4,428	\$ 5,375
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	\$ 6	\$ 6	\$ 6	\$ 23	\$ 12	\$ 29
Liabilities from thrift resolutions	0	71	0	5	0	76
Contingent liabilities for litigation losses	0	1	2	2	2	3
Total Liabilities	6	78	8	30	14	108
Resolution Equity						
Contributed capital (1)	44,178	44,157	83,425	84,821	127,603	128,978
Accumulated deficit	(41,383)	(41,706)	(82,018)	(82,499)	(123,401)	(124,205)
Unrealized gain on available-for-sale securities, net	0	0	212	494	212	494
Accumulated deficit, net	(41,383)	(41,706)	(81,806)	(82,005)	(123,189)	(123,711)
Total Resolution Equity	2,795	2,451	1,619	2,816	4,414	5,267
Total Liabilities and Resolution Equity	\$ 2,801	\$ 2,529	\$ 1,627	\$ 2,846	\$ 4,428	\$ 5,375

(1) As of March 31, 2002, Contributed Capital decreased \$7.9 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 2002

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2002	2001	2002	2001	2002	2001
Revenue						
Interest on securitization-related assets acquired from receiverships	\$ 0	\$ 0	\$ 3	\$ 10	\$ 3	\$ 10
Interest on U.S. Treasury obligations	12	34	0	0	12	34
Interest on advances and subrogated claims	0	0	1	0	1	0
Realized gain on investment in securitization- related assets acquired from receiverships	0	0	123	34	123	34
Other revenue	1	1	2	9	3	10
Total Revenue	13	35	129	53	142	88
Expenses and Losses						
Operating expenses	2	2	9	15	11	17
Realized loss on investment in securitization- related assets acquired from receiverships	0	0	3	10	3	10
Provision for losses	(1)	0	1	(3)	0	(3)
Expenses for goodwill settlements and litigation	21	0	0	0	21	0
Interest expense on notes payable and other expenses	1	1	1	1	2	2
Total Expenses and Losses	23	3	14	23	37	26
Net Income	(10)	32	115	30	105	62
Unrealized (loss)/gain on available-for-sale securities, net (current period)	0	0	(94)	39	(94)	39
Comprehensive Income	(10)	32	21	69	11	101
Accumulated Deficit - Beginning	(41,373)	(41,738)	(81,827)	(82,074)	(123,200)	(123,812)
Accumulated Deficit - Ending	\$ (41,383)	\$ (41,706)	\$ (81,806)	\$ (82,005)	\$ (123,189)	\$ (123,711)

Chart Data: Dollars in Billions

