

FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund Financial Indicators

- BIF Reserve Ratio is 1.24 percent as of March 31, 2002
- SAIF Reserve Ratio is 1.36 percent as of March 31, 2002



Executive Management Report

Financial Results (unaudited)
For the six months ending June 30, 2002

Executive Summary **For the Six Months Ending June 30, 2002**

Bank Insurance Fund (BIF):

- Revenue totaled \$914 million for the six months ending June 30, 2002. The fund earned \$868 million in interest on investments in U.S. Treasury obligations and \$36 million in deposit insurance assessments.
- Comprehensive income (net income plus current period unrealized gains/losses on available-for-sale securities) was \$748 million for the six months ending June 30, 2002, increasing the fund balance to \$31.2 billion.
- BIF's Reserve Ratio fell from 1.26 percent at December 31, 2001 to 1.24 percent at March 31, 2002, as a result of an increase in estimated insured deposits of \$75 billion, or 3.1 percent. This is the first time since 1995 that the reserve ratio has fallen below the designated reserve ratio (DRR) of 1.25 percent. The deposit growth in the first quarter resulted primarily from a reporting change in the quarterly Call Reports that provide the source data for estimating insured deposits. The reporting change, which was effective with the March 31 Call Report, required banks to report the amount of uninsured deposits so that a better estimate of insured deposits could be calculated.

When this ratio falls below the DRR, the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) requires that the FDIC raise deposit insurance premiums to a level sufficient to restore the reserve ratio to the DRR within a year after premiums are set, or else charge every institution insured by the fund at least 23 basis points (23 cents per \$100 of assessable deposits) until the reserve ratio meets the DRR.

- Receivables from bank resolutions increased by \$1.3 billion to \$1.4 billion during the six months of 2002. This net increase was due to the failure of seven BIF-insured institutions in 2002. Total assets at failure were \$2.4 billion, and the BIF made payments of \$1.7 billion to cover obligations to insured depositors.
- Assets in liquidation increased by \$1.2 billion to \$1.4 billion during the six months of 2002.

Savings Association Insurance Fund (SAIF):

- Revenue totaled \$296 million for the six months ending June 30, 2002. The fund earned \$284 million in interest on U.S. Treasury obligations and \$11 million in deposit insurance assessments.
- Comprehensive income was \$388 million for the six months ending June 30, 2002, increasing the fund balance to \$11.3 billion.
- Receivables from thrift resolutions decreased by \$870 million to \$415 million during the first six months of 2002. This decrease was primarily due to: 1) recoveries totaling \$732 million of payments made to cover obligations to insured depositors for the Superior Bank, FSB receivership, 2) a final payment of \$212 million from the Superior conservatorship to repay the line of credit, and 3) a net receivable of \$25 million for payments made to fund the insured deposits of Universal Federal Savings Bank, which failed on June 27, 2002.
- Assets in liquidation increased by \$404 million to \$598 million during the six months of 2002. This increase was primarily due to the consolidation of the Superior Bank conservatorship and 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 judgments and/or settlements 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.

Executive Summary For the Six Months Ending June 30, 2002

(Continued) *~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.

- During the second quarter of 2002, the trial court in the following five cases entered an order dismissing the cases based upon an agreement reached by the parties: (1) CityFed v. the United States; (2) First Commerce v. the United States; (3) Independence Federal v. United States; (4) Hometown Savings and Loan, et al. v. United States; and (5) Allan H. Pollack, et al. v. United States.
- On May 29, 2002, the trial court in FDIC as Successor to the Rights of Karnes County Savings and Loan Association v. United States dismissed the complaints filed by both the private shareholder plaintiffs and by the FDIC. The court determined that the private shareholder plaintiffs lacked privity of contract on which to sue and the FDIC did not have standing to sue based on the "lack of a case or controversy" guidelines established in the Landmark decision. Private plaintiffs filed a motion for reconsideration, which was rejected by the Court on June 14, 2002.
- On June 6, 2002, the trial court in C. Robert Suess, et al. v. United States entered a final judgment against the United States in the amount of \$34,672,500.00. Both the Plaintiff-Shareholders and the United States have filed motions for reconsideration.
- 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 five of the "Guarini cases."

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 June 30, 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 nine payments totaling \$3.722 billion to REFCORP. The last payment to REFCORP of \$375 million was made on April 10, 2002. The FRF-RTC cash balance is \$682 million at June 30, 2002.

- Assets in liquidation totaled \$205 million as of June 30, 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)	
	06/30/02	06/30/01	06/30/02	06/30/01
Revenue	\$ 914	\$ 1,065	\$ 296	\$ 374
Operating Expenses	398	375	61	49
Insurance Losses/Expenses	(27)	(21)	(82)	310
Unrealized Gain/(Loss) on AFS (1)				
Securities, Net (Current Period)	205	(5)	71	18
Comprehensive Income	748	706	388	33
Fund Balance	\$ 31,187	\$ 31,681	\$ 11,323	\$ 10,792
March 2002/2001 Reserve Ratio (2)	1.24%	1.32%	1.36%	1.43%
March 2002/2001 Fund Balance	\$ 30,697	\$ 31,426	\$ 11,049	\$ 10,973
Estimated Insured Deposits	\$ 2,483,357 (a)	\$ 2,371,830 (b)	\$ 810,202 (a)	\$ 767,739 (b)
Total Insured Institutions	8,265 (a)	8,510 (b)	1,273 (a)	1,330 (b)
Number of Failures, YTD	7	2	1	0
Total Corporate Outlays, YTD	\$1,665	\$25	\$0	\$0
Total Estimated Corporate Losses, YTD	\$611	\$0	Not Available	\$0
Total Assets at Failure (Current Year)	\$2,403	\$26	\$50	\$0
Assets in Liquidation (3)	\$1,357	\$161	\$598	\$3

(1) Available-for-Sale (AFS)

(2) The Reserve Ratio is equal to the first quarter Fund Balance divided by the first 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: First Quarter 2002 FDIC Quarterly Banking Profile. BIF figure includes 18 U.S. branches of foreign banks.

(b) Source: First Quarter 2001 FDIC Quarterly Banking Profile. BIF figure includes 19 U.S. branches of foreign banks.

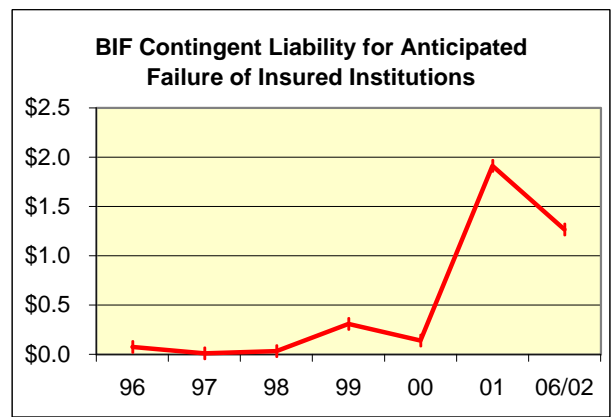
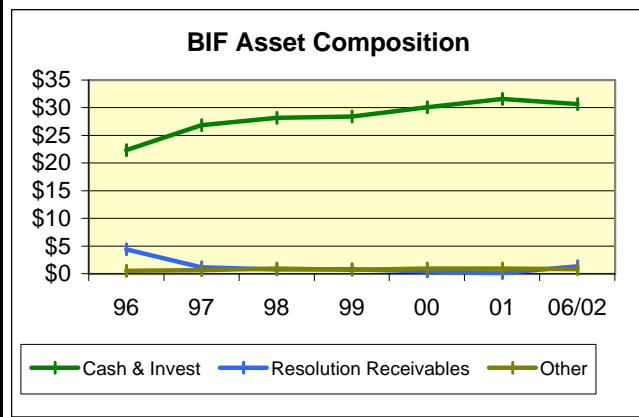
Bank Insurance Fund Statements of Financial Position June 2002

(Unaudited)
June 30

Dollars in Millions

	2002	2001
Assets		
Cash and cash equivalents	\$ 998	\$ 339
Investment in U.S. Treasury obligations, net	29,688	30,680
Interest receivable on investments and other assets, net	528	568
Receivables from bank resolutions, net	1,350	67
Property and buildings, net	165	167
Software development and other capitalized assets, net	128	127
Total Assets	\$ 32,857	\$ 31,948
Liabilities		
Accounts payable and other liabilities	\$ 373	\$ 115
<i>Contingent Liabilities for:</i>		
Anticipated failure of insured institutions	1,266	126
Litigation losses	25	20
Other contingencies	6	6
Total Liabilities	1,670	267
Fund Balance		
Accumulated net income	30,736	31,466
Unrealized gain on available-for-sale securities, net	451	215
Total Fund Balance	31,187	31,681
Total Liabilities and Fund Balance	\$ 32,857	\$ 31,948

Chart Data: Dollars in Billions

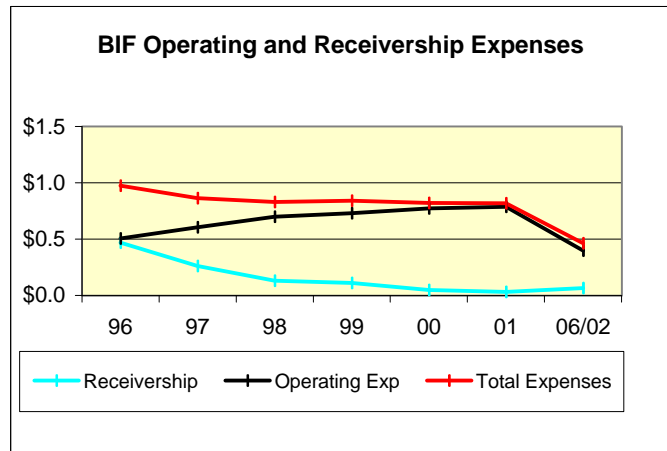
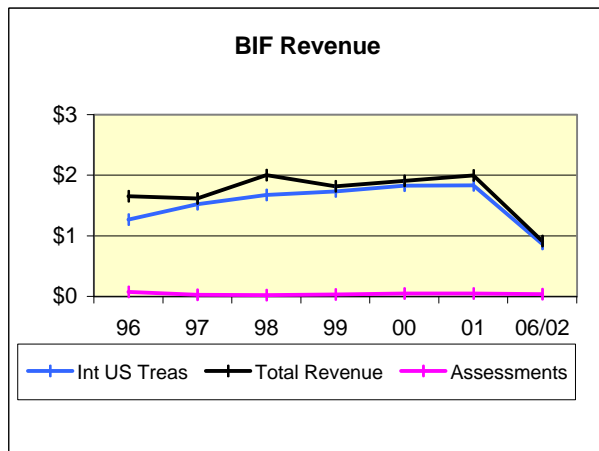


Bank Insurance Fund Statements of Income and Fund Balance June 2002

Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending June 30:	
	2002	2001	2002	2001
Revenue				
Interest on U.S. Treasury obligations	\$ 868	\$ 954	\$ 484	\$ 492
Assessments	36	21	19	10
Realized gain on sale of U.S. Treasury obligations	0	78	0	78
Other revenue	10	12	5	7
Total Revenue	914	1,065	508	587
Expenses and Losses				
Operating expenses	398	375	215	195
Insurance Losses/Expenses:				
Provision for insurance losses	(37)	(29)	(19)	(28)
Interest and other insurance expenses	10	8	5	5
Total Expenses and Losses	371	354	201	172
Net Income	543	711	307	415
Unrealized gain/(loss) on available-for-sale securities, net (current period)	205	(5)	183	(160)
Comprehensive Income	748	706	490	255
Fund Balance - Beginning	30,439	30,975	30,697	31,426
Fund Balance - Ending	\$ 31,187	\$ 31,681	\$ 31,187	\$ 31,681

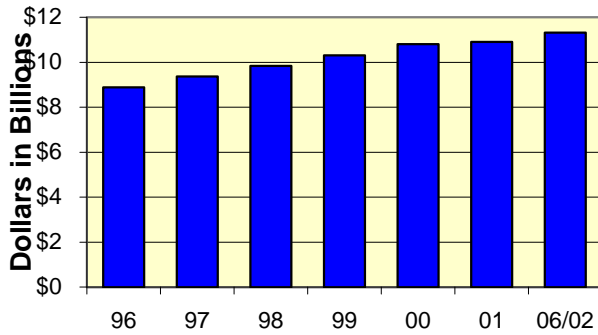
Chart Data: Dollars in Billions



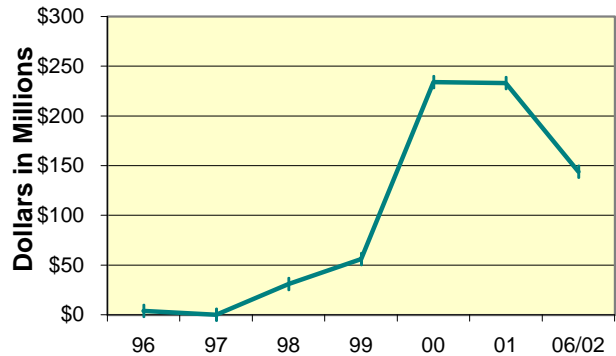
Savings Association Insurance Fund Statements of Financial Position June 2002

<i>Dollars in Millions</i>	(Unaudited) June 30	
	<u>2002</u>	<u>2001</u>
Assets		
Cash and cash equivalents - unrestricted	\$ 1,005	\$ 53
Cash and other assets - restricted for SAIF-member exit fees	307	292
Investment in U.S. Treasury obligations, net	9,923	11,095
Interest receivable on investments and other assets, net	167	197
Receivables from thrift resolutions, net	415	3
Total Assets	\$ 11,817	\$ 11,640
Liabilities		
Accounts payable and other liabilities	\$ 42	\$ 9
Liabilities from thrift resolutions	0	0
<i>Contingent Liabilities for:</i>		
Anticipated failure of insured institutions	144	541
Litigation losses	1	6
SAIF-member exit fees and investment proceeds held in escrow	307	292
Total Liabilities	494	848
Fund Balance		
Accumulated net income	11,163	10,691
Unrealized gain on available-for-sale securities, net	160	101
Total Fund Balance	11,323	10,792
Total Liabilities and Fund Balance	\$ 11,817	\$ 11,640

SAIF Total Fund Balance



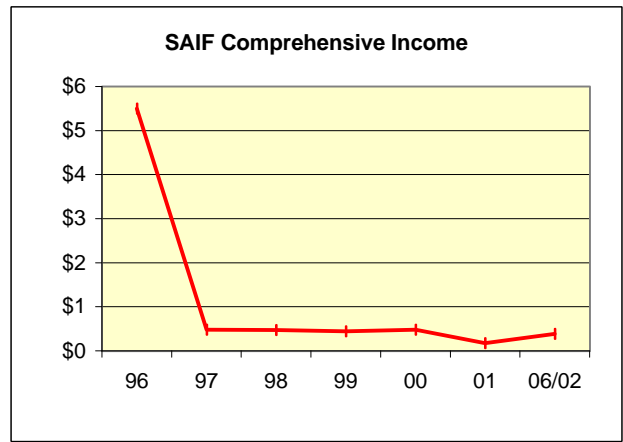
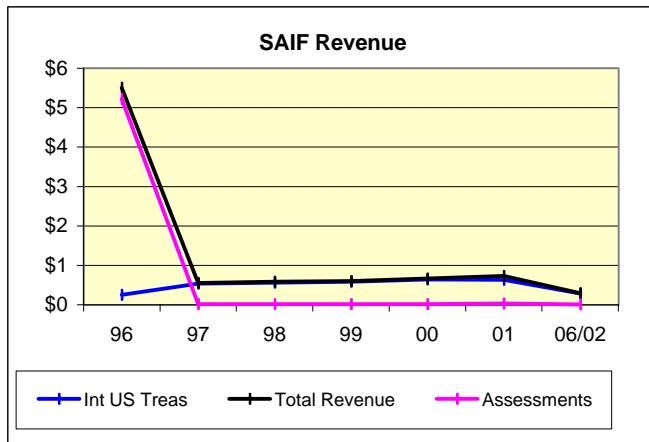
SAIF Contingent Liability for Anticipated Failure of Insured Institutions



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

<i>Dollars in Millions</i>	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending June 30:	
	2002	2001	2002	2001
Revenue				
Interest on U.S. Treasury obligations	\$ 284	\$ 338	\$ 162	\$ 174
Assessments	11	18	5	9
Realized gain on sale of U.S. Treasury obligations	0	16	0	16
Other revenue	1	2	0	1
Total Revenue	296	374	167	200
Expenses and Losses				
Operating expenses	61	49	33	26
Provision for insurance losses	(82)	310	(79)	310
Other expenses	0	0	0	0
Total Expenses and Losses	(21)	359	(46)	336
Net Income				
Unrealized gain/(loss) on available-for-sale securities, net (current period)	71	18	61	(45)
Comprehensive Income/(Loss)	388	33	274	(181)
Fund Balance - Beginning	10,935	10,759	11,049	10,973
Fund Balance - Ending	\$ 11,323	\$ 10,792	\$ 11,323	\$ 10,792

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 June 2002

Dollars in Millions

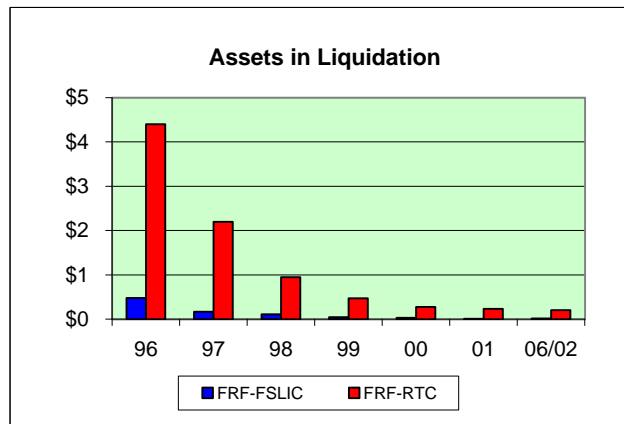
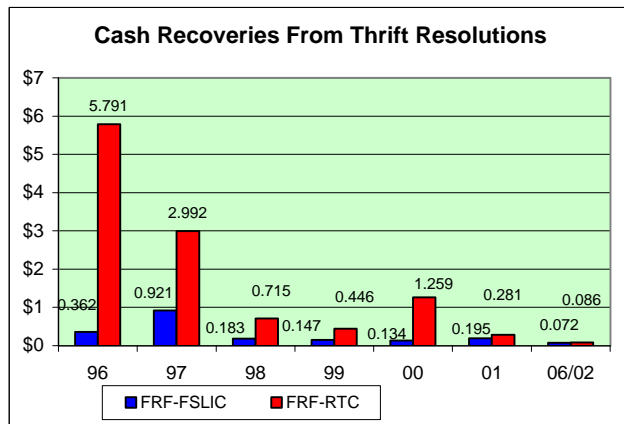
	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2002	2001	2002	2001	2002	2001
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided by Operating Activities	\$97	\$90	\$111	\$263	\$208	\$353
Cash Used for Operating Activities	(\$26)	(\$1)	(46)	(52)	(72)	(53)
Net Cash Provided by Operating Activities	\$71	\$89	65	211	136	300
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships, AFS (1)	0	0	683	343	683	343
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	(867)	(907)	(867)	(907)
Net Increase/(Decrease) in Cash	\$92	\$89	(\$119)	(\$353)	(\$27)	(\$264)
Selected Statistics						
Resolution Equity (2)	\$2,805	\$2,485	\$1,274	\$2,473	\$4,079	\$4,958
Number of Active Receiverships	1	1	107	150	108	151
Number of Other Liquidating Entities	14	15	14	16	28	31
Assets in Liquidation (3)	\$14	\$15	\$205	\$242	\$219	\$257

(1) Available-for-Sale (AFS)

(2) As of June 30, 2002, FRF-RTC paid \$4.6 billion to the U.S. Treasury and \$3.7 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



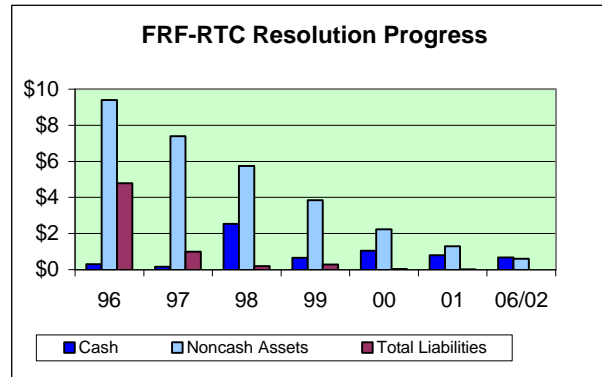
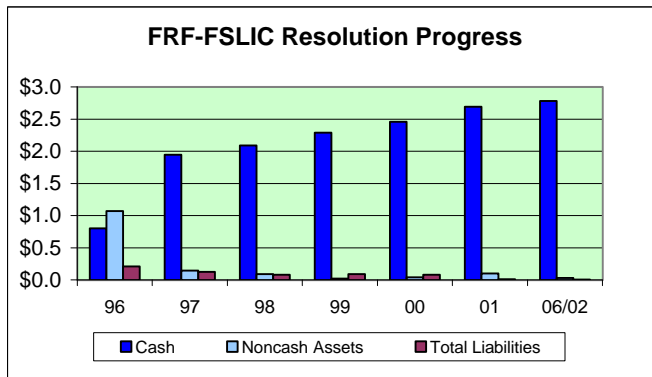
FSLIC Resolution Fund Statements of Financial Position June 2002

Dollars in Millions

	FRF - FSLIC (Unaudited) June 30		FRF - RTC (Unaudited) June 30		FRF - CONSOLIDATED (Unaudited) June 30	
	2002	2001	2002	2001	2002	2001
Assets						
Cash and cash equivalents	\$ 2,782	\$ 2,549	\$ 682	\$ 701	\$ 3,464	\$ 3,250
Receivables from thrift resolutions, net	26	10	116	205	142	215
Investment in securitization related assets acquired from receiverships	0	0	461	1,559	461	1,559
Other assets, net	3	6	20	34	23	40
Total Assets	\$ 2,811	\$ 2,565	\$ 1,279	\$ 2,499	\$ 4,090	\$ 5,064
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	\$ 6	\$ 7	\$ 3	\$ 19	\$ 9	\$ 26
Liabilities from thrift resolutions	0	72	0	5	0	77
Contingent liabilities for litigation losses	0	1	2	2	2	3
Total Liabilities	6	80	5	26	11	106
Resolution Equity						
Contributed capital (1)	44,178	44,157	83,049	84,421	127,227	128,578
Accumulated deficit	(41,373)	(41,672)	(81,942)	(82,402)	(123,315)	(124,074)
Unrealized gain on available-for-sale securities, net	0	0	167	454	167	454
Accumulated deficit, net	(41,373)	(41,672)	(81,775)	(81,948)	(123,148)	(123,620)
Total Resolution Equity	2,805	2,485	1,274	2,473	4,079	4,958
Total Liabilities and Resolution Equity	\$ 2,811	\$ 2,565	\$ 1,279	\$ 2,499	\$ 4,090	\$ 5,064

(1) As of June 30, 2002, Contributed Capital decreased \$8.3 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 June 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	\$ 5	\$ 19	\$ 5	\$ 19
Interest on U.S. Treasury obligations	23	62	0	0	23	62
Interest on advances and subrogated claims	0	0	1	15	1	15
Realized gain on investment in securitization- related assets acquired from receiverships	0	0	200	111	200	111
Other revenue	2	1	9	14	11	15
Total Revenue	25	63	215	159	240	222
Expenses and Losses						
Operating expenses	3	3	19	31	22	34
Realized loss on investment in securitization- related assets acquired from receiverships	0	0	4	12	4	12
Provision for losses	0	(5)	(1)	(13)	(1)	(18)
Expenses for goodwill settlements and litigation	21	(6)	0	0	21	(6)
Interest expense on notes payable and other expenses	1	5	2	2	3	7
Total Expenses and Losses	25	(3)	24	32	49	29
Net Income	0	66	191	127	191	193
Unrealized loss on available-for-sale securities, net (current period)	0	0	(139)	(1)	(139)	(1)
Comprehensive Income	0	66	52	126	52	192
Accumulated Deficit - Beginning	(41,373)	(41,738)	(81,827)	(82,074)	(123,200)	(123,812)
Accumulated Deficit - Ending	\$ (41,373)	\$ (41,672)	\$ (81,775)	\$ (81,948)	\$ (123,148)	\$ (123,620)

Chart Data: Dollars in Billions

