

FEDERAL DEPOSIT INSURANCE CORPORATION

Selected Fund Financial Indicators

- BIF Reserve Ratio is 1.27 percent as of December 31, 2002
- SAIF Reserve Ratio is 1.37 percent as of December 31, 2002



Executive Management Report

Financial Results (unaudited)
For the three months ending March 31, 2003

Executive Summary **For the Three Months Ending March 31, 2003**

Bank Insurance Fund (BIF):

- Comprehensive income was \$332 million for the three months ending March 31, 2003, compared to \$258 million for the same period last year. This increase is primarily attributable to higher unrealized gains on available-for-sale securities of \$81 million in 2003.
- Operating expenses totaled \$175 million for the first quarter of 2003, compared to \$183 million for the same period last year. The decrease is primarily attributable to lower salary/benefit expenses resulting from the workforce reduction programs in 2002.
- Receivables from bank resolutions increased by \$674 million to \$1.2 billion during the first three months of 2003. This net increase was due to the failure of one BIF-insured institution during this period with assets at failure of \$1.1 billion and an estimated loss of \$135 million. The BIF made payments of \$850 million to cover obligations to insured depositors.
- Assets in liquidation increased by \$484 million to \$1.1 billion during the first three months of 2003 primarily due to assets that were retained from the failure of Southern Pacific Bank in February 2003. However, during March, assets in liquidation decreased by \$322 million, or 22 percent, due to the net effect of collections on assets plus repurchases of assets for Southern Pacific Bank.

Savings Association Insurance Fund (SAIF):

- SAIF's comprehensive income was \$159 million for the three months ending March 31, 2003, compared to \$114 million for the same period last year. This increase is primarily due to higher unrealized gains of \$23 million on available-for-sale securities and lower estimated losses on future failures of \$21 million.
- The contingent liability for anticipated failures decreased by \$21 million, or 23 percent, to \$69 million during the first quarter of 2003 primarily due to the improved financial condition of a few large thrifts.

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.

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

During the first three months of 2003, the trial court entered orders dismissing eight goodwill litigation cases, and one goodwill case was settled during March 2003 for \$10 thousand. Additionally, on March 17, 2003, an opinion was issued in the Goodwill case of Westfed Holdings, Inc v. United States, awarding plaintiffs \$305 million in damages. This case has been appealed by DOJ.

Paralleling the goodwill cases are eight similar cases alleging that the government breached agreements regarding tax benefits associated with certain FSLIC-assisted acquisitions. These agreements allegedly 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 the plaintiffs 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.

Executive Summary **For the Three Months Ending March 31, 2003**

(Continued) *~FRF-FSLIC~*

To date, one of the eight "Guarini" cases was settled for \$20 thousand in 2002. Additionally, there have been liability determinations in five of the eight Guarini cases. In one of the five cases, damages of approximately \$28 million were awarded by the Court of Federal Claims in February 2003. However, as the time for filing an appeal has not lapsed, there may be appeals. Further, decisions on liability have not been made in the remaining two pending 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 the litigation of damages computation is still ongoing, the amount of the damages is not estimable at this time.

- Assets in liquidation totaled \$12 million as of March 31, 2003.

~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 eleven payments totaling \$4.522 billion to REFCORP. The last payment to REFCORP of \$400 million was made on January 10, 2003. The FRF-RTC cash balance is \$351 million at March 31, 2003.

- One securitization deal remains active as of March 31, 2003, and is expected to terminate in 2003.

- Assets in liquidation totaled \$60 million as of March 31, 2003.

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)	
	03/31/03	03/31/02	03/31/03	03/31/02
Revenue	\$ 400	\$ 406	\$ 134	\$ 129
Operating Expenses	175	183	29	28
Insurance Losses/Expenses	(4)	(13)	(21)	(3)
Unrealized Gain on AFS (1)				
Securities, Net (Current Period)	103	22	33	10
Comprehensive Income	332	258	159	114
Fund Balance	\$ 32,382	\$ 30,697	\$ 11,906	\$ 11,049
December 2002/2001 Reserve Ratio (2)	1.27%	1.26%	1.37%	1.36%
December 2002/2001 Fund Balance	\$ 32,050	\$ 30,439	\$ 11,747	\$ 10,935
Estimated Insured Deposits	\$ 2,527,448 (a)	\$ 2,408,878 (a)	\$ 860,351 (a)	\$ 801,171 (a)
Total Insured Institutions	8,143 (a)	8,344 (a)	1,229 (a)	1,287 (a)
Number of Failures, YTD	1	6	0	0
Total Corporate Outlays, YTD	\$850	\$1,491	\$0	\$0
Total Estimated Corporate Losses, YTD	\$135	\$644	\$0	\$0
Total Assets at Failure (Current Year)	\$1,052	\$2,024	\$0	\$0
Assets in Liquidation (3)	\$1,141	\$1,665	\$397	\$188

(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 2002 FDIC Quarterly Banking Profile. BIF figure includes 18 U.S. branches of foreign banks.

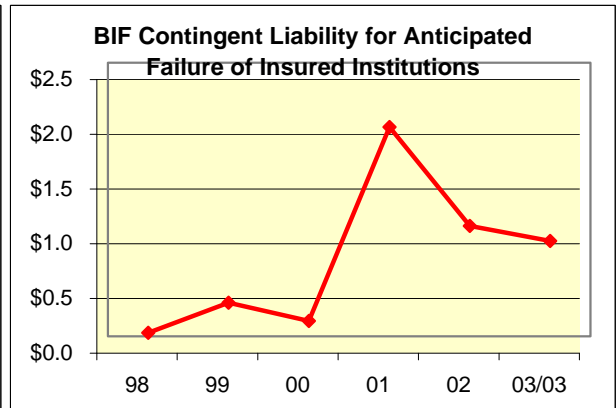
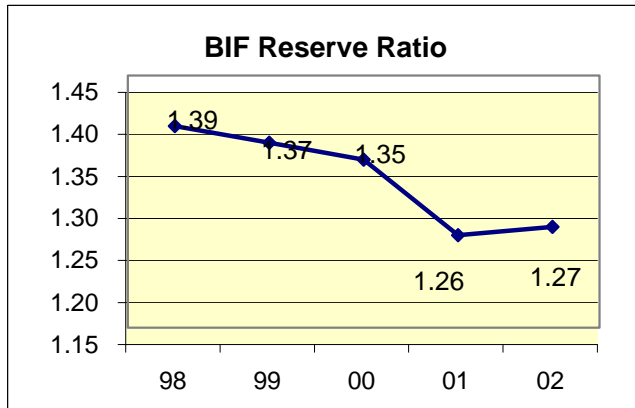
Bank Insurance Fund Statements of Financial Position March 2003

(Unaudited)
March 31

Dollars in Millions

	2003	2002
Assets		
Cash and cash equivalents	\$ 4,029	\$ 806
Investment in U.S. Treasury obligations, net	27,590	29,453
Interest receivable on investments and other assets, net	483	553
Receivables from bank resolutions, net	1,179	999
Property and buildings, net	162	166
Software development and other capitalized assets, net	129	130
Total Assets	\$ 33,572	\$ 32,107
Liabilities		
Accounts payable and other liabilities	\$ 104	\$ 126
<i>Contingent Liabilities for:</i>		
Anticipated failure of insured institutions	872	1,252
Litigation losses	204	25
Other contingencies	10	7
Total Liabilities	1,190	1,410
Fund Balance		
Accumulated net income	31,466	30,429
Unrealized gain on available-for-sale securities, net	916	268
Total Fund Balance	32,382	30,697
Total Liabilities and Fund Balance	\$ 33,572	\$ 32,107

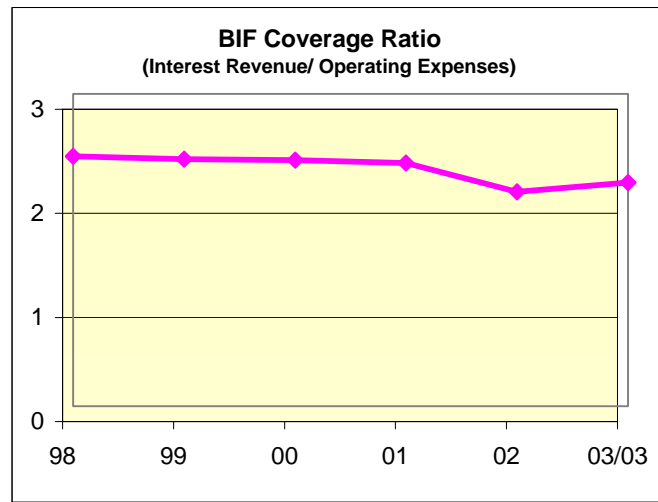
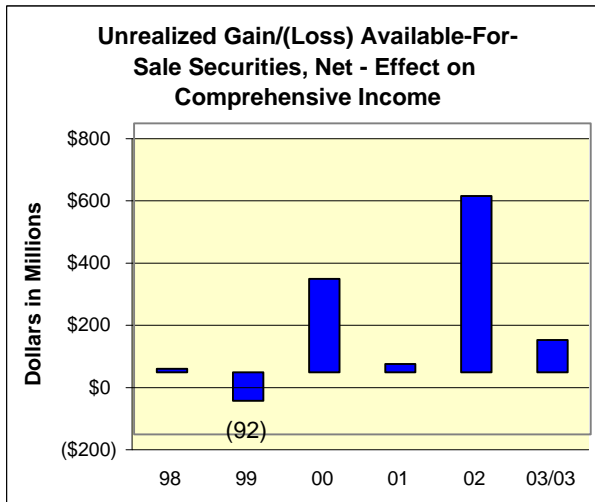
Chart Data: Dollars in Billions



Bank Insurance Fund Statements of Income and Fund Balance March 2003

Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending March:	
	2003	2002	2003	2002
Revenue				
Interest on U.S. Treasury obligations	\$ 376	\$ 384	\$ 376	\$ 384
Assessments	19	17	19	17
Other revenue	5	5	5	5
Total Revenue	400	406	400	406
Expenses and Losses				
Operating expenses	175	183	175	183
Insurance Losses/Expenses:				
Provision for insurance losses	(6)	(18)	(6)	(18)
Interest and other insurance expenses	2	5	2	5
Total Expenses and Losses	171	170	171	170
Net Income	229	236	229	236
Unrealized gain on available-for-sale securities, net (current period)	103	22	103	22
Comprehensive Income	332	258	332	258
Fund Balance - Beginning	32,050	30,439	32,050	30,439
Fund Balance - Ending	\$ 32,382	\$ 30,697	\$ 32,382	\$ 30,697



Savings Association Insurance Fund Statements of Financial Position March 2003

Dollars in Millions

(Unaudited)
March 31

Assets

	<u>2003</u>	<u>2002</u>
Cash and cash equivalents - unrestricted	\$ 2,305	\$ 1,001
Cash and other assets - restricted for SAIF-member exit fees	314	303
Investment in U.S. Treasury obligations, net	9,256	9,567
Interest receivable on investments and other assets, net	141	146
Receivables from thrift resolutions, net	288	618
Total Assets	\$ 12,304	\$ 11,635

Liabilities

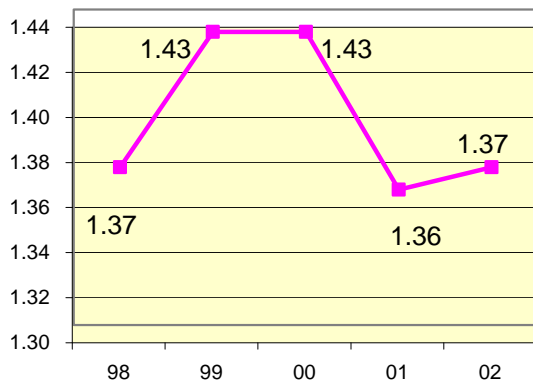
Accounts payable and other liabilities	\$ 14	\$ 49
Liabilities from thrift resolutions	0	0
<i>Contingent Liabilities for:</i>		
Anticipated failure of insured institutions	69	233
Litigation losses	1	1
SAIF-member exit fees and investment proceeds held in escrow	314	303
Total Liabilities	398	586

Fund Balance

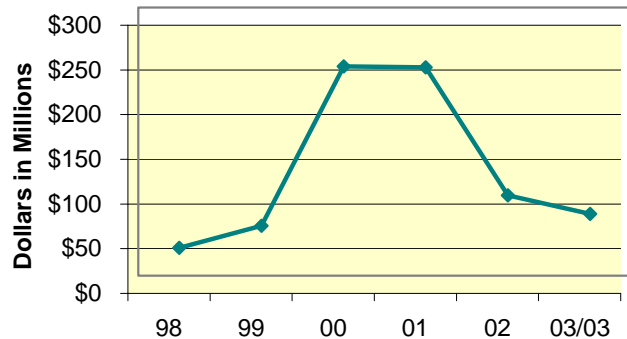
Accumulated net income	11,592	10,950
Unrealized gain on available-for-sale securities, net	314	99
Total Fund Balance	11,906	11,049

Total Liabilities and Fund Balance	\$ 12,304	\$ 11,635
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SAIF Reserve Ratio



SAIF Contingent Liability for Anticipated Failure of Insured Institutions

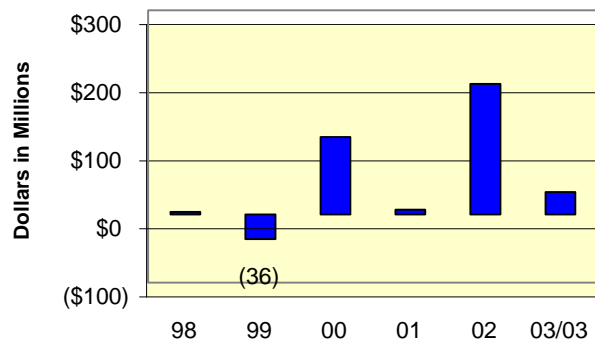


Savings Association Insurance Fund Statements of Income and Fund Balance March 2003

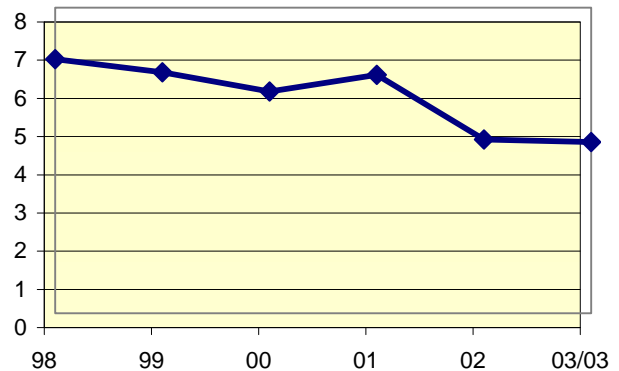
Dollars in Millions

	(Unaudited) Year-to-Date:		(Unaudited) Quarter Ending March:	
	2003	2002	2003	2002
Revenue				
Interest on U.S. Treasury obligations	\$ 130	\$ 122	\$ 130	\$ 122
Assessments	4	6	4	6
Other revenue	0	1	0	1
Total Revenue	134	129	134	129
Expenses and Losses				
Operating expenses	29	28	29	28
Provision for insurance losses	(21)	(3)	(21)	(3)
Other expenses	0	0	0	0
Total Expenses and Losses	8	25	8	25
Net Income	126	104	126	104
Unrealized gain on available-for-sale securities, net (current period)	33	10	33	10
Comprehensive Income	159	114	159	114
Fund Balance - Beginning	11,747	10,935	11,747	10,935
Fund Balance - Ending	\$ 11,906	\$ 11,049	\$ 11,906	\$ 11,049

Unrealized Gain/(Loss) on Available-For-Sale Securities, Net - Effect on Comprehensive Income



**SAIF Coverage Ratio
(Interest Revenue/ Operating Expenses)**



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 2003

Dollars in Millions

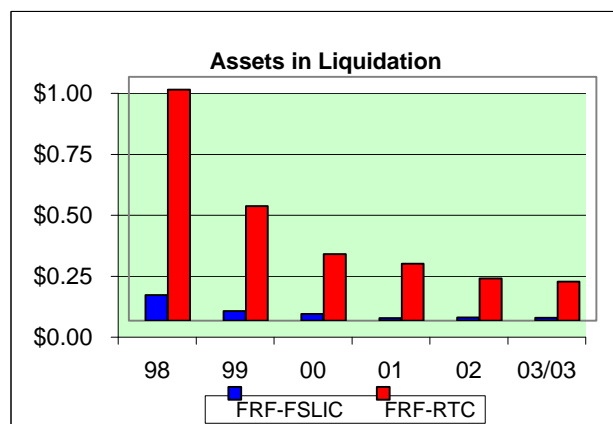
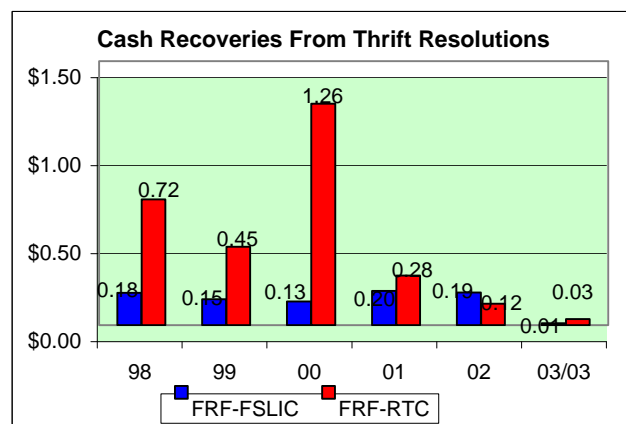
	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2003	2002	2003	2002	2003	2002
Cash Flows						
Cash Flows From Operating Activities:						
Cash Provided by Operating Activities	\$24	\$33	\$37	\$65	\$61	\$98
Cash Used for Operating Activities	(\$5)	(\$23)	(10)	(24)	(15)	(47)
Net Cash Provided by Operating Activities	19	10	27	41	46	51
Cash Flows From Investing Activities:						
Investment in Securitization Related Assets						
Acquired from Receiverships, AFS (1)	0	0	4	402	4	402
Cash Flows From Financing Activities:						
U.S. Treasury payments for goodwill judgements	0	21	0	0	0	21
Payments to Resolution Funding Corporation (2)	0	0	(400)	(492)	(400)	(492)
Net Increase/(Decrease) in Cash	\$19	\$31	(\$369)	(\$49)	(\$350)	(\$18)
Selected Statistics						
Resolution Equity (2)	\$2,912	\$2,795	\$563	\$1,619	\$3,475	\$4,414
Number of Active Receiverships	1	1	76	109	77	110
Number of Other Liquidating Entities	14	14	15	15	29	29
Assets in Liquidation (3)	\$12	\$14	\$160	\$219	\$172	\$233

(1) Available-for-Sale (AFS)

(2) As of March 31, 2003, FRF-RTC paid \$4.6 billion to the U.S. Treasury and \$4.5 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



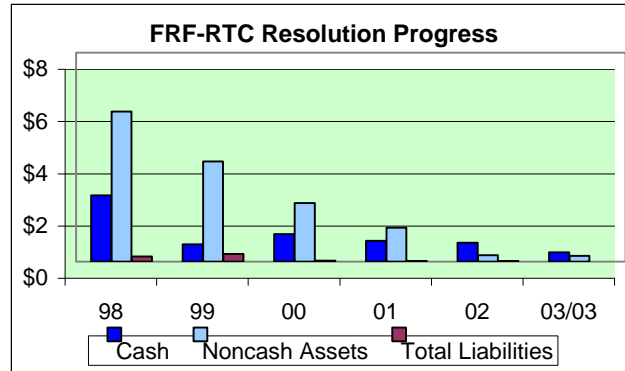
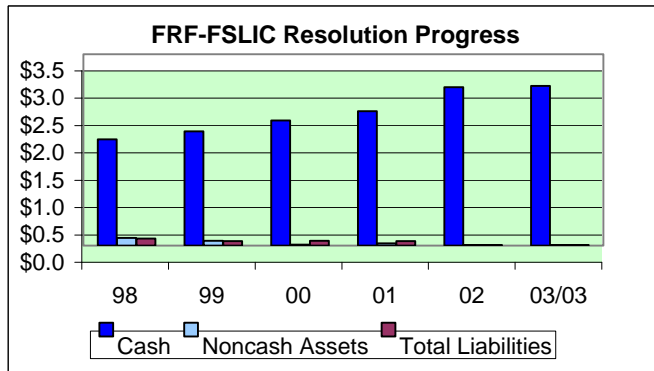
FSLIC Resolution Fund Statements of Financial Position March 2003

Dollars in Millions

	FRF - FSLIC (Unaudited) March 31		FRF - RTC (Unaudited) March 31		FRF - CONSOLIDATED (Unaudited) March 31	
	2003	2002	2003	2002	2003	2002
		\$	\$	\$	\$	\$
Assets						
Cash and cash equivalents	2,918	2,721	351	753	3,269	3,474
Receivables from thrift resolutions, net	0	78	105	141	105	219
Investment in securitization related assets acquired from receiverships	0	0	95	708	95	708
Other assets, net	2	2	17	25	19	27
Total Assets	2,920	2,801	568	1,627	3,488	4,428
Liabilities and Resolution Equity						
Liabilities						
Accounts payable and other liabilities	8	6	4	6	12	12
Contingent liabilities for litigation losses	0	0	1	2	1	2
Total Liabilities	8	6	5	8	13	14
Resolution Equity						
Contributed capital (1)	44,179	44,178	82,249	83,425	126,428	127,603
Accumulated deficit	(41,267)	(41,383)	(81,730)	(82,018)	(122,997)	(123,401)
Unrealized gain on available-for-sale securities, net	0	0	44	212	44	212
Accumulated deficit, net	(41,267)	(41,383)	(81,686)	(81,806)	(122,953)	(123,189)
Total Resolution Equity	2,912	2,795	563	1,619	3,475	4,414
Total Liabilities and Resolution Equity	2,920	2,801	568	1,627	3,488	4,428

(1) As of March 31, 2003, Contributed Capital decreased \$9.1 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 2003

Dollars in Millions

	FRF - FSLIC (Unaudited) Year-to-Date:		FRF - RTC (Unaudited) Year-to-Date:		FRF - CONSOLIDATED (Unaudited) Year-to-Date:	
	2003	2002	2003	2002	2003	2002
Revenue						
Interest on securitization-related assets acquired from receiverships	\$ 0	\$ 0	\$ 0	\$ 3	\$ 0	\$ 3
Interest on U.S. Treasury obligations	9	12	0	0	9	12
Interest on advances and subrogated claims	0	0	0	1	0	1
Realized gain on investment in securitization- related assets acquired from receiverships	0	0	0	123	0	123
Other revenue	0	1	1	2	1	3
Total Revenue	9	13	1	129	10	142
Expenses and Losses						
Operating expenses	1	2	3	9	4	11
Realized loss on investment in securitization- related assets acquired from receiverships	0	0	0	3	0	3
Provision for losses	(8)	(1)	(6)	1	(14)	0
Expenses for goodwill settlements and litigation	0	21	0	0	0	21
Interest expense on notes payable and other expenses	0	1	1	1	1	2
Total Expenses and Losses	(7)	23	(2)	14	(9)	37
Net Income	16	(10)	3	115	19	105
Unrealized gain/(loss) on available-for-sale securities, net (current period)	0	0	1	(94)	1	(94)
Comprehensive Income	16	(10)	4	21	20	11
Accumulated Deficit - Beginning	(41,283)	(41,373)	(81,690)	(81,827)	(122,973)	(123,200)
Accumulated Deficit - Ending	\$ (41,267)	\$ (41,383)	\$ (81,686)	\$ (81,806)	\$ (122,953)	\$ (123,189)

Chart Data: Dollars in Billions

