3 Performance Results Summary

Summary of 2010 Performance Results by Program

The FDIC successfully achieved 30 of the 34 annual performance targets established in its 2010 Annual Performance Plan. Three targets were deferred due to specific legislation in the Dodd-Frank Act. One target will be met in 2011. There were no instances in which 2010 performance had a material adverse effect on the successful achievement of the FDIC's mission or its strategic goals and objectives regarding its major program responsibilities.

Additional key accomplishments are noted below.

PROGRAM AREA: Insurance

Performance Results

- Presented updated deposit insurance fund projections to the FDIC Board twice, in June and October 2010. No changes were recommended for assessment rates in June. In October, based on updated projections and changes to the Restoration Plan target required by the Dodd-Frank Act, staff recommended that the Board forgo the three basis point increase that was scheduled to take effect on January 1, 2011.
- In October, based on updated projections, staff estimated that the reserve ratio will become positive by year-end 2011 and will reach 1.15 percent by the fourth quarter of 2018. The FDIC intends to pursue rulemaking next year to implement the Dodd-Frank Act requirement that the FDIC offset the effect of requiring the reserve ratio reach 1.35 percent by September 30, 2020 rather than 1.15 percent by year-end 2016 on smaller banks.

Performance Results

- Completed reviews of the recent accuracy of the contingent loss reserves.
- Researched and analyzed emerging risks and trends in the banking sector, financial markets, and the overall economy to identify issues affecting the banking industry and the deposit insurance fund.
- Supported supervision activities related to fair lending, enforcement actions, and the unbanked and underbanked survey, and supported efforts of the Advisory Committee on Economic Inclusion (ComE-In).
- Began a comprehensive study of the trends and events that contributed to the recent financial crisis.
- Provided senior/executive management policy research and analysis in support of legislative efforts to reform financial industry regulation, as well as support for testimonies and speeches.
- Published economic and banking information and analyses, through the *FDIC Quarterly*, *FDIC Quarterly Banking Profile (QBP)*, *FDIC State Profiles*, and the *Center for Financial Research Working Papers*.
- Conducted over 40 outreach events for bankers and community groups to discuss risks affecting the financial services industry.
- Answered 99 percent of written inquiries from consumers and bankers about FDIC deposit insurance coverage within 14 days.
- Electronic Deposit Insurance Estimator (EDIE) user sessions for 2010 totaled 442,557.
- Expanded avenues for publicizing deposit insurance rules and resources by:
    - Enhancing EDIE to (1) incorporate new functionality that allows users to calculate coverage for irrevocable trust accounts and government accounts and (2) provide each FDIC-insured bank the opportunity to integrate the EDIE application into the bank's website.
    - Producing an updated version of the FDIC Overview Video on Deposit Insurance Coverage for consumers and new bank employees.
    - Updating the FDIC's consumer and banker brochures on deposit insurance coverage.

  These resources are available on the FDIC's website with the video also available on the FDIC's YouTube channel and downloadable for multimedia applications.
- Developed computer-based training for all FDIC examiners on FDIC deposit insurance coverage. The training provides an opportunity for all examiners to strengthen and enhance their knowledge of deposit insurance and the risks associated with insured institutions engaging in deposit placement activities.

PROGRAM AREA: Supervision and Consumer Protection

Performance Results

- Conducted 2,813 Bank Secrecy Act examinations, including required follow-up examinations and visitations.

- Conducted 2,121 IT examinations of financial institutions and technology service providers.

- Worked with other federal banking regulators and the Basel Committee on Banking Supervision to develop proposals to strengthen capital and liquidity requirements.

- Published Final Rulemaking for the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 and posted the final guidance to the FDIC website to implement provisions applicable to mortgage loan originators employed by insured depositories.

- Published the *Supervisory Insights* journal to contribute to and promote sound principles and best practices for bank supervision.

- Among other releases, issued Financial Institution Letters (FILs) providing guidance on (1) meeting the needs of creditworthy small business borrowers; (2) identifying, monitoring, and managing correspondent concentration risks; (3) prudent appraisal and evaluation programs; (4) incentive compensation practices; (5) golden parachute payments; (6) deposit collection and placement activities in FDIC-supervised institutions; and (7) registering as a municipal advisor under the Securities and Exchange Commission's new rule. In addition, 23 disaster relief FILs were issued.

- Issued industry notification of two interagency releases regarding conducting cross-border funds transfers and examination procedures for compliance with the Unlawful Internet Gambling Enforcement Act.

- Issued joint final Community Reinvestment Act (CRA) rule change corresponding to statutory requirements relating to student loans and activities in cooperation with minority- and women-owned financial institutions and low-income credit unions. In addition, issued final CRA rule that revised the definition of "community development" in the CRA regulations, to provide favorable CRA consideration for loans, investments, and services by financial institutions that directly support, enable or facilitate eligible projects and activities in designated target areas of the Neighborhood Stabilization Program (NSP) that are approved by the Department of Housing and Urban Development (HUD).

- Announced annual adjustment to the asset size thresholds used to define small bank, small savings associations, intermediate small bank and intermediate small savings associations under the CRA regulations.

- Updated interagency guidance on the CRA. Jointly issued, with other Federal Financial Institutions Examination Council member agencies, supervisory guidance on reverse mortgage products.

- Issued final supervisory guidance on overdraft payment programs, which reaffirms existing supervisory expectations and provides specific guidance with respect to automated overdraft payment programs.

- Issued guidance to assist lenders in meeting their compliance obligations under the National Flood Insurance Program (NFIP) during periods when the statutory authority of the Federal Emergency Management Agency (FEMA) to issue flood insurance contracts under the NFIP lapses; released compliance guide for state non-member banks wishing to use the model privacy form to comply with disclosure requirements

PROGRAM AREA: Supervision and Consumer Protection (continued)

Performance Results

under the Gramm-Leach-Bliley Act; issued financial institutions notice on FEMA announcement that Preferred Risk Policy eligibility will be extended two years beginning January 1, 2011.

- Issued examination procedures corresponding to amendments to Regulation CC (Expedited Funds Availability); Regulation Z (Truth in Lending) under the Credit Card Accountability Responsibility and Disclosure Act of 2009, the Higher Education Opportunity Act of 2008, and the Helping Families Save Their Homes Act of 2009; Regulation DD (Truth in Savings); Regulation E (Electronic Fund Transfers); the Fair Credit Reporting Act (FCRA) Furnisher Rule; and the FCRA Risk-Based Pricing Rule.
- Issued examination procedures for identifying Unfair or Deceptive Acts or Practices that are violations of Section 5 of the Federal Trade Commission Act as well as for reviewing third-party relationships and identifying associated risks.

PROGRAM AREA: Receivership Management

Performance Results

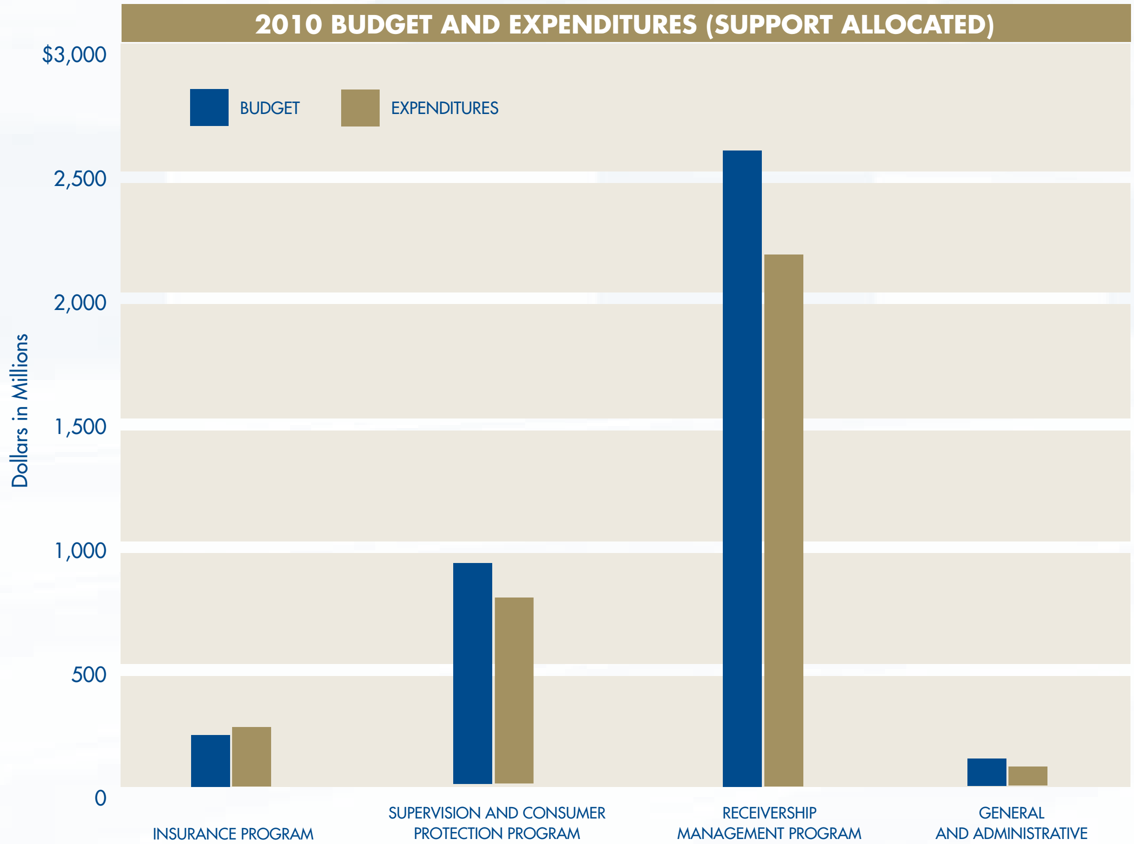
- Adopted a final rule requiring the largest IDIs to adopt mechanisms that would, in the event of the institution's failure, (1) provide the FDIC with standard deposit account and other customer information and (2) allow the placement and release of holds on liability accounts, including deposits.
- Identified and implemented program improvements to ensure efficient and effective management of the contract resources used to perform receivership management functions. Implemented enhanced reporting capabilities from the Automated Procurement System.
- Optimized the effectiveness of oversight managers and technical monitors by restructuring work assignments, providing enhanced technical support, and improving supervision.
- Terminated at least 75 percent of new receiverships that are not subject to loss-share agreements, structured sales, or other legal impediments within three years of the date of failure.
- Made final decisions for 82 percent of all investigated claim areas that were within 18 months of the institution's failure date.

2010 Budget and Expenditures by Program

(Excluding Investments)

The FDIC budget for 2010 totaled $4.0 billion. Excluding $198 million, or 5 percent, for Corporate General and Administrative expenditures, budget amounts were allocated to corporate programs as follows: $205 million, or 5 percent, to the Insurance program; $927 million, or 23 percent, to the Supervision and Consumer Protection program; and $2.7 billion, or 67 percent, to the Receivership Management program.

Actual expenditures for the year totaled $3.4 billion. Excluding $157 million, or 5 percent, for Corporate General and Administrative expenditures, actual expenditures were allocated to programs as follows: $274 million, or 8 percent, to the Insurance program; $787 million, or 23 percent, to the Supervision and Consumer Protection program; and $2.2 billion, or 64 percent, to the Receivership Management program.



Performance Results by Program and Strategic Goal

2010 Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

#	Annual Performance Goal	Indicator	Target	Results
1	Respond promptly to all financial institution closings and related emerging issues.	Number of business days after institution failure that depositors have access to insured funds either through transfer of deposits to the successor insured depository institution or depositor payout.	Depositors have access to insured funds within one business day if the failure occurs on a Friday.	Achieved. See pg. 43.
			Depositors have access to insured funds within two business days if the failure occurs on any other day of the week.	Achieved. See pg. 43
		Insured depositor losses resulting from a financial institution failure.	There are no depositor losses on insured deposits.	Achieved. See pg. 43.
			No appropriated funds are required to pay insured depositors.	Achieved. See pg. 43.
2	Disseminate data and analyses on issues and risks affecting the financial services industry to bankers, supervisors, the public, and other stakeholders.	Scope and timeliness of information dissemination on identified or potential issues and risks.	Disseminate results of research and analyses in a timely manner through regular publications, ad hoc reports, and other means.	Achieved. See pg. 56.
			Undertake industry outreach activities to inform bankers and other stakeholders about current trends, concerns, and other available FDIC resources.	Achieved. See pg. 56.
3	Set assessment rates to restore the insurance fund reserve ratio to the statutory minimum of at least 1.15% of estimated insured deposits by year-end 2016, in accordance with the Amended Restoration Plan.	Update projections and recommend changes for assessments, as necessary.	Provide updated fund projections to the FDIC Board of Directors by June 30, 2010, and December 31, 2010.	Achieved. See pgs. 18, 55.
			Recommend deposit insurance assessment rates for the DIF to the FDIC Board as necessary.	Achieved. See pgs. 18, 55.
		Monitor progress in achieving the Amended Restoration Plan.	Provide updates to the FDIC Board by June 30, 2010, and December 31, 2010.	Achieved. See pgs. 18, 55.
4	Expand and strengthen the FDIC's participation and leadership role in supporting robust international deposit insurance systems.	Scope of information sharing and assistance available to international governmental bank regulatory and deposit insurance entities.	Undertake outreach activities to inform and train foreign bank regulators and deposit insurers.	Achieved. See pgs. 25-27.
			Foster strong relationships with international banking regulators and associations that promote sound banking supervision and regulation, failure resolutions, and deposit insurance practices.	Achieved. See pgs. 24-27.
			Develop methodology for assessing compliance with implementation of the *Core Principles for Effective Deposit Insurance Systems.*	Achieved. See pgs. 24-25.

2010 Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-insured institutions are safe and sound.

#	Annual Performance Goal	Indicator	Target	Results
1	Conduct on-site risk management examinations to assess the overall financial condition, management practices and policies, and compliance with applicable laws and regulations of FDIC-supervised depository institutions.	Percentage of required examinations conducted in accordance with statutory requirements and FDIC policy.	One hundred percent of required risk management examinations are conducted on schedule.	Achieved. See pgs. 27-28.
2	Take prompt and effective supervisory action to address unresolved problems identified during the FDIC examination of FDIC-supervised institutions that receive a composite Uniform Financial Institutions Rating of “3”, “4”, or “5” (problem institution). Monitor FDIC-supervised insured depository institutions’ compliance with formal and informal enforcement actions.	Percentage of follow-up examinations and on-site visits of 3-, 4-, or 5-rated institutions conducted within required time frames.	One hundred percent of required on-site visits are conducted within six months of completion of the prior examination to confirm that the institution is fulfilling the requirements of the corrective program.	Achieved. See pgs. 27-29.
			One hundred percent of required follow-up examinations are conducted within 12 months of completion of the prior examination to confirm that identified problems have been corrected.	Achieved. See pgs. 27-29.
3	Assist in protecting the infrastructure of the U.S. banking system against terrorist financing, money laundering and other financial crimes.	Percentage of required examinations conducted in accordance with statutory requirements and FDIC policy.	One hundred percent of required Bank Secrecy Act examinations are conducted on schedule.	Achieved. See pg. 27.

2010 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: FDIC-insured institutions are safe and sound.

#	Annual Performance Goal	Indicator	Target	Results
4	More closely align regulatory capital with risk and ensure that capital is maintained at prudential levels.	Final Basel II Standardized Approach.	Complete by December 31, 2010, the rulemaking for implementing the Standardized Approach for an appropriate subset of U.S. banks.	Deferred. See pg. 55.
		Controls on banks' use of internal or external ratings.	Complete by December 31, 2010, the rulemaking for amending the floors for banks that calculate their risk-based capital requirements under the Advanced Approaches Capital rule to ensure capital requirements meet safety-and-soundness objectives.	Not Achieved. See pg. 31.
		Revisions to the Market Risk Amendment of 1996.	Complete by December 31, 2010, the rulemaking for implementing revisions to the Market Risk Amendment of 1996.	Deferred. See pg. 55.
		Revisions to regulatory capital charges for resecuritizations and asset-backed commercial paper liquidity facilities.	Complete by December 31, 2010, the rulemaking for implementing revisions to regulatory capital charges for resecuritizations and asset-backed commercial paper liquidity facilities.	Deferred. See pg. 55.

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

#	Annual Performance Goal	Indicator	Target	Results
5	Conduct on-site CRA and compliance examinations to assess compliance with applicable laws and regulations by FDIC-supervised depository institutions.	Percentage of examinations conducted in accordance with statutory requirements and FDIC policy.	One hundred percent of required examinations are conducted on schedule.	Achieved. See pgs. 27-28.
6	Take prompt and effective supervisory action to monitor and address problems identified during compliance examinations of FDIC-supervised institutions that receive an overall "3", "4", or "5" rating for compliance with consumer protection and fair lending laws.	Percentage of follow-up examinations or visitations of 3-, 4-, and 5-rated institutions conducted within required time frames.	One hundred percent of follow-up examinations or visitations are conducted within 12 months of completion of the prior examination to confirm that the institution is fulfilling the requirements of the corrective program and that the identified problems have been corrected.	Achieved. See pgs. 27, 29.

2010 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

#	Annual Performance Goal	Indicator	Target	Results
7	Effectively investigate and respond to written consumer complaints and inquiries about FDIC-supervised financial institutions.	Timely responses to written consumer complaints and inquiries.	Responses are provided to 95 percent of written consumer complaints and inquiries within time frames established by policy, with all complaints and inquiries receiving at least an initial acknowledgement within two weeks.	Achieved. See pg. 41.
8	Establish, in consultation with the FDIC's Advisory Committee on Economic Inclusion and other regulatory agencies, national objectives and methods for reducing the number of unbanked and underbanked individuals.	Completion of initiatives to facilitate progress in improving the engagement of low- and moderate-income individuals with mainstream financial institutions.	Facilitate completion of final recommendation on the initiatives identified in the Advisory Committee's strategic plan.	Achieved. See pg. 37.
			Implement, or establish plans to implement, Advisory Committee recommendations approved by the FDIC for further action, including new research, demonstration and pilot projects, and new and revised supervisory and public policies.	Achieved. See pgs. 37-40.

2010 Receivership Management Program Results

Strategic Goal: Resolutions are orderly and receiverships are managed effectively.

#	Annual Performance Goal	Indicator	Target	Results
1	Market failing institutions to all known qualified and interested potential bidders.	Scope of qualified and interested bidders solicited.	Contact all known qualified and interested bidders.	Achieved. See pg. 43.
2	Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Percentage of failed institution's assets marketed.	For at least 95 percent of insured institution failures, market at least 90 percent of the book value of the institution's marketable assets within 90 days of the failure date (for cash sales) or 120 days of the failure date (for structured sales).	Achieved. See pg. 43.
		Enhancements to contract management program.	Implement enhanced reporting capabilities from the Automated Procurement System.	Achieved. See pg. 44.
			Ensure that all newly designated oversight managers and technical monitors receive training in advance of performing contract administration responsibilities.	Achieved. See pg. 44.
			Optimize the effectiveness of oversight managers and technical monitors by restructuring work assignments, providing enhanced technical support, and improving supervision.	Achieved. See pg. 58.

2010 Receivership Management Program Results (continued)

Strategic Goal: Resolutions are orderly and receiverships are managed effectively.

#	Annual Performance Goal	Indicator	Target	Results
3	Manage the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Terminate within three years of the date of failure, at least 75 percent of new receiverships that are not subject to loss-share agreements, structured sales, or other legal impediments.	Achieved. See pg. 58.
4	Conduct investigations into all potential professional liability claim areas for all failed insured depository institutions, and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim.	For 80 percent of all claim areas, a decision is made to close or pursue claims within 18 months of the failure date.	Achieved. See pg. 58.

Prior Years' Performance Results

Refer to the respective full Annual Report of prior years for more information on performance results for those years. Minor wording changes may have been made to reflect current goals and targets. (Shaded areas indicate no such target existed for that respective year.)

Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goals and Targets	2009	2008	2007
1. Respond promptly to all financial institution closings and emerging issues.			
Depositors have access to insured funds within one business day if the failure occurs on a Friday.	Achieved.	Achieved.	Achieved.
Depositors have access to insured funds within two business days if the failure occurs on any other day of the week.	Achieved.	Achieved.	Achieved.
Complete rulemaking/review comments received in response to the Advance Notice of Proposed Rulemaking on Large-Bank Deposit Insurance Determination Modernization.		Achieved.	Achieved.
There are no depositor losses on insured deposits.	Achieved.	Achieved.	
No appropriated funds are required to pay insured depositors.	Achieved.	Achieved.	
2. Identify and address risks to the Deposit Insurance Fund (DIF).			
Assess the insurance risks in large (all for 2008-2009) insured depository institutions and adopt appropriate strategies.	Achieved.	Achieved.	Achieved.
Identify and follow up on all material issues raised through off-site review and analysis.	Achieved.	Achieved.	Achieved.

2010 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goals and Targets	2009	2008	2007
Identify and analyze existing and emerging areas of risk, including non-traditional and subprime mortgage lending, declines in housing market values, mortgage-related derivatives/collateralized debt obligations (CDOs), hedge fund ownership of insured institutions, commercial real estate lending, international risk, and other financial innovations.	Achieved.	Achieved.	Achieved.
Address potential risks from cross-border banking instability through coordinated review of critical issues and, where appropriate, negotiate agreements with key authorities.		Achieved.	Achieved.
3. Disseminate data and analyses on issues and risks affecting the financial services industry to bankers, supervisors, the public, and other stakeholders.			
Disseminate results of research and analyses in a timely manner through regular publications, ad hoc reports, and other means.	Achieved.	Achieved.	Achieved.
Industry outreach activities are undertaken to inform bankers and other stakeholders about current trends, concerns, and other available FDIC resources.	Achieved.	Achieved.	Achieved.
4. Effectively administer temporary financial stability programs.			
Provide liquidity to the banking system by guaranteeing noninterest-bearing transaction deposit account and new senior unsecured debt issued by eligible institutions under the TLGP.	Achieved.		
Implement an orderly phase-out of new guarantees under the program when the period for issuance of new debt expires.	Achieved.		
Substantially complete by September 30, 2009, the review of and recommendations to the Department of Treasury on CPP applications from FDIC-supervised institutions.	Achieved.		
Expeditiously implement procedures for the LLP, including the guarantee to be provided for debt issued by Public Private Investment Funds, and provide information to financial institutions and private investors potentially interested in participating.	Achieved.		
Expeditiously implement procedures to review the use of CPP funds, TLGP guarantees, and other resources made available under financial stability programs during examinations of participating FDIC-supervised institutions.	Achieved.		
5. Maintain and improve the deposit insurance system.			
Adopt and implement revisions to the pricing regulations that provide for greater risk differentiation among insured depository institutions reflecting both the probability of default and loss in the event of default.	Achieved.		
Revise the guidelines and enhance the additional risk measures used to adjust assessment rates for large institutions.	Achieved.		
Implement the new deposit insurance pricing system.			Achieved.
Review the effectiveness of the new pricing regulations that were adopted to implement the reform legislation.		Achieved.	
Complete and issue guidance on the pricing of deposit insurance for large banks.			Achieved.
Enhance the additional risk measures used to adjust assessment rates for large institutions.		Achieved.	
Publish an ANPR seeking comment on a permanent dividend system.			Achieved.
Develop a final rule on a permanent dividend system.		Achieved.	

Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goals and Targets	2009	2008	2007
Ensure/enhance the effectiveness of the reserving methodology by applying sophisticated analytical techniques to review variances between projected losses and actual losses, and by adjusting the methodology accordingly.	Achieved.	Achieved.	Achieved.
Set assessment rates to maintain the insurance fund reserve ratio between 1.15 and 1.50 percent of estimated insured deposits. Restore to 1.15 percent by year-end 2015.	Achieved.	Not Achieved.	Achieved.
Monitor progress in achieving the restoration plan.	Achieved.		
6. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.			
Publish a comprehensive and authoritative resource guide for bankers, attorneys, financial advisors and similar professionals on the FDIC's rules and requirements for deposit insurance coverage of revocable and irrevocable trust accounts.			Achieved.
Conduct at least three sets of Deposit Insurance Seminar/teleconferences (per quarter in 2009) for bankers.	Achieved.	Achieved.	
Conduct a series of national teleconferences for insured financial institutions to address current questions and issues relating to FDIC insurance coverage of deposit accounts.			Achieved.
Conduct outreach events and activities to support a deposit insurance education program that features the FDIC 75th anniversary theme.		Achieved.	
Assess the feasibility of (and if feasible, define the requirements for) a consolidated Electronic Deposit Insurance Estimator (EDIE) application for bankers and consumers (to be developed in 2009).		Achieved.	
Respond to 90 percent of inquiries from consumers and bankers about FDIC deposit insurance coverage within time frames established by policy.		Achieved.	Achieved.
Respond to 90 percent of written inquiries from consumers and bankers about FDIC deposit insurance coverage within two weeks.	Achieved.		
Enter into deposit insurance education partnerships with consumer organizations to educate consumers.	Achieved.		
Expand avenues for publicizing deposits insurance rules and resources to consumers through a variety of media.	Achieved.		
7. Expand and strengthen the FDIC's participation and leadership role in providing technical guidance, training, consulting services, and information to international governmental banking and deposit insurance organizations.			
Undertake outreach activities to inform and train foreign bank regulators and deposit insurers.	Achieved.	Achieved.	Achieved.
Foster strong relationships with international banking regulators and associations that promote sound banking supervision and regulations, failure resolution and deposit insurance practices.	Achieved.	Achieved.	Achieved.

Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goals and Targets	2009	2008	2007
1. Conduct on-site risk management examinations to assess the overall financial condition, management practices and policies, and compliance with applicable laws and regulations of FDIC-supervised depository institutions.			
One hundred percent of required risk management examinations are conducted on schedule.	Achieved.	Achieved.	Achieved.
2. Take prompt and effective supervisory action to address problems identified during the FDIC examination of FDIC-supervised institutions that receive a composite Uniform Financial Institutions Rating of "4" or "5" (problem institution). Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.			
One hundred percent of follow-up examinations are conducted within 12 months of completion of the prior examination.	Achieved.	Achieved.	Achieved.
3. Assist in protecting the infrastructure of the U.S. banking system against terrorist financing, money laundering and other financial crimes.			
One hundred percent of required Bank Secrecy Act (BSA) examinations are conducted on schedule.	Achieved.	Achieved.	
4. Increase regulatory knowledge to keep abreast of current issues related to money laundering and terrorist financing.			
An additional 10 percent of BSA/AML subject-matter experts nationwide are certified under the Association of Certified Anti-Money Laundering Specialists certification program.			Achieved.
5. More closely align regulatory capital with risk in large or multinational banks while maintaining capital at prudential levels.			
Develop options for refining Basel II that are responsive to lessons learned from the 2007-2008 market turmoil.		Achieved.	
Further develop the Basel II framework to ensure that it does not result in a substantial reduction in risk-based capital requirements or significant competitive inequities among different classes of banks. Consider alternative approaches for implementing the Basel Capital Accord.			Achieved.
Conduct analyses of early results of the performance of new capital rules in light of recent financial turmoil as information becomes available.	Achieved.	Achieved.	
Working domestically and internationally, develop improvements to regulatory capital requirements based on the experience of the recent financial market turmoil.	Achieved.		
Promote international cooperation on the adoption of supplemental capital measures in countries that will be operating under Basel II.			Achieved.
Participate in the continuing analysis of the projected results of the new capital regime.			Achieved.
6. More closely align regulatory capital with risk in banks not subject to Basel II capital rules while maintaining capital at prudential levels.			
Finalize a regulatory capital framework based on the Basel II "Standardized Approach" as an option for U.S. banks not required to use the new advanced approaches.		Achieved.	
Complete rulemaking on Basel IA.			Not Applicable.

Supervision and Consumer Protection Program Results (continued)

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goals and Targets	2009	2008	2007
7. Ensure that FDIC-supervised institutions that plan to operate under the new Basel II Capital Accord are well positioned to respond to the new capital requirements.			
Performed on-site examinations or off-site analyses of all FDIC-supervised banks that have indicated a possible intention to operate under Basel II to ensure that they are effectively working toward meeting required qualification standards.		Not Applicable.	Achieved.
8. Reduce regulatory burden on the banking industry while maintaining appropriate consumer protection and safety and soundness safeguards.			
Complete and evaluate options for refining the current risk-focused approach used in the conduct of BSA/AML examinations to reduce the burden they impose on FDIC-supervised institutions.		Achieved.	
Applicable provisions of the Financial Services Regulatory Relief Act of 2006 (FSRRA) are implemented in accordance with statutory requirements.			Partially Achieved.
Support is provided to the Government Accountability Office (GAO), as requested, for studies required under FSRRA.			Achieved.
State AML assessments of Money Service Businesses (MSB) are incorporated into FDIC risk management examinations in states where MSB AML regulatory programs are consistent with FDIC risk management standards.			Partially Achieved.

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

1. Conduct CRA and compliance examinations in accordance with the FDIC's examination frequency policy.			
One hundred percent of required examinations are conducted on schedule.	Achieved.	Achieved.	Achieved.
2. Take prompt and effective supervisory action to monitor and address problems identified during compliance examinations of FDIC-supervised institutions that received a "4" or "5" rating for compliance with consumer protection and fair lending laws.			
One hundred percent of follow-up examinations or visitations are conducted within 12 months from the date of a formal enforcement action to confirm compliance with the prescribed enforcement action.	Not Achieved.	Achieved.	Achieved.
3. Determine the need for changes in current FDIC practices for following up on significant violations of consumer compliance laws and regulations identified during examinations of banks for compliance with consumer protection and fair lending laws.			
Complete a review of the effectiveness of the 2007 instructions issued on the handling of repeat instances of significant violations identified during compliance examinations.		Achieved.	
An analysis is completed for all institutions on the prevalence and scope of repeat instances of significant violations from the previous compliance examination.			Achieved.
A determination is made regarding the need for changes to current FDIC and FFIEC guidance on follow-up supervisory action on significant violations identified during compliance examinations based on the substance and level of risk posed to consumers by these repeat violations.			Achieved.

Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goals and Targets	2009	2008	2007
4. Scrutinize evolving consumer products, analyze their current or potential impact on consumers and identify potentially harmful or illegal practices. Promptly institute a supervisory response program across FDIC-supervised institutions when such practices are identified.			
Proactively identify and respond to harmful or illegal practices associated with evolving consumer products.	Achieved.	Achieved.	
Develop and implement new supervisory response programs across all FDIC-supervised institutions to address potential risks posed by new consumer products.		Achieved.	
5. Provide effective outreach related to the CRA, fair lending, and community development.			
Conduct 50 in 2009 (125 in prior years) technical assistance (examination support) efforts or banker/community outreach activities related to CRA, fair lending, and community development.	Achieved.	Achieved.	Achieved.
Evaluate the *Money Smart* initiative and curricula for necessary updates and enhancements, such as games for young people, information on elder financial abuse, and additional language versions, if needed.	Achieved.		
Initiate the longitudinal survey project to measure the effectiveness of the *Money Smart for Young Adults* curriculum.	Achieved.		
Release a "Young Adult" version of the *Money Smart* curriculum.		Achieved.	
Distribute at least 10,000 copies of the "Young Adult" version of *Money Smart*.		Achieved.	
Analysis of survey results is disseminated within six months of completion of the survey through regular publications, ad hoc reports, and other means.		Achieved.	
Provide technical assistance, support, and consumer outreach activities in all six FDIC regions to at least eight local NeighborWorks® America affiliates or local coalitions that are providing foreclosure mitigation counseling in high need areas.	Achieved.	Achieved.	
200,000 additional individuals are taught using the *Money Smart* curriculum.			Achieved.
120 school systems and government entities are contacted to make them aware of the availability of *Money Smart* as a tool to teach financial education to high school students.			Achieved.
A review of existing risk management and compliance/CRA examination guidelines and practices is completed to ensure that they encourage and support the efforts of insured financial institutions to foster economic inclusion, consistent with safe and sound banking practices.			Achieved.
A pilot project is conducted with banks near military installations to provide small-dollar loan alternatives to high-cost payday lending.			Not Achieved.
Strategies are developed and implemented to encourage FDIC-supervised institutions to offer small-denomination loan programs.			Achieved.
Research is conducted and findings disseminated on programs and strategies to encourage and promote broader economic inclusion within the nation's banking system.			Achieved.
6. Continue to expand the FDIC's national leadership role in development and implementation of programs and strategies to encourage and promote broader economic inclusion within the nation's banking system.			
Expand the number of AEI coalitions by two.	Achieved.		
Analyze quarterly data submitted by participating institutions to identify early trends and potential best practices.	Achieved.	Achieved.	

Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goals and Targets	2009	2008	2007
Open 27,000 new bank accounts.		Achieved.	
Initiate new small-dollar loan products in 32 financial institutions.		Achieved.	
Initiate remittance products in 32 financial institutions.		Achieved.	
Reach 18,000 consumers through financial education initiatives.		Achieved.	
7. Educate consumers about their rights and responsibilities under consumer protection laws and regulations.			
Expand the use of media, such as the Internet, videos, and MP3 downloads, to disseminate information to the public on their rights and responsibilities as consumers.	Achieved.		
8. Effectively investigate and respond to consumer complaints about FDIC-supervised financial institutions.			
Responses are provided to 95 percent (90 percent for 2007-08) of written complaints and inquiries within time frames established by policy, with all complaints and inquiries receiving at least an initial acknowledgment within two weeks.	Achieved.	Achieved.	Achieved.

Receivership Management Program Results

Strategic Goal: Recovery to creditors of receiverships is achieved.

Annual Performance Goals and Targets	2009	2008	2007
1. Market failing institutions to all known qualified and interested potential bidders.			
Contact all known qualified and interested bidders.	Achieved.	Achieved.	Achieved.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.			
Ninety percent of the book value of a failed institution's marketable assets is marketed within 90 days of failure.	Achieved.	Achieved.	Achieved.
Identify and implement program improvements to ensure efficient and effective management of the contract resources used to perform receivership management functions.	Achieved.		
3. Manage the receivership estate and its subsidiaries toward an orderly termination.			
Terminate all receiverships within 90 days of the resolution of all impediments.		Achieved.	Achieved.
Terminate at least 75 percent of new receiverships within three years of the date of failure.	Achieved.		
4. Conduct investigations into all potential professional liability claim areas for all failed insured depository institutions and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution.			
For 80 percent of all claim areas, a decision is made to close or pursue claims within 18 months of the failure date.	Achieved.	Achieved.	Not Applicable. No claims within the 18-month period.

Program Evaluation

Program evaluations are designed to improve the operational effectiveness of the FDIC's programs and ensure that objectives are met. These evaluations are often led by the Office of Enterprise Risk Management (OERM) and are generally interdivisional, collaborative efforts involving management and staff from the affected program(s).

The Corporation's 2010 Annual Performance Plan contained several objectives aimed at ensuring that the FDIC would continue to address key corporate issues, including continuing work on issues relating to contract oversight management, anticipated increases in bank failures, and continuous improvements to the FDIC's core business functions.

During 2009, in direct response to challenges associated with the financial crisis, the FDIC created six internal organizations and working groups to address areas of increased risk to ensure that both the FDIC's core businesses and new responsibilities were being managed as effectively as possible. During 2010, OERM and other areas of the Corporation continued this work. The six initiatives are tied to: 1) Legacy Loans; 2) Systemic Resolution Authority; 3) Temporary Liquidity Guarantee Program; 4) Loss-Share Agreements; 5) Contract Management Oversight; and 6) Resource Management. For each initiative, key issues and risks were identified, action plans and performance metrics were developed as necessary, and the Chairman was briefed on at least a monthly basis. In many cases, enhancements to operating procedures and automated systems of support were made as a direct result of this heightened management attention. Significantly, all identified program needs have been coordinated with those persons responsible for planning, budgeting, staffing, and ensuring the adequacy of infrastructure support.

These and other actions were taken in addition to evaluations that are part of the Corporation's ongoing efforts to seek continuous improvements in its programs and operations. Some of these 2010 initiatives included: reviews of financial management and controls governing contract operations; the sampling and testing of transaction accuracy and controls; improved communication between our examination and receivership activities; and continued scrutiny of systems development efforts to support our new and/or expanded business activities.

Program evaluation activities in 2011 will focus on key corporate issues, including implementation of the Dodd-Frank Act, corporate reorganization, control testing, and continuous improvements to the FDIC's core business functions.