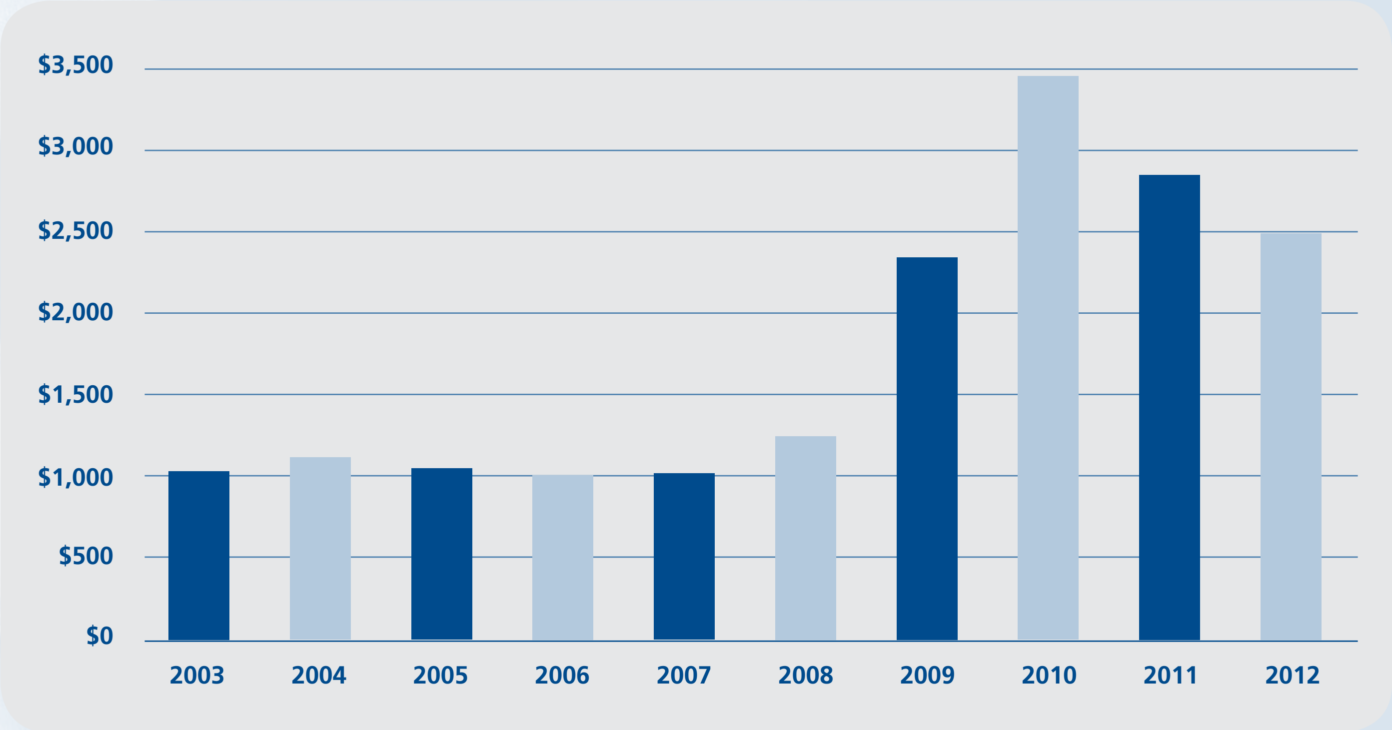
VI. Appendices

A. KEY STATISTICS

FDIC EXPENDITURES 2003–2012
Dollars in Millions



The FDIC's Strategic Plan and Annual Performance Plan provide the basis for annual planning and budgeting for needed resources. The 2012 aggregate budget (for corporate, receivership, and investment spending) was $3.3 billion, while actual expenditures for the year were $2.5 billion, about $0.3 billion less than 2011 expenditures.

Over the past decade, the FDIC's expenditures have varied in response to workload. During the last several years, expenditures have risen, largely due to increasing resolution and receivership activity. To a lesser extent, increased expenses have resulted from supervision-related costs associated with the oversight of more troubled institutions.

FDIC ACTIONS ON FINANCIAL INSTITUTIONS APPLICATIONS 2010–2012

	2012	2011	2010
Deposit Insurance	6	10	16
Approved[1]	6	10	16
Denied	0	0	0
New Branches	570	442	461
Approved	570	442	459
Denied	0	0	2
Mergers	238	206	182
Approved	238	206	182
Denied	0	0	0
Requests for Consent to Serve[2]	674	876	839
Approved	674	875	839
Section 19	10	24	10
Section 32	661	851	829
Denied	3	1	0
Section 19	1	0	0
Section 32	2	1	0
Notices of Change in Control	26	21	33
Letters of Intent Not to Disapprove	26	21	33
Disapproved	0	0	0
Brokered Deposit Waivers	97	84	66
Approved	95	83	65
Denied	2	1	1
Savings Association Activities[3]	21	30	31
Approved	21	30	31
Denied	0	0	0
State Bank Activities/Investments[4]	7	9	3
Approved	7	9	3
Denied	0	0	0
Conversion of Mutual Institutions	8	6	2
Non-Objection	8	6	2
Objection	0	0	0

[1] Includes deposit insurance application filed on behalf of (1) newly organized institutions, (2) existing uninsured financial services companies seeking establishment as an insured institution, and (3) interim institutions established to facilitate merger or conversion transactions, and applications to facilitate the establishment of thrift holding companies.

[2] Under Section 19 of the Federal Deposit Insurance (FDI) Act, an insured institution must receive FDIC approval before employing a person convicted of dishonesty or breach of trust. Under Section 32, the FDIC must approve any change of directors or senior executive officers at a state nonmember bank that is not in compliance with capital requirements or is otherwise in troubled condition.

[3] Amendments to Part 303 of the FDIC Rules and Regulations changed FDIC oversight responsibility in October 1998. In 1998, Part 303 changed the Delegations of Authority to act upon applications.

[4] Section 24 of the FDI Act, in general, precludes a federally insured state bank from engaging in an activity not permissible for a national bank and requires notices to be filed with the FDIC.

COMPLIANCE, ENFORCEMENT, AND OTHER RELATED LEGAL ACTIONS 2010–2012	2012	2011	2010
Total Number of Actions Initiated by the FDIC	557	550	758
Termination of Insurance			
Involuntary Termination			
Sec. 8a For Violations, Unsafe/Unsound Practices or Conditions	0	0	0
Voluntary Termination			
Sec. 8a By Order Upon Request	0	0	0
Sec. 8p No Deposits	3	7	4
Sec. 8q Deposits Assumed	4	2	1
Sec. 8b Cease-and-Desist Actions			
Notices of Charges Issued[1]	0	7	3
Orders to Pay Restitution	9	N/A	N/A
Consent Orders	120	183	372
Sec. 8e Removal/Prohibition of Director or Officer			
Notices of Intention to Remove/Prohibit	8	11	10
Consent Orders	108	100	111
Sec. 8g Suspension/Removal When Charged With Crime	0	1	0
Civil Money Penalties Issued			
Sec. 7a Call Report Penalties	1	0	0
Sec. 8i Civil Money Penalties	164	193	212
Sec. 8i Civil Money Penalty Notices of Assessment	5	5	8
Sec. 10c Orders of Investigation	16	29	15
Sec. 19 Waiver Orders			
Approved Section 19 Waiver Orders	119	10	24
Denied Section 19 Waiver Orders	0	1	0
Sec. 32 Notices Disapproving Officer/Director's Request for Review	0	0	0
Truth-in-Lending Act Reimbursement Actions			
Denials of Requests for Relief	0	0	0
Grants of Relief	0	0	0
Banks Making Reimbursement[1]	126	84	64
Suspicious Activity Reports (Open and closed institutions)[1]	139,102	125,460	126,098
Other Actions Not Listed	0	8	1

[1] These actions do not constitute the initiation of a formal enforcement action and, therefore, are not included in the total number of actions initiated.

ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH SEPTEMBER 30, 2012[1]
Dollars in Millions (except Insurance Coverage)

		Deposits in Insured Institutions[2]				Insurance Fund as a Percentage of	
Year	Insurance Coverage[2]	Total Domestic Deposits	Est. Insured Deposits	Percentage of Insured Deposits	Deposit Insurance Fund	Total Domestic Deposits	Est. Insured Deposits
2012	$250,000	$9,084,802	$7,250,693	79.8	$25,223.9	0.28	0.35
2011	250,000	8,782,165	6,981,569	79.5	11,826.5	0.13	0.17
2010	250,000	7,887,733	6,307,607	80.0	(7,352.2)	(0.09)	(0.12)
2009	250,000	7,705,353	5,407,773	70.2	(20,861.8)	(0.27)	(0.39)
2008	100,000	7,505,409	4,750,783	63.3	17,276.3	0.23	0.36
2007	100,000	6,921,678	4,292,211	62.0	52,413.0	0.76	1.22
2006	100,000	6,640,097	4,153,808	62.6	50,165.3	0.76	1.21
2005	100,000	6,229,823	3,891,000	62.5	48,596.6	0.78	1.25
2004	100,000	5,724,775	3,622,213	63.3	47,506.8	0.83	1.31
2003	100,000	5,224,030	3,452,606	66.1	46,022.3	0.88	1.33
2002	100,000	4,916,200	3,383,720	68.8	43,797.0	0.89	1.29
2001	100,000	4,565,068	3,216,585	70.5	41,373.8	0.91	1.29
2000	100,000	4,211,895	3,055,108	72.5	41,733.8	0.99	1.37
1999	100,000	3,885,826	2,869,208	73.8	39,694.9	1.02	1.38
1998	100,000	3,817,150	2,850,452	74.7	39,452.1	1.03	1.38
1997	100,000	3,602,189	2,746,477	76.2	37,660.8	1.05	1.37
1996	100,000	3,454,556	2,690,439	77.9	35,742.8	1.03	1.33
1995	100,000	3,318,595	2,663,873	80.3	28,811.5	0.87	1.08
1994	100,000	3,184,410	2,588,619	81.3	23,784.5	0.75	0.92
1993	100,000	3,220,302	2,602,781	80.8	14,277.3	0.44	0.55
1992	100,000	3,275,530	2,677,709	81.7	178.4	0.01	0.01
1991	100,000	3,331,312	2,733,387	82.1	(6,934.0)	(0.21)	(0.25)
1990	100,000	3,415,464	2,784,838	81.5	4,062.7	0.12	0.15
1989	100,000	3,412,503	2,755,471	80.7	13,209.5	0.39	0.48
1988	100,000	2,337,080	1,756,771	75.2	14,061.1	0.60	0.80
1987	100,000	2,198,648	1,657,291	75.4	18,301.8	0.83	1.10
1986	100,000	2,162,687	1,636,915	75.7	18,253.3	0.84	1.12
1985	100,000	1,975,030	1,510,496	76.5	17,956.9	0.91	1.19
1984	100,000	1,805,334	1,393,421	77.2	16,529.4	0.92	1.19
1983	100,000	1,690,576	1,268,332	75.0	15,429.1	0.91	1.22
1982	100,000	1,544,697	1,134,221	73.4	13,770.9	0.89	1.21
1981	100,000	1,409,322	988,898	70.2	12,246.1	0.87	1.24
1980	100,000	1,324,463	948,717	71.6	11,019.5	0.83	1.16
1979	40,000	1,226,943	808,555	65.9	9,792.7	0.80	1.21
1978	40,000	1,145,835	760,706	66.4	8,796.0	0.77	1.16

ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH SEPTEMBER 30, 2012[1] (continued) Dollars in Millions (except Insurance Coverage)							
		Deposits in Insured Institutions[2]				Insurance Fund as a Percentage of	
Year	Insurance Coverage[2]	Total Domestic Deposits	Est. Insured Deposits	Percentage of Insured Deposits	Deposit Insurance Fund	Total Domestic Deposits	Est. Insured Deposits
1977	40,000	1,050,435	692,533	65.9	7,992.8	0.76	1.15
1976	40,000	941,923	628,263	66.7	7,268.8	0.77	1.16
1975	40,000	875,985	569,101	65.0	6,716.0	0.77	1.18
1974	40,000	833,277	520,309	62.4	6,124.2	0.73	1.18
1973	20,000	766,509	465,600	60.7	5,615.3	0.73	1.21
1972	20,000	697,480	419,756	60.2	5,158.7	0.74	1.23
1971	20,000	610,685	374,568	61.3	4,739.9	0.78	1.27
1970	20,000	545,198	349,581	64.1	4,379.6	0.80	1.25
1969	20,000	495,858	313,085	63.1	4,051.1	0.82	1.29
1968	15,000	491,513	296,701	60.4	3,749.2	0.76	1.26
1967	15,000	448,709	261,149	58.2	3,485.5	0.78	1.33
1966	15,000	401,096	234,150	58.4	3,252.0	0.81	1.39
1965	10,000	377,400	209,690	55.6	3,036.3	0.80	1.45
1964	10,000	348,981	191,787	55.0	2,844.7	0.82	1.48
1963	10,000	313,304	177,381	56.6	2,667.9	0.85	1.50
1962	10,000	297,548	170,210	57.2	2,502.0	0.84	1.47
1961	10,000	281,304	160,309	57.0	2,353.8	0.84	1.47
1960	10,000	260,495	149,684	57.5	2,222.2	0.85	1.48
1959	10,000	247,589	142,131	57.4	2,089.8	0.84	1.47
1958	10,000	242,445	137,698	56.8	1,965.4	0.81	1.43
1957	10,000	225,507	127,055	56.3	1,850.5	0.82	1.46
1956	10,000	219,393	121,008	55.2	1,742.1	0.79	1.44
1955	10,000	212,226	116,380	54.8	1,639.6	0.77	1.41
1954	10,000	203,195	110,973	54.6	1,542.7	0.76	1.39
1953	10,000	193,466	105,610	54.6	1,450.7	0.75	1.37
1952	10,000	188,142	101,841	54.1	1,363.5	0.72	1.34
1951	10,000	178,540	96,713	54.2	1,282.2	0.72	1.33
1950	10,000	167,818	91,359	54.4	1,243.9	0.74	1.36
1949	5,000	156,786	76,589	48.8	1,203.9	0.77	1.57
1948	5,000	153,454	75,320	49.1	1,065.9	0.69	1.42
1947	5,000	154,096	76,254	49.5	1,006.1	0.65	1.32
1946	5,000	148,458	73,759	49.7	1,058.5	0.71	1.44
1945	5,000	157,174	67,021	42.6	929.2	0.59	1.39
1944	5,000	134,662	56,398	41.9	804.3	0.60	1.43
1943	5,000	111,650	48,440	43.4	703.1	0.63	1.45

ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH SEPTEMBER 30, 2012[1] (continued)
Dollars in Millions (except Insurance Coverage)

		Deposits in Insured Institutions[2]				Insurance Fund as a Percentage of	
Year	Insurance Coverage[2]	Total Domestic Deposits	Est. Insured Deposits	Percentage of Insured Deposits	Deposit Insurance Fund	Total Domestic Deposits	Est. Insured Deposits
1942	5,000	89,869	32,837	36.5	616.9	0.69	1.88
1941	5,000	71,209	28,249	39.7	553.5	0.78	1.96
1940	5,000	65,288	26,638	40.8	496.0	0.76	1.86
1939	5,000	57,485	24,650	42.9	452.7	0.79	1.84
1938	5,000	50,791	23,121	45.5	420.5	0.83	1.82
1937	5,000	48,228	22,557	46.8	383.1	0.79	1.70
1936	5,000	50,281	22,330	44.4	343.4	0.68	1.54
1935	5,000	45,125	20,158	44.7	306.0	0.68	1.52
1934	5,000	40,060	18,075	45.1	291.7	0.73	1.61

[1] For 2012, figures are as of September 30, all prior years are as of December 31. Prior to 1989, figures are for the Bank Insurance Fund (BIF) only and exclude insured branches of foreign banks. For 1989 to 2005, figures represent sum of the BIF and Savings Association Insurance Fund (SAIF) amounts; for 2006 to 2012, figures are for DIF. Amounts for 1989 - 2012 include insured branches of foreign banks. Prior to year-end 1991, insured deposits were estimated using percentages determined from June Call and Thrift Financial Reports.

[2] The year-end 2008 coverage limit and estimated insured deposits do not reflect the temporary increase to $250,000 then in effect under the Emergency Economic Stabilization Act of 2008. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) made this coverage limit permanent. The year-end 2009 coverage limit and estimated insured deposits reflect the $250,000 coverage limit. The Dodd-Frank Act also temporarily provided unlimited coverage for non-interest bearing transaction accounts for two years beginning December 31, 2010. Coverage for certain retirement accounts increased to $250,000 in 2006. Initial coverage limit was $2,500 from January 1 to June 30, 1934.

INCOME AND EXPENSES, DEPOSIT INSURANCE FUND, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, THROUGH DECEMBER 31, 2012
Dollars in Millions

	Income					Expenses and Losses					
Year	Total	Assessment Income	Assessment Credits	Investment and Other	Effective Assessment Rate[1]	Total	Provision for Ins. Losses	Admin. and Operating Expenses[2]	Interest & Other Ins. Expenses	Funding Transfer from the FSLIC Resolution Fund	Net Income/ (Loss)
Total	$191,227.8	$127,776.5	$11,392.9	$74,844.2		$158,831.1	$126,258.4	$23,134.4	$9,438.3	$139.5	$32,536.2
2012	18,522.3	12,397.2	0.2	6,125.3	0.1013%	(2,599.0)	(4,222.6)	1,777.5	(153.9)	0	21,121.3
2011	16,342.0	13,499.5	0.9	2,843.4	0.1110%	(2,915.4)	(4,413.6)	1,625.4	(127.2)	0	19,257.4
2010	13,379.9	13,611.2	0.8	(230.5)	0.1772%	75.0	(847.8)	1,592.6	(669.8)	0	13,304.9
2009	24,706.4	17,865.4	148.0	6,989.0	0.2330%	60,709.0	57,711.8	1,271.1	1,726.1	0	(36,002.6)
2008	7,306.3	4,410.4	1,445.9	4,341.8	0.0418%	44,339.5	41,838.8	1,033.5	1,467.2	0	(37,033.2)
2007	3,196.2	3,730.9	3,088.0	2,553.3	0.0093%	1,090.9	95.0	992.6	3.3	0	2,105.3
2006	2,643.5	31.9	0.0	2,611.6	0.0005%	904.3	(52.1)	950.6	5.8	0	1,739.2
2005	2,420.5	60.9	0.0	2,359.6	0.0010%	809.3	(160.2)	965.7	3.8	0	1,611.2
2004	2,240.3	104.2	0.0	2,136.1	0.0019%	607.6	(353.4)	941.3	19.7	0	1,632.7
2003	2,173.6	94.8	0.0	2,078.8	0.0019%	(67.7)	(1,010.5)	935.5	7.3	0	2,241.3
2002	2,384.7	107.8	0.0	2,276.9	0.0023%	719.6	(243.0)	945.1	17.5	0	1,665.1
2001	2,730.1	83.2	0.0	2,646.9	0.0019%	3,123.4	2,199.3	887.9	36.2	0	(393.3)
2000	2,570.1	64.3	0.0	2,505.8	0.0016%	945.2	28.0	883.9	33.3	0	1,624.9
1999	2,416.7	48.4	0.0	2,368.3	0.0013%	2,047.0	1,199.7	823.4	23.9	0	369.7
1998	2,584.6	37.0	0.0	2,547.6	0.0010%	817.5	(5.7)	782.6	40.6	0	1,767.1
1997	2,165.5	38.6	0.0	2,126.9	0.0011%	247.3	(505.7)	677.2	75.8	0	1,918.2
1996	7,156.8	5,294.2	0.0	1,862.6	0.1622%	353.6	(417.2)	568.3	202.5	0	6,803.2
1995	5,229.2	3,877.0	0.0	1,352.2	0.1238%	202.2	(354.2)	510.6	45.8	0	5,027.0
1994	7,682.1	6,722.7	0.0	959.4	0.2192%	(1,825.1)	(2,459.4)	443.2	191.1	0	9,507.2
1993	7,354.5	6,682.0	0.0	672.5	0.2157%	(6,744.4)	(7,660.4)	418.5	497.5	0	14,098.9
1992	6,479.3	5,758.6	0.0	720.7	0.1815%	(596.8)	(2,274.7)	614.8[3]	1,063.1	35.4	7,111.5
1991	5,886.5	5,254.0	0.0	632.5	0.1613%	16,925.3	15,496.2	326.1	1,103.0	42.4	(10,996.4)
1990	3,855.3	2,872.3	0.0	983.0	0.0868%	13,059.3	12,133.1	275.6	650.6	56.1	(9,147.9)
1989	3,494.8	1,885.0	0.0	1,609.8	0.0816%	4,352.2	3,811.3	219.9	321.0	5.6	(851.8)
1988	3,347.7	1,773.0	0.0	1,574.7	0.0825%	7,588.4	6,298.3	223.9	1,066.2	0	(4,240.7)
1987	3,319.4	1,696.0	0.0	1,623.4	0.0833%	3,270.9	2,996.9	204.9	69.1	0	48.5
1986	3,260.1	1,516.9	0.0	1,743.2	0.0787%	2,963.7	2,827.7	180.3	(44.3)	0	296.4
1985	3,385.5	1,433.5	0.0	1,952.0	0.0815%	1,957.9	1,569.0	179.2	209.7	0	1,427.6
1984	3,099.5	1,321.5	0.0	1,778.0	0.0800%	1,999.2	1,633.4	151.2	214.6	0	1,100.3
1983	2,628.1	1,214.9	164.0	1,577.2	0.0714%	969.9	675.1	135.7	159.1	0	1,658.2
1982	2,524.6	1,108.9	96.2	1,511.9	0.0769%	999.8	126.4	129.9	743.5	0	1,524.8
1981	2,074.7	1,039.0	117.1	1,152.8	0.0714%	848.1	320.4	127.2	400.5	0	1,226.6
1980	1,310.4	951.9	521.1	879.6	0.0370%	83.6	(38.1)	118.2	3.5	0	1,226.8

INCOME AND EXPENSES, DEPOSIT INSURANCE FUND, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, THROUGH DECEMBER 31, 2012 (continued)
Dollars in Millions

	Income					Expenses and Losses					
Year	Total	Assessment Income	Assessment Credits	Investment and Other	Effective Assessment Rate[1]	Total	Provision for Ins. Losses	Admin. and Operating Expenses[2]	Interest & Other Ins. Expenses	Funding Transfer from the FSLIC Resolution Fund	Net Income/ (Loss)
1979	1,090.4	881.0	524.6	734.0	0.0333%	93.7	(17.2)	106.8	4.1	0	996.7
1978	952.1	810.1	443.1	585.1	0.0385%	148.9	36.5	103.3	9.1	0	803.2
1977	837.8	731.3	411.9	518.4	0.0370%	113.6	20.8	89.3	3.5	0	724.2
1976	764.9	676.1	379.6	468.4	0.0370%	212.3	28.0	180.4[4]	3.9	0	552.6
1975	689.3	641.3	362.4	410.4	0.0357%	97.5	27.6	67.7	2.2	0	591.8
1974	668.1	587.4	285.4	366.1	0.0435%	159.2	97.9	59.2	2.1	0	508.9
1973	561.0	529.4	283.4	315.0	0.0385%	108.2	52.5	54.4	1.3	0	452.8
1972	467.0	468.8	280.3	278.5	0.0333%	65.7	10.1	49.6	6.0[5]	0	401.3
1971	415.3	417.2	241.4	239.5	0.0345%	60.3	13.4	46.9	0.0	0	355.0
1970	382.7	369.3	210.0	223.4	0.0357%	46.0	3.8	42.2	0.0	0	336.7
1969	335.8	364.2	220.2	191.8	0.0333%	34.5	1.0	33.5	0.0	0	301.3
1968	295.0	334.5	202.1	162.6	0.0333%	29.1	0.1	29.0	0.0	0	265.9
1967	263.0	303.1	182.4	142.3	0.0333%	27.3	2.9	24.4	0.0	0	235.7
1966	241.0	284.3	172.6	129.3	0.0323%	19.9	0.1	19.8	0.0	0	221.1
1965	214.6	260.5	158.3	112.4	0.0323%	22.9	5.2	17.7	0.0	0	191.7
1964	197.1	238.2	145.2	104.1	0.0323%	18.4	2.9	15.5	0.0	0	178.7
1963	181.9	220.6	136.4	97.7	0.0313%	15.1	0.7	14.4	0.0	0	166.8
1962	161.1	203.4	126.9	84.6	0.0313%	13.8	0.1	13.7	0.0	0	147.3
1961	147.3	188.9	115.5	73.9	0.0323%	14.8	1.6	13.2	0.0	0	132.5
1960	144.6	180.4	100.8	65.0	0.0370%	12.5	0.1	12.4	0.0	0	132.1
1959	136.5	178.2	99.6	57.9	0.0370%	12.1	0.2	11.9	0.0	0	124.4
1958	126.8	166.8	93.0	53.0	0.0370%	11.6	0.0	11.6	0.0	0	115.2
1957	117.3	159.3	90.2	48.2	0.0357%	9.7	0.1	9.6	0.0	0	107.6
1956	111.9	155.5	87.3	43.7	0.0370%	9.4	0.3	9.1	0.0	0	102.5
1955	105.8	151.5	85.4	39.7	0.0370%	9.0	0.3	8.7	0.0	0	96.8
1954	99.7	144.2	81.8	37.3	0.0357%	7.8	0.1	7.7	0.0	0	91.9
1953	94.2	138.7	78.5	34.0	0.0357%	7.3	0.1	7.2	0.0	0	86.9
1952	88.6	131.0	73.7	31.3	0.0370%	7.8	0.8	7.0	0.0	0	80.8
1951	83.5	124.3	70.0	29.2	0.0370%	6.6	0.0	6.6	0.0	0	76.9
1950	84.8	122.9	68.7	30.6	0.0370%	7.8	1.4	6.4	0.0	0	77.0
1949	151.1	122.7	0.0	28.4	0.0833%	6.4	0.3	6.1	0.0	0	144.7
1948	145.6	119.3	0.0	26.3	0.0833%	7.0	0.7	6.3[6]	0.0	0	138.6
1947	157.5	114.4	0.0	43.1	0.0833%	9.9	0.1	9.8	0.0	0	147.6
1946	130.7	107.0	0.0	23.7	0.0833%	10.0	0.1	9.9	0.0	0	120.7

INCOME AND EXPENSES, DEPOSIT INSURANCE FUND, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, THROUGH DECEMBER 31, 2012 (continued)
Dollars in Millions

	Income					Expenses and Losses					
Year	Total	Assessment Income	Assessment Credits	Investment and Other	Effective Assessment Rate[1]	Total	Provision for Ins. Losses	Admin. and Operating Expenses[2]	Interest & Other Ins. Expenses	Funding Transfer from the FSLIC Resolution Fund	Net Income/ (Loss)
1945	121.0	93.7	0.0	27.3	0.0833%	9.4	0.1	9.3	0.0	0	111.6
1944	99.3	80.9	0.0	18.4	0.0833%	9.3	0.1	9.2	0.0	0	90.0
1943	86.6	70.0	0.0	16.6	0.0833%	9.8	0.2	9.6	0.0	0	76.8
1942	69.1	56.5	0.0	12.6	0.0833%	10.1	0.5	9.6	0.0	0	59.0
1941	62.0	51.4	0.0	10.6	0.0833%	10.1	0.6	9.5	0.0	0	51.9
1940	55.9	46.2	0.0	9.7	0.0833%	12.9	3.5	9.4	0.0	0	43.0
1939	51.2	40.7	0.0	10.5	0.0833%	16.4	7.2	9.2	0.0	0	34.8
1938	47.7	38.3	0.0	9.4	0.0833%	11.3	2.5	8.8	0.0	0	36.4
1937	48.2	38.8	0.0	9.4	0.0833%	12.2	3.7	8.5	0.0	0	36.0
1936	43.8	35.6	0.0	8.2	0.0833%	10.9	2.6	8.3	0.0	0	32.9
1935	20.8	11.5	0.0	9.3	0.0833%	11.3	2.8	8.5	0.0	0	9.5
1933-34	7.0	0.0	0.0	7.0	N/A	10.0	0.2	9.8	0.0	0	(3.0)

[1] Figures represent only BIF-insured institutions prior to 1990, BIF- and SAIF-insured institutions from 1990 through 2005, and DIF-insured institutions beginning in 2006. After 1995, all thrift closings became the responsibility of the FDIC and amounts are reflected in the SAIF. The effective assessment rate is calculated from annual assessment income (net of assessment credits), excluding transfers to the Financing Corporation (FICO), Resolution Funding Corporation (REFCORP) and FSLIC Resolution Fund, divided by the four quarter average assessment base. The effective rates from 1950 through 1984 varied from the statutory rate of 0.0833 percent due to assessment credits provided in those years. The statutory rate increased to 0.12 percent in 1990 and to a minimum of 0.15 percent in 1991. The effective rates in 1991 and 1992 varied because the FDIC exercised new authority to increase assessments above the statutory minimum rate when needed. Beginning in 1993, the effective rate was based on a risk-related premium system under which institutions paid assessments in the range of 0.23 percent to 0.31 percent. In May 1995, the BIF reached the mandatory recapitalization level of 1.25 percent. As a result, BIF assessment rates were reduced to a range of 0.04 percent to 0.31 percent of assessable deposits, effective June 1995, and assessments totaling $1.5 billion were refunded in September 1995. Assessment rates for the BIF were lowered again to a range of 0 to 0.27 percent of assessable deposits, effective the start of 1996. In 1996, the SAIF collected a one-time special assessment of $4.5 billion. Subsequently, assessment rates for the SAIF were lowered to the same range as the BIF, effective October 1996. This range of rates remained unchanged for both funds through 2006. As part of the implementation of the Federal Deposit Insurance Reform Act of 2005, assessment rates were increased to a range of 0.05 percent to 0.43 percent of assessable deposits effective at the start of 2007, but many institutions received a one-time assessment credit ($4.7 billion in total) to offset the new assessments. For the first quarter of 2009, assessment rates were increased to a range of 0.12 to 0.50 percent of assessable deposits. From the second quarter of 2009 through the first quarter of 2011, initial assessment rates ranged between 0.12 and 0.45 percent of assessable deposits. Initial rates are subject to further adjustments. Beginning in the second quarter of 2011, the assessment base changed to average total consolidated assets less average tangible equity (with certain adjustments for banker's banks and custodial banks), as required by the Dodd-Frank Act. The FDIC implemented a new assessment rate schedule at the same time to conform to the larger assessment base. Initial assessment rates were lowered to a range of 0.05 to 0.35 percent of the new base. The annualized assessment rates averaged approximately 17.6 cents per $100 of assessable deposits for the first quarter of 2011 and 11.1 cents per $100 of the new base for the last three quarters of 2011 (which is the figure shown in the table). The effective assessment rate for 2012 was based on full year accrued assessment income, actual assessment base figures for the first three quarters of 2012, and an estimate for the assessment base for fourth quarter 2012. On June 30, 2009, a special assessment was imposed on all insured banks and thrifts, which amounted in aggregate to approximately $5.4 billion. For 8,106 institutions, with $9.3 trillion in assets, the special assessment was 5 basis points of each institution's assets minus tier one capital; 89 other institutions, with assets of $4.0 trillion, had their special assessment capped at 10 basis points of their second quarter assessment base.

[2] These expenses, which are presented as operating expenses in the Statement of Income and Fund Balance, pertain to the FDIC in its corporate capacity only and do not include costs that are charged to the failed bank receiverships that are managed by the FDIC. The receivership expenses are presented as part of the "Receivables from Resolutions, net" line on the Balance Sheet. The narrative and graph presented in the "Corporate Planning and Budget" section of this report (page 111) show the aggregate (corporate and receivership) expenditures of the FDIC.

[3] Includes $210 million for the cumulative effect of an accounting change for certain postretirement benefits (1992).

[4] Includes a $106 million net loss on government securities (1976).

[5] This amount represents interest and other insurance expenses from 1933 to 1972.

[6] Includes the aggregate amount of $81 million of interest paid on capital stock between 1933 and 1948.

NUMBER, ASSETS, DEPOSITS, LOSSES, AND LOSS TO FUNDS OF INSURED THRIFTS TAKEN OVER OR CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1989 THROUGH 1995[1]
Dollars in Thousands

Year	Total	Assets	Deposits	Estimated Receivership Loss[2]	Loss to Funds[3]
Total	748	$393,986,574	$317,501,978	$75,977,702	$81,577,294
1995	2	423,819	414,692	28,192	27,750
1994	2	136,815	127,508	11,472	14,599
1993	10	6,147,962	4,881,461	267,595	65,212
1992	59	44,196,946	34,773,224	3,286,957	3,832,195
1991	144	78,898,904	65,173,122	9,235,906	9,734,202
1990	213	129,662,498	98,963,962	16,062,552	19,257,446
1989[4]	318	134,519,630	113,168,009	47,085,028	48,645,890

[1] Beginning in 1989 through July 1, 1995, all thrift closings were the responsibility of the Resolution Trust Corporation (RTC). Since the RTC was terminated on December 31, 1995, and all assets and liabilities transferred to the FSLIC Resolution Fund (FRF), all the results of the thrift closing activity from 1989 through 1995 are now reflected on FRF's books. Year is the year of failure, not the year of resolution.

[2] The estimated losses represent the projected loss at the fund level from receiverships for unreimbursed subrogated claims of the FRF and unpaid advances to receiverships from the FRF.

[3] The Loss to Funds represents the total resolution cost of the failed thrifts in the FRF-RTC fund, which includes corporate revenue and expense items such as interest expense on Federal Financing Bank debt, interest expense on escrowed funds, and interest revenue on advances to receiverships, in addition to the estimated losses for receiverships.

[4] Total for 1989 excludes nine failures of the former FSLIC.

FDIC-INSURED INSTITUTIONS CLOSED DURING 2012
Dollars in Thousands

Codes for Bank Class:

NM = State-chartered bank that is not a member of the Federal Reserve System

N = National Bank

SB = Savings Bank

SI = Stock and Mutual Savings Bank

SM = State-chartered bank that is a member of the Federal Reserve System

SA = Savings Association

Name and Location	Bank Class	Number of Deposit Accounts	Total Assets[1]	Total Deposits[1]	Insured Deposit Funding and Other Disbursements	Estimated Loss to the DIF[2]	Date of Closing or Acquisition	Receiver/Assuming Bank and Location
Purchase and Assumption – All Deposits								
Fort Lee Federal Savings Bank, FSB Fort Lee, NJ	SA	882	$48,861	$47,786	$48,938	$18,311	04/20/12	Alma Bank Astoria, NY
Montgomery Bank & Trust Ailey, GA	NM	7,153	$153,208	$164,181	$171,459	$75,228	07/06/12	Ameris Bank Moultrie, GA
Second Federal SLA of Chicago Chicago, IL	SA	13,801	$190,891	$171,627	$195,896	$76,851	07/20/12	Hinsdale Bank & Trust Company Hinsdale, IL
Whole Bank Purchase and Assumption – All Deposits								
American Eagle Savings Bank Boothwyn, PA	SA	1,467	$19,259	$17,548	$18,730	$7,027	01/20/12	Capital Bank, N.A. Rockville, MD
Central Florida State Bank Belleview, FL	NM	2,433	$71,485	$71,080	$71,596	$30,740	01/20/12	CenterState Bank of Florida, N.A. Winter Haven, FL
The First State Bank Stockbridge, GA	NM	32,773	$516,760	$509,065	$509,638	$219,086	01/20/12	Hamilton State Bank Hoschton, GA
BankEast Knoxville, TN	SM	7,795	$261,947	$259,571	$249,604	$76,798	01/27/12	U.S. Bank National Association Cincinnati, OH
First Guaranty Bank & Trust of Jacksonville Jacksonville, FL	NM	10,733	$397,082	$378,309	$371,225	$89,662	01/27/12	CenterState Bank of Florida, N.A. Winter Haven, FL
Patriot Bank Minnesota Forest Lake, MN	NM	4,897	$105,029	$102,833	$100,870	$42,651	01/27/12	First Resource Bank Savage, MN
Tennessee Commerce Bank Franklin, TN	NM	12,437	$1,009,154	$1,037,716	$1,056,017	$374,555	01/27/12	Republic Bank & Trust Company Louisville, KY
Charter National Bank & Trust Hoffman Estates, IL	N	7,053	$93,894	$89,485	$92,749	$25,974	02/10/12	Barrington Bank & Trust Company, N.A. Barrington, IL
SCB Bank Shelbyville, IN	SA	7,848	$182,561	$171,365	$169,673	$41,513	02/10/12	First Merchants Bank, N.A. Muncie, IN
Central Bank of Georgia Ellaville, GA	NM	9,991	$278,860	$266,589	$262,985	$69,584	02/24/12	Ameris Bank Moultrie, GA
Global Commerce Bank Doraville, GA	NM	5,006	$143,678	$116,813	$118,373	$33,001	03/02/12	Metro City Bank Doraville, GA

FDIC-INSURED INSTITUTIONS CLOSED DURING 2012 (continued)
Dollars in Thousands

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SA = Savings Association

Name and Location	Bank Class	Number of Deposit Accounts	Total Assets[1]	Total Deposits[1]	Insured Deposit Funding and Other Disbursements	Estimated Loss to the DIF[2]	Date of Closing or Acquisition	Receiver/Assuming Bank and Location
Covenant Bank & Trust Rock Spring, GA	NM	2,340	$95,725	$90,632	$87,210	$38,847	03/23/12	Stearns Bank, N.A. St. Cloud, MN
Premier Bank Wilmette, IL	NM	3,097	$268,703	$198,953	$196,298	$64,177	03/23/12	International Bank of Chicago Chicago, IL
Fidelity Bank Dearborn, MI	NM	22,179	$818,237	$747,640	$713,322	$96,013	03/30/12	The Huntington National Bank Columbus, OH
Harvest Bank of Maryland Gaithersburg, MD	NM	3,174	$163,019	$145,534	$141,811	$28,010	04/27/12	Sonabank McLean, VA
Inter Savings Bank, FSB D/B/A InterBank, FSB Maple Grove, MN	SA	13,528	$463,840	$458,053	$456,244	$120,949	04/27/12	Great Southern Bank Reeds Spring, MO
Palm Desert National Bank Palm Desert, CA	N	2,905	$129,253	$129,023	$123,485	$30,892	04/27/12	Pacific Premier Bank Costa Mesa, CA
Plantation Federal Bank Pawleys Island, SC	SA	13,816	$433,512	$415,943	$420,208	$87,831	04/27/12	First Federal Bank Charleston, SC
Security Bank, National Association North Lauderdale, FL	N	2,322	$101,026	$99,067	$99,650	$18,472	05/04/12	Banesco USA Coral Gables, FL
Alabama Trust Bank, National Association Sylacauga, AL	N	2,719	$51,553	$45,149	$44,121	$14,065	05/18/12	Southern States Bank Anniston, AL
Carolina Federal Savings Bank Charleston, SC	SA	3,458	$54,373	$53,082	$54,557	$20,566	06/08/12	Bank of North Carolina Thomasville, NC
Farmers' and Traders' State Bank Shabbona, IL	NM	3,010	$43,077	$42,302	$39,719	$13,403	06/08/12	First State Bank Mendota, IL
First Capital Bank Kingfisher, OK	NM	2,422	$44,448	$44,828	$47,726	$9,883	06/08/12	F & M Bank Edmond, OK
Waccamaw Bank Whiteville, NC	SM	22,381	$533,114	$472,704	$462,747	$60,442	06/08/12	First Community Bank Bluefield, VA
Putnam State Bank Palatka, FL	NM	8,035	$169,489	$160,024	$156,122	$43,255	06/15/12	Harbor Community Bank Indiantown, FL
Security Exchange Bank Marietta, GA	NM	2,832	$150,962	$147,896	$148,018	$42,430	06/15/12	Fidelity Bank Atlanta, GA

FDIC-INSURED INSTITUTIONS CLOSED DURING 2012 (continued)
Dollars in Thousands

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SA = Savings Association

Name and Location	Bank Class	Number of Deposit Accounts	Total Assets[1]	Total Deposits[1]	Insured Deposit Funding and Other Disbursements	Estimated Loss to the DIF[2]	Date of Closing or Acquisition	Receiver/Assuming Bank and Location
The Farmers Bank of Lynchburg Lynchburg, TN	NM	9,293	$163,859	$156,402	$153,177	$35,720	06/15/12	Clayton Bank and Trust Knoxville, TN
Glasgow Savings Bank Glasgow, MO	NM	2,176	$22,341	$21,809	$22,627	$3,081	07/13/12	Regional Missouri Bank Marceline, MO
First Cherokee State Bank Woodstock, GA	NM	9,617	$209,021	$182,114	$180,780	$40,998	07/20/12	Community & Southern Bank Atlanta, GA
Georgia Trust Bank Buford, GA	NM	2,404	$116,890	$114,748	$116,810	$24,782	07/20/12	Community & Southern Bank Atlanta, GA
Heartland Bank Leawood, KS	NM	1,965	$96,002	$89,723	$86,811	$7,161	07/20/12	Metcalf Bank Lees Summit, MO
The Royal Palm Bank of Florida Naples, FL	NM	2,303	$78,771	$78,876	$78,836	$16,406	07/20/12	First National Bank of the Gulf Coast Naples, FL
Jasper Banking Company Jasper, GA	NM	10,984	$206,672	$204,238	$198,872	$62,319	07/27/12	Stearns Bank, N.A St. Cloud, MN
Waukegan Savings Bank Waukegan, IL	SB	5,737	$83,679	$73,001	$73,716	$22,435	08/03/12	First Midwest Bank Itasca, IL
First Commerical Bank Bloomington, MN	NM	3,642	$215,867	$206,809	$198,028	$65,923	09/07/12	Republic Bank & Trust Company Louisville, KY
Truman Bank St. Louis, MO	SM	9,526	$282,338	$245,716	$237,573	$36,710	09/14/12	Simmons First National Bank Pine Bluff, AR
First United Bank Crete, IL	NM	23,002	$328,422	$316,877	$321,680	$50,686	09/28/12	Old Plank Trail Community Bank, N.A. New Lenox, IL
Excel Bank Sedalia, MO	NM	10,023	$186,113	$173,670	$170,087	$44,297	10/19/12	Simmons First National Bank Pine Bluff, AR
First East Side Savings Bank Tamarac, FL	SA	1,242	$65,686	$64,888	$66,403	$12,348	10/19/12	Stearns Bank, N.A. St. Cloud, MN
GulfSouth Private Bank Destin, FL	NM	1,896	$139,391	$131,579	$128,540	$38,932	10/19/12	SmartBank Pigeon Forge, TN

FDIC-INSURED INSTITUTIONS CLOSED DURING 2012 (continued)
Dollars in Thousands

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Name and Location	Bank Class	Number of Deposit Accounts	Total Assets[1]	Total Deposits[1]	Insured Deposit Funding and Other Disbursements	Estimated Loss to the DIF[2]	Date of Closing or Acquisition	Receiver/Assuming Bank and Location
Citizens First National Bank Princeton, IL	N	59,696	$923,959	$869,440	$840,261	$47,650	11/02/12	Heartland Bank & Trust Company Bloomington, IL
Heritage Bank of Florida Lutz, FL	NM	6,664	$225,477	$223,309	$220,586	$67,786	11/02/12	Centennial Bank Conway, AR
Hometown Community Bank Braselton, GA	NM	3,158	$124,561	$108,931	$105,207	$39,125	11/16/12	CertusBank, N.A. Easley, SC
Community Bank of the Ozarks Sunrise Beach, MO	NM	2,864	$42,816	$41,881	$40,247	$12,415	12/14/12	Bank of Sullivan Sullivan, MO
Insured Deposit Transfer/Purchase & Assumption								
Bank of the Eastern Shore Cambridge, MD	SM	9,691	$162,460	$150,951	$166,270	$52,968	04/27/12	Federal Deposit Insurance Corporation
Insured Deposit Payoff								
Home Savings of America Little Falls, MN	SA	12,025	$434,111	$432,223	$481,476	$83,646	02/24/12	Federal Deposit Insurance Corporation
New City Bank Chicago, IL	NM	850	$71,202	$72,399	$78,269	$20,082	03/09/12	Federal Deposit Insurance Corporation
Nova Bank Berwyn, PA	SB	12,390	$444,710	$395,248	$439,261	$91,238	10/26/12	Federal Deposit Insurance Corporation

[1] Total Assets and Total Deposits data are based upon the last Call Report filed by the institution prior to failure.

[2] Estimated losses are as of 12/31/12. Estimated losses are routinely adjusted with updated information from new appraisals and asset sales, which ultimately affect the asset values and projected recoveries. Represents the estimated loss to the DIF from deposit insurance obligations. This amount does not include the estimated loss allocable to the Transaction Account Guarantee and Debt Guarantee Program claims.

RECOVERIES AND LOSSES BY THE DEPOSIT INSURANCE FUND ON DISBURSEMENTS FOR THE PROTECTION OF DEPOSITORS, 1934 – 2012
Dollars in Thousands

	Bank and Thrift Failures[1]						
Year[2]	Number of Banks/ Thrifts	Total Assets[3]	Total Deposits[3]	Insured Deposit Funding and Other Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses
	2,560	**$925,620,900**	**$695,536,729**	**$572,325,121**	**$395,365,464**	**$54,971,765**	**$121,987,892**
2012	51	11,617,348	11,009,630	11,034,508	499,565	7,788,019	2,746,924
2011	92	34,922,997	31,071,862	31,686,966	2,230,090	20,693,288	8,763,588
2010[4]	157	92,084,987	78,290,185	82,210,860	50,082,606	10,796,927	21,331,327
2009[4]	140	169,709,160	137,783,121	135,926,307	86,969,627	12,869,470	36,087,210
2008[4]	25	371,945,480	234,321,715	205,447,245	183,261,881	2,279,073	19,906,291
2007	3	2,614,928	2,424,187	1,917,998	1,369,413	322,914	225,671
2006	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0
2004	4	170,099	156,733	138,926	134,978	31	3,917
2003	3	947,317	901,978	883,772	812,933	8,192	62,647
2002	11	2,872,720	2,512,834	2,127,047	1,704,030	7,556	415,461
2001	4	1,821,760	1,661,214	1,605,249	1,128,577	184,367	292,305
2000	7	410,160	342,584	297,313	265,175	0	32,138
1999	8	1,592,189	1,320,573	1,307,260	711,758	5,583	589,919
1998	3	290,238	260,675	292,691	58,248	11,644	222,799
1997	1	27,923	27,511	25,546	20,520	0	5,026
1996	6	232,634	230,390	201,533	140,918	0	60,615
1995	6	802,124	776,387	609,043	524,571	0	84,472
1994	13	1,463,874	1,397,018	1,224,769	1,045,718	0	179,051
1993	41	3,828,939	3,509,341	3,841,658	3,209,012	0	632,646
1992	120	45,357,237	39,921,310	14,541,102	10,866,760	309	3,674,033
1991	124	64,556,512	52,972,034	21,499,326	15,500,130	4,392	5,994,804
1990	168	16,923,462	15,124,454	10,812,484	8,040,995	0	2,771,489
1989	206	28,930,572	24,152,468	11,443,281	5,247,995	0	6,195,286
1988	200	38,402,475	26,524,014	10,432,655	5,055,158	0	5,377,497
1987	184	6,928,889	6,599,180	4,876,994	3,014,502	0	1,862,492
1986	138	7,356,544	6,638,903	4,632,121	2,949,583	0	1,682,538
1985	116	3,090,897	2,889,801	2,154,955	1,506,776	0	648,179
1984	78	2,962,179	2,665,797	2,165,036	1,641,157	0	523,879
1983	44	3,580,132	2,832,184	3,042,392	1,973,037	0	1,069,355
1982	32	1,213,316	1,056,483	545,612	419,825	0	125,787
1981	7	108,749	100,154	114,944	105,956	0	8,988
1980	10	239,316	219,890	152,355	121,675	0	30,680
1934 - 1979	558	8,615,743	5,842,119	5,133,173	4,752,295	0	380,878

RECOVERIES AND LOSSES BY THE DEPOSIT INSURANCE FUND ON DISBURSEMENTS FOR THE PROTECTION OF DEPOSITORS, 1934 – 2012 (continued)
Dollars in Thousands

Assistance Transactions

Year[2]	Number of Banks/ Thrifts	Total Assets[3]	Total Deposits[3]	Insured Deposit Funding and Other Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses
	154	**$3,317,099,253**	**$1,442,173,417**	**$11,630,356**	**$6,199,875**	**$0**	**$5,430,481**
2012	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0
2009[5]	8	1,917,482,183	1,090,318,282	0	0	0	0
2008[5]	5	1,306,041,994	280,806,966	0	0	0	0
2007	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0
1992	2	33,831	33,117	1,486	1,236	0	250
1991	3	78,524	75,720	6,117	3,093	0	3,024
1990	1	14,206	14,628	4,935	2,597	0	2,338
1989	1	4,438	6,396	2,548	252	0	2,296
1988	80	15,493,939	11,793,702	1,730,351	189,709	0	1,540,642
1987	19	2,478,124	2,275,642	160,877	713	0	160,164
1986	7	712,558	585,248	158,848	65,669	0	93,179
1985	4	5,886,381	5,580,359	765,732	406,676	0	359,056
1984	2	40,470,332	29,088,247	5,531,179	4,414,904	0	1,116,275
1983	4	3,611,549	3,011,406	764,690	427,007	0	337,683

RECOVERIES AND LOSSES BY THE DEPOSIT INSURANCE FUND ON DISBURSEMENTS FOR THE PROTECTION OF DEPOSITORS, 1934 – 2012 (continued)
Dollars in Thousands

Assistance Transactions

Year[2]	Number of Banks/ Thrifts	Total Assets[3]	Total Deposits[3]	Insured Deposit Funding and Other Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses
1982	10	10,509,286	9,118,382	1,729,538	686,754	0	1,042,784
1981	3	4,838,612	3,914,268	774,055	1,265	0	772,790
1980	1	7,953,042	5,001,755	0	0	0	0
1934 - 1979	4	1,490,254	549,299	0	0	0	0

[1] Institutions closed by the FDIC, including deposit payoff, insured deposit transfer, and deposit assumption cases.

[2] For 1990 through 2005, amounts represent the sum of BIF and SAIF failures (excluding those handled by the RTC); prior to 1990, figures are only for the BIF. After 1995, all thrift closings became the responsibility of the FDIC and amounts are reflected in the SAIF. For 2006 to 2012, figures are for the DIF.

[3] Assets and deposit data are based on the last Call Report or TFR filed before failure.

[4] Includes amounts related to transaction account coverage under the Transaction Account Guarantee Program (TAG). The estimated losses as of 12/31/10 for TAG accounts in 2010, 2009, and 2008 are $519 million, $1,526 million, and $15 million, respectively.

[5] Includes institutions where assistance was provided under a systemic risk determination. Any costs that exceed the amounts estimated under the least cost resolution requirement would be recovered through a special assessment on all FDIC-insured institutions.

B. MORE ABOUT THE FDIC

FDIC BOARD OF DIRECTORS

Seated *(left to right): Thomas M. Hoenig, Martin J. Gruenberg, Jeremiah O. Norton* ***Standing*** *(left to right): Thomas J. Curry, Richard Cordray*

Martin J. Gruenberg

Martin J. Gruenberg is the 20th Chairman of the FDIC, receiving Senate confirmation on November 15, 2012, for a five-year term. Mr. Gruenberg has served on the FDIC Board of Directors since August 22, 2005, including as Acting Chairman from July 9, 2011, to November 15, 2012, and also from November 16, 2005, to June 26, 2006.

Mr. Gruenberg joined the FDIC Board after broad congressional experience in the financial services and regulatory areas. He served as Senior Counsel to Senator Paul S. Sarbanes (D-MD) on the staff of the Senate Committee on Banking, Housing, and Urban Affairs from 1993 to 2005. Mr. Gruenberg advised the Senator on issues of domestic and international financial regulation, monetary policy, and trade. He also served as Staff Director of the Banking Committee's Subcommittee on International Finance and Monetary Policy, from 1987 to 1992. Major legislation in which Mr. Gruenberg played an active role during his service on the Committee includes the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA); the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA); the Gramm-Leach-Bliley Act; and the Sarbanes-Oxley Act of 2002.

Mr. Gruenberg served as Chairman of the Executive Council and President of the International Association of Deposit Insurers (IADI) from November 2007 to November 2012.

Mr. Gruenberg holds a J.D. from Case Western Reserve Law School and an A.B. from Princeton University, Woodrow Wilson School of Public and International Affairs.

Thomas M. Hoenig

Thomas M. Hoenig was confirmed by the Senate as Vice Chairman of the FDIC on November 15, 2012. He joined the FDIC on April 16, 2012, as a member of the Board of Directors of the FDIC for a six-year term. He is also a member of the Executive Board of the International Association of Deposit Insurers.

Prior to serving on the FDIC Board, Mr. Hoenig was the President of the Federal Reserve Bank of Kansas City and a member of the Federal Reserve System's Federal Open Market Committee from 1991 to 2011.

Mr. Hoenig was with the Federal Reserve for 38 years, beginning as an economist, and then as a senior officer in banking supervision during the U.S. banking crisis of the 1980s. In 1986, he led the Kansas City Federal Reserve Bank's Division of Bank Supervision and Structure, directing the oversight of more than 1,000 banks and bank holding companies with assets ranging from less than $100 million to $20 billion. He became President of the Kansas City Federal Reserve Bank on October 1, 1991.

Mr. Hoenig is a native of Fort Madison, Iowa, and received a doctorate in economics from Iowa State University.

Jeremiah O. Norton

Jeremiah O. Norton was sworn in on April 16, 2012, as a member of the FDIC Board of Directors for the remainder of a term expiring July 15, 2013.

Prior to joining the FDIC's Board, Mr. Norton was an Executive Director at J.P. Morgan Securities LLC, in New York, NY.

Mr. Norton was in government for a number of years before joining the FDIC Board, most recently as the Deputy Assistant Secretary for Financial Institutions Policy at the U.S. Treasury Department. Mr. Norton also was a Legislative Assistant and professional staff member for U.S. Representative Edward R. Royce.

Mr. Norton received a J.D. from the Georgetown University Law Center and an A.B. in economics from Duke University.

Thomas J. Curry

Thomas J. Curry was sworn in as the 30th Comptroller of the Currency on April 9, 2012. The Comptroller of the Currency is the administrator of national banks and federal savings associations, and chief officer of the Office of the Comptroller of the Currency (OCC). The OCC supervises more than 2,000 national banks and federal savings associations and about 50 federal branches and agencies of foreign banks in the United States. These institutions comprise nearly two-thirds of the assets of the commercial banking system. The Comptroller also is a Director of NeighborWorks® America.

Prior to becoming Comptroller of the Currency, Mr. Curry served as a Director of the FDIC Board since January 2004, and as the Chairman of the NeighborWorks® America Board of Directors.

Prior to joining the FDIC's Board of Directors, Mr. Curry served five Massachusetts Governors as the Commonwealth's Commissioner of Banks from 1990 to 1991 and from 1995 to 2003. He served as Acting Commissioner from February 1994 to June 1995. He previously served as First Deputy Commissioner and Assistant General Counsel within the Massachusetts Division of Banks. He entered state government in 1982 as an attorney with the Massachusetts' Secretary of State's Office.

Mr. Curry served as the Chairman of the Conference of State Bank Supervisors from 2000 to 2001, and served two terms on the State Liaison Committee of the Federal Financial Institutions Examination Council, including a term as Committee Chairman.

He is a graduate of Manhattan College (summa cum laude), where he was elected to Phi Beta Kappa. He received his law degree from the New England School of Law.

Richard Cordray

Richard Cordray serves as the first Director of the Consumer Financial Protection Bureau. He previously led the Bureau's Enforcement Division.

Prior to joining the Bureau, Mr. Cordray served on the front lines of consumer protection as Ohio's Attorney General. Mr. Cordray recovered more than $2 billion for Ohio's retirees, investors, and business owners, and took major steps to help protect its consumers from fraudulent foreclosures and financial predators. In 2010, his office responded to a record number of consumer complaints, but Mr. Cordray went further and opened that process for the first time to small businesses and nonprofit organizations to ensure protections for even more Ohioans.

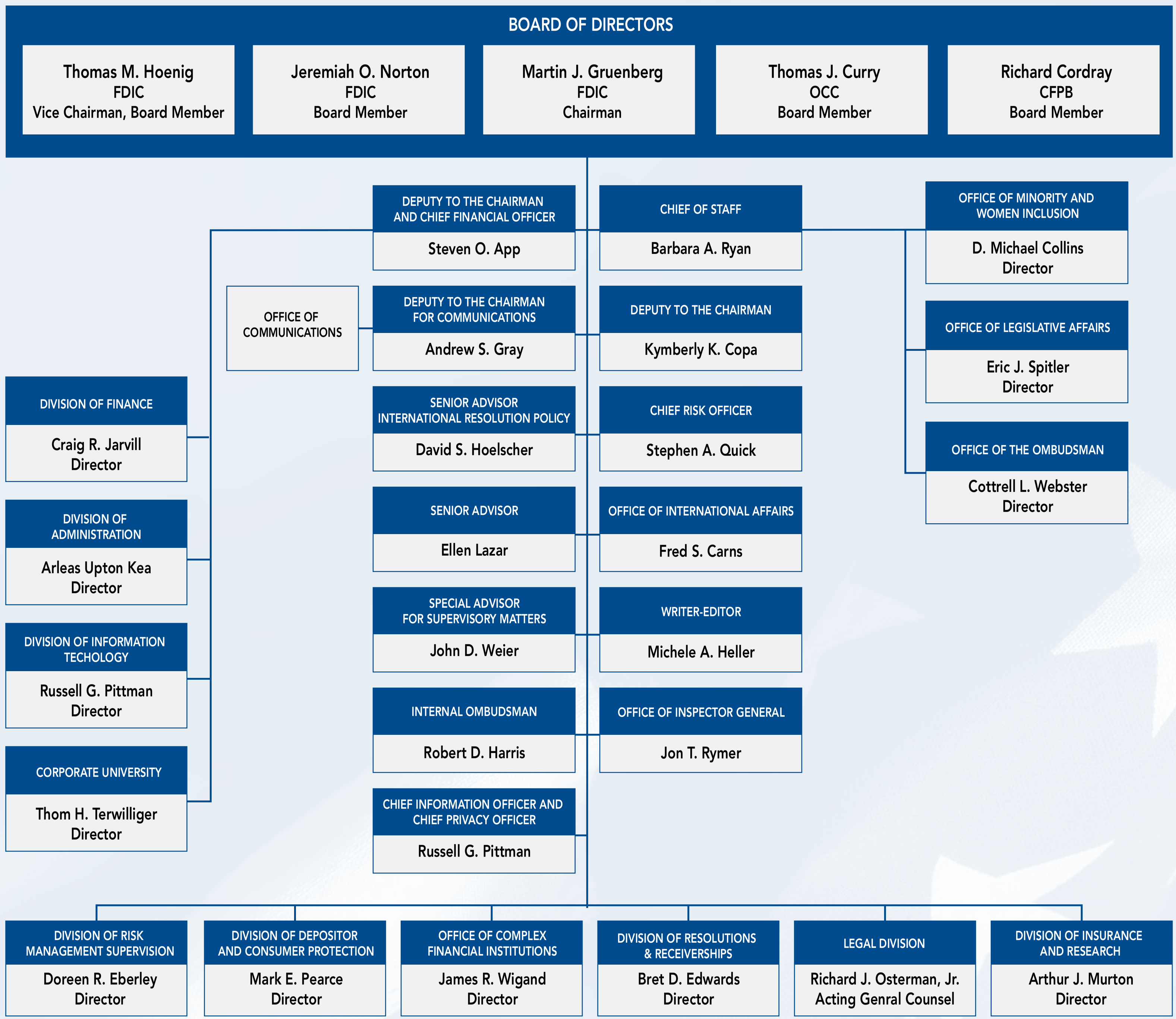
To recognize his work on behalf of consumers as Attorney General, the Better Business Bureau presented Mr. Cordray with an award for promoting an ethical marketplace.

Mr. Cordray also served as Ohio Treasurer and Franklin County Treasurer, two elected positions in which he led state and county banking, investment, debt, and financing activities. As Ohio Treasurer, he resurrected a defunct economic development program that provides low-interest loan assistance to small businesses to create jobs, re-launched the original concept as GrowNOW, and pumped hundreds of millions of dollars into access for credit to small businesses. Mr. Cordray simultaneously created a Bankers Advisory Council to share ideas about the program with community bankers across Ohio.

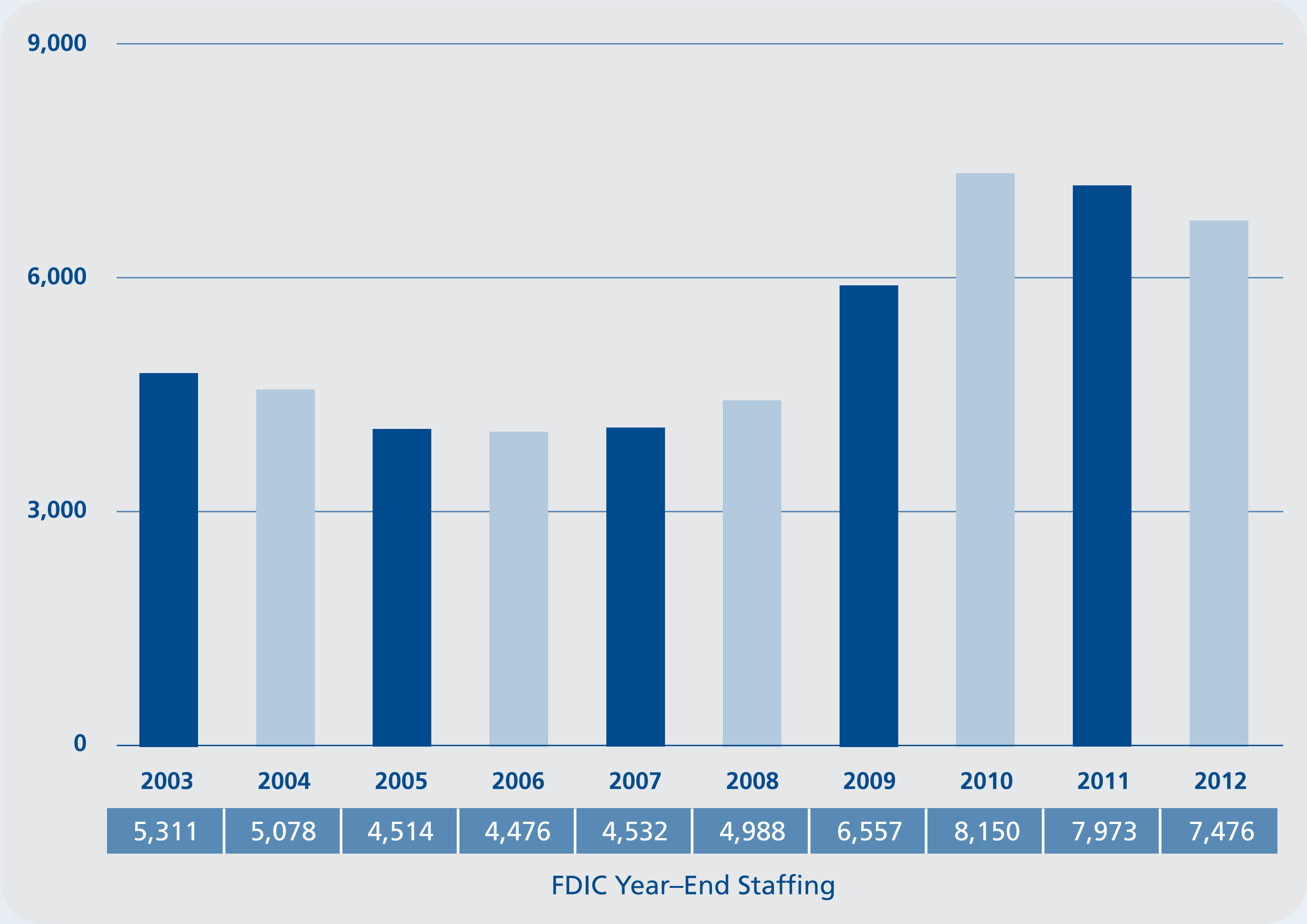
Earlier in his career, Mr. Cordray was an adjunct professor at the Ohio State University College of Law, served as a State Representative for the 33rd Ohio House District, was the first Solicitor General in Ohio's history, and was a sole practitioner and Counsel to Kirkland & Ellis. Mr. Cordray has argued seven cases before the United States Supreme Court, by special appointment of both the Clinton and Bush Justice Departments. He is a graduate of Michigan State University, Oxford University, and the University of Chicago Law School. Mr. Cordray was Editor-in-Chief of the University of Chicago Law Review and later clerked for U.S. Supreme Court Justices Byron White and Anthony Kennedy.

Mr. Cordray lives in Grove City, Ohio, with his wife Peggy—a Professor at Capital University Law School in Columbus—and twin children Danny and Holly.

FDIC ORGANIZATION CHART/OFFICIALS



CORPORATE STAFFING
STAFFING TRENDS 2003–2012



Note: 2008-2012 staffing totals reflect year-end full time equivalent staff. Prior to 2008, staffing totals reflect total emplyees on-board.

NUMBER OF EMPLOYEES BY DIVISION/OFFICE 2011 AND 2012 (YEAR-END)[1]

	Total		Washington		Regional/Field	
Division or Office:	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Division of Risk Management Supervision	2,763	2,900	169	168	2,593	2,732
Division of Depositor and Consumer Protection	848	819	119	95	729	724
Division of Resolutions and Receiverships	1,428	1,811	165	139	1,263	1,672
Legal Division	716	774	384	354	332	420
Division of Administration	403	431	248	243	156	188
Division of Information Technology	358	354	280	271	78	83
Corporate University	194	176	176	163	18	13
Division of Insurance and Research	195	185	145	134	51	51
Division of Finance[2]	176	177	174	172	2	5
Office of Inspector General	126	117	81	77	46	40
Office of Complex Financial Institutions	148	115	87	64	61	51
Executive Offices[3]	20	20	20	20	0	0
Executive Support Offices [4]	102	94	89	77	13	17
Total	**7,476**	**7,973**	**2,135**	**1,977**	**5,341**	**5,996**

1 The FDIC reports staffing totals using a full-time equivalent (FTE) methodology, which is based on an employee's scheduled work hours. Division/Office staffing has been rounded to the nearest whole FTE. Totals may not foot due to rounding.

2 On January 1, 2012 the Office of the Enterprise Risk Management was merged into the Division of Finance.

3 Includes the Offices of the Chairman, Vice Chairman, Director (Appointive), Chief Operating Officer, Chief Financial Officer, and External Affairs.

4 Includes the Offices of the Legislative Affairs, Communications, International Affairs, Ombudsman, Minority and Women Inclusion, and Corporate Risk Management.

SOURCES OF INFORMATION

FDIC Website

www.fdic.gov

A wide range of banking, consumer, and financial information is available on the FDIC's website. This includes the FDIC's Electronic Deposit Insurance Estimator (EDIE), which estimates an individual's deposit insurance coverage; the Institution Directory, which contains financial profiles of FDIC-insured institutions; Community Reinvestment Act evaluations and ratings for institutions supervised by the FDIC; Call Reports, which are banks' reports of condition and income; and *Money Smart*, a training program to help individuals outside the financial mainstream enhance their money management skills and create positive banking relationships. Readers also can access a variety of consumer pamphlets, FDIC press releases, speeches, and other updates on the agency's activities, as well as corporate databases and customized reports of FDIC and banking industry information.

FDIC Call Center

Phone: 877-275-3342 (877-ASK-FDIC)
703-562-2222

Hearing Impaired: 800-925-4618
703-562-2289

The FDIC Call Center in Washington, DC, is the primary telephone point of contact for general questions from the banking community, the public, and FDIC employees. The Call Center directly, or in concert with other FDIC subject-matter experts, responds to questions about deposit insurance and other consumer issues and concerns, as well as questions about FDIC programs and activities. The Call Center also refers callers to other federal and state agencies as needed. Hours of operation are 8:00 a.m. to 8:00 p.m., Eastern Time, Monday – Friday, and 9:00 a.m. to 5:00 p.m., Saturday – Sunday. Recorded information about deposit insurance and other topics is available 24 hours a day at the same telephone number.

As a customer service, the FDIC Call Center has many bilingual Spanish agents on staff and has access to a translation service able to assist with over 40 different languages.

Public Information Center

3501 Fairfax Drive
Room E-1021
Arlington, VA 22226

Phone: 877-275-3342 (877-ASK-FDIC),
703-562-2200

Fax: 703-562-2296

FDIC Online Catalog:
https://vcart.velocitypayment.com/fdic/

E-mail: publicinfo@fdic.gov

Publications such as *FDIC Quarterly* and *Consumer News*, and a variety of deposit insurance and consumer pamphlets are available at www.fdic.gov or may be ordered in hard copy through the FDIC online catalog. Other information, press releases, speeches and congressional testimony, directives to financial institutions, policy manuals, and FDIC documents are available on request through the Public Information Center. Hours of operation are 9:00 a.m. to 4:00 p.m., Eastern Time, Monday – Friday.

Office of the Ombudsman

3501 Fairfax Drive
Room E-2022
Arlington, VA 22226

Phone: 877-275-3342 (877-ASK-FDIC)

Fax: 703-562-6057

E-mail: ombudsman@fdic.gov

The Office of the Ombudsman (OO) is an independent, neutral, and confidential resource and liaison for the banking industry and the general public. The OO responds to inquiries about the FDIC in a fair, impartial, and timely manner. It researches questions and fields complaints from bankers and bank customers. OO representatives are present at all bank closings to provide accurate information to bank customers, the media, bank employees, and the general public. The OO also recommends ways to improve FDIC operations, regulations, and customer service.

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North Carolina
South Carolina
Virginia
West Virginia

Chicago Regional Office

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Kentucky
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Ohio
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Massachusetts
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Vermont

San Francisco Regional Office

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San Francisco, California 94105
(415) 546-0160

Alaska
Arizona
California
Guam
Hawaii
Idaho
Montana
Nevada
Oregon
Utah
Washington
Wyoming

C. OFFICE OF INSPECTOR GENERAL'S ASSESSMENT OF THE MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE FDIC

Under the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is required to identify the most significant management and performance challenges facing the Corporation and provide its assessment to the Corporation for inclusion in the FDIC's annual performance and accountability report. The OIG conducts this assessment annually and identifies specific areas of challenge facing the Corporation at the time. In doing so, we keep in mind the Corporation's overall program and operational responsibilities; financial industry, economic, and technological conditions and trends; areas of congressional interest and concern; relevant laws and regulations; the Chairman's priorities and corresponding corporate goals; and ongoing activities to address the issues involved. In looking at the recent past and the current environment and anticipating—to the extent possible—what the future holds, the OIG believes that the FDIC faces challenges in the areas listed below.

Implementing New Systemic Resolution Responsibilities

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) has given the FDIC significant new authorities to help address the risks in systemically important financial companies or institutions (SIFIs). The FDIC's Office of Complex Financial Institutions (OCFI) is focusing on three areas to carry out its new responsibilities: monitoring risk within and across these large, complex firms from the standpoint of resolution; conducting resolution planning and developing strategies to respond to potential crisis situations; and coordinating with regulators overseas regarding the significant challenges associated with cross-border resolution.

Importantly, under Title I of the Dodd-Frank Act, bank holding companies with more than $50 billion in assets and other firms designated as systemic must develop their own resolution plans or "living wills." The firms must show how they could be resolved under the bankruptcy code without disrupting the financial system and the economy. The first resolution plans were submitted in early July 2012 by the nine largest companies with nonbank assets of over $250 billion. The FDIC and the Federal Reserve Board are reviewing those plans for completeness and compliance with related rulemaking requirements.

OCFI has also been developing its own resolution plans to be ready to resolve a failing systemic financial company. These internal FDIC resolution plans apply many of the same powers that the FDIC has long used to manage failed-bank receiverships to a failing SIFI. If the FDIC is appointed as receiver of such an institution, it will face the challenge of carrying out an orderly liquidation in a manner that maximizes the value of the company's assets and ensures that creditors and shareholders appropriately bear any losses. The goal is to close the institution without putting the financial system at risk.

The coming months will continue to be challenging for the FDIC and all of the regulatory agencies as they continue to carry out the mandates of the Dodd-Frank Act, develop rules to implement key sections, and fulfill their responsibilities as members of the Financial Stability Oversight Council (FSOC). With respect to the FDIC's OCFI, in particular, it will need to ensure that it has the needed expertise and resources to build its capabilities, integrate its operations and systems within the FDIC's infrastructure and established control environment, and supplement existing controls, as warranted, to ensure the success of the FDIC's activities with respect to SIFIs. This is especially important, given the significance of OCFI's responsibilities, the sensitivity of the information it is handling, and the potential consequences of any unauthorized disclosure of such information.

Resolving Failed Institutions and Managing Receiverships

The Corporation continues to handle a demanding resolution and receivership workload. From 2008 through 2012, 465 institutions failed with total assets (as of their final Call Reports) of $680 billion. Estimated losses resulting from the failures total approximately $86.8 billion. As of December 31, 2012, the number of institutions on the FDIC's "Problem List" was 651, indicating the potential of more failures to come, albeit with far less frequency, and an increased asset disposition workload. Total assets of problem institutions were $233 billion as of year-end 2012.

The FDIC frequently enters into shared-loss agreements (SLAs) with acquiring institutions (AIs) of failed bank assets. These agreements guarantee that the FDIC will share in a portion of future asset losses and recoveries for a specific time period.

In return, the AI agrees to manage the failed bank assets consistently with its legacy assets, pursue residential loan modifications on qualified loans, and work to minimize losses. Since loss sharing began in November 2008, through June 30, 2012, the Corporation had entered into more than 290 SLAs involving $212.7 billion in covered assets.

The FDIC has established controls over its SLA monitoring program, which help protect the FDIC's interests and meet the goals of the program. We have pointed out that the FDIC should place additional emphasis on monitoring commercial loan extension decisions to ensure that AIs do not inappropriately reject loan modification requests as SLAs approach termination. Additionally, the FDIC needs to formulate a better strategy for mitigating the impact of impending portfolio sales and SLA terminations on the Deposit Insurance Fund (DIF) so that the FDIC will be prepared to address a potentially significant volume of asset sale requests.

As another resolution strategy, the FDIC has entered into 34 structured sales transactions involving 42,900 assets with a total unpaid principal balance of about $26.0 billion. Under these arrangements, the FDIC retains a participation interest in future net positive cash flows derived from third-party management of the assets. Such transactions involve selling assets to third parties that are not regulated financial institutions. Differences in controls in place for regulated financial institutions, in contrast to private capital investors with unregulated systems of internal control that are not subject to regular oversight by banking supervisors, can present challenges. Such arrangements need to be closely monitored to ensure compliance with all terms and conditions of the agreements. Compliance with the agreements is important to ensure that the FDIC receives the cash flows to which it is entitled.

Other post-closing asset management activities will continue to require much FDIC attention. FDIC receiverships manage assets from failed institutions, mostly those that are not purchased by acquiring institutions through SLAs or involved in structured sales. As of December 31, 2012, the Division of Resolutions and Receiverships (DRR) was managing 466 active receiverships (including three FSLIC-related) with assets totaling about $17.0 billion. These assets include securities, delinquent commercial real-estate and single-family loans, and participation loans. Post-closing asset managers are responsible for managing many of these assets and rely on receivership assistance contractors to perform day-to-day asset management functions. Since these loans are often sub-performing or nonperforming, workout and asset disposition efforts can be intensive and challenging.

Maintaining the Viability of the Deposit Insurance Fund

Insuring deposits remains at the heart of the FDIC's commitment to maintain stability and public confidence in the nation's financial system. The Dodd-Frank Act made permanent the increase in the coverage limit to $250,000. It also provided deposit insurance coverage on the entire balance of noninterest-bearing transaction accounts at all insured depository institutions (IDIs) until December 31, 2012. A priority and ongoing challenge for the FDIC is to ensure that the DIF remains viable to protect all insured depositors. To maintain sufficient DIF balances, the FDIC collects risk-based insurance premiums from insured institutions and invests deposit insurance funds.

In the aftermath of the financial crisis, FDIC-insured institutions continue to make gradual but steady progress. Commercial banks and savings institutions insured by the FDIC reported aggregate net income of $37.6 billion in the third quarter of 2012, a $2.3 billion improvement from the $35.2 billion in profits the industry reported in the third quarter of 2011. This is the 12th consecutive quarter that earnings have registered a year-over-year increase. Also noteworthy with respect to the viability of the fund was the decline in the number of banks on the FDIC's "Problem List" from 813 in the fourth quarter of 2011 to 651 in the fourth quarter of 2012. The fourth quarter marked the seventh consecutive quarter that the number of problem banks has fallen. As noted earlier, total assets of "problem" institutions also declined year-over-year between 2011 and 2012 from $319.4 billion to $233 billion. Eight insured institutions failed during the fourth quarter—the smallest number of failures in a quarter since the second quarter of 2008, when there were two.

In light of such progress, the DIF balance has continued to increase. During 2012, the DIF balance increased by $21.2 billion, from $11.8 billion to $33.0 billion. Over the twelve consecutive quarters since the beginning of 2010, the fund balance has increased a total of $53.8 billion.

While the fund is considerably stronger than it has been, the FDIC must continue to monitor the emerging risks that can threaten fund solvency in the interest of continuing to provide the insurance coverage that depositors have come to rely upon. Given the volatility of the global markets and financial systems, new risks can emerge without warning and threaten the safety and soundness of U.S. financial institutions and the viability of the DIF. The FDIC must be prepared for such a possibility.

Ensuring Institution Safety and Soundness Through an Effective Examination and Supervision Program

The Corporation's supervision program promotes the safety and soundness of FDIC-supervised IDIs. The FDIC is the primary federal regulator for approximately 4,500 FDIC-insured, state-chartered institutions that are not members of the Federal Reserve Board (FRB)—generally referred to as "state non-member" institutions. As such, the FDIC is the lead federal regulator for the majority of community banks. The Chairman has made it clear that one of the FDIC's most important priorities is the future of community banks and the critical role they play in the financial system and the U.S. economy as a whole. The Corporation has undertaken a number of initiatives to further its understanding of the challenges and opportunities facing community banks, including a conference, a comprehensive study, and an assessment of both risk-management and compliance supervision practices to see if there are ways to make the supervisory processes more efficient. It will continue its efforts in this regard going forward.

Through the FDIC's examination program, examiners assess the adequacy of the bank's management and internal control systems to identify, measure, monitor, and control risks; and bank examiners judge the safety and soundness of a bank's operations. When the FDIC determines that an institution's condition is less than satisfactory, it may take a variety of supervisory actions, including informal and formal enforcement actions against the institution or its directors and officers and others associated with the institution, to address identified deficiencies and, in some cases, ultimately ban individuals from banking. Generally, the FDIC pursues enforcement actions for violations of laws, rules, or regulations; unsafe or unsound banking practices; breaches of fiduciary duty; and violations of final orders, conditions imposed in writing, or written agreements. In addition, the FDIC has the statutory authority to terminate the deposit insurance of any IDI for violation of a law, rule, regulation, condition imposed in writing, or written agreement, or for being in an unsafe or unsound condition or engaging in unsafe or unsound banking practices.

Part of the FDIC's overall responsibility and authority to examine banks for safety and soundness relates to compliance with the Bank Secrecy Act (BSA), which requires financial institutions to develop and implement a BSA compliance program to monitor for suspicious activity and mitigate associated money laundering risks within the financial institution. This includes keeping records and filing reports on certain financial transactions. An institution's level of risk for potential terrorist financing and money laundering determines the necessary scope of a Bank Secrecy Act examination. Maintaining a strong examination program, vigilant supervisory activities, and effective enforcement action processes for all institutions and applying lessons learned in light of the recent crisis will be critical to ensuring stability and continued confidence in the financial system going forward.

Another challenging supervisory issue that concerns the FDIC, and community banks in particular, relates to Basel III and recently proposed changes to the federal banking agencies' regulatory capital requirements. In June 2012, the federal banking agencies issued for public comment three separate Notices of Proposed Rulemaking (NPR), proposing changes to the regulatory capital requirements. The agencies proposed the NPRs to address deficiencies in bank capital requirements that became evident in the recent banking crisis. The FDIC is reviewing the more than 2,000 comments it has received so that it can address concerns about the costs and potential unintended consequences of various aspects of the proposals. As the primary federal supervisor for the majority of community banks, the FDIC is particularly focused on ensuring that community banks are able to properly analyze the capital proposals and assess their impact. The basic purpose of the Basel III framework is to strengthen the long-term quality and quantity of the capital base of the U.S. banking system. The FDIC's challenge is to achieve that goal in a way that is responsive to the concerns expressed by community banks about the potential for unintended consequences, and the FDIC will be carefully considering such issues in the coming months.

Protecting and Educating Consumers and Ensuring an Effective Compliance Program

The FDIC serves a number of key roles in the financial system and among the most important is its work in ensuring that banks serve their communities and treat consumers fairly. The FDIC carries out its role by providing consumers with access to information about their rights and disclosures that are required by federal laws and regulations and examining the banks where the FDIC is the primary federal regulator to determine the institutions' compliance with laws and regulations governing consumer protection, fair lending, and community investment. During early 2011, in response to the Dodd-Frank Act and in conjunction with creation of the Consumer Financial Protection Bureau (CFPB), the FDIC established its new Division of Depositor and Consumer Protection. This Division is responsible for the Corporation's compliance examination and enforcement program as well as the depositor protection and consumer and community affairs activities that support that program. It has also adopted a new coordinating role with CFPB on consumer issues of mutual interest.

Historically, turmoil in the credit and mortgage markets has presented regulators, policymakers, and the financial services industry with serious challenges. The FDIC has been committed to working with the Congress and others to ensure that the banking system remains sound and that the broader financial system is positioned to meet the credit needs of consumers and the economy, especially the needs of creditworthy households that may experience distress. A challenging priority articulated by the Chairman is to continue to increase access to financial services for the unbanked and underbanked in the United States. Successful activities in pursuit of this priority will continue to require effort on the part of the Corporation going forward.

Consumers today are also concerned about data security and financial privacy at their banks, and the FDIC needs to promote effective controls within the banks to protect consumers. Banks are also increasingly using third-party servicers to provide support for core information and transaction processing functions, and the sensitive information servicers handle can be vulnerable. The FDIC must continue to ensure that financial institutions protect the privacy and security of information about customers under applicable U.S. laws and regulations. New cyber threats emerge frequently, and financial institutions and their servicers face continuing challenges safeguarding highly sensitive information from unauthorized disclosure that can cause financial and personal distress or ruin.

Effectively Managing the FDIC Workforce and Other Corporate Resources

The FDIC must effectively and economically manage and utilize a number of critical strategic resources in order to carry out its mission successfully, particularly its human, financial, information technology (IT), and physical resources. These resources have been stretched during the past years of the recent crisis, and the Corporation will continue to face challenges as it returns to a steadier state of operations and carries out its mission in both headquarters and regional office locations. New responsibilities, reorganizations, and changes in senior leadership and in the makeup of the FDIC Board have affected the entire FDIC workforce over the past few years. Efforts to promote sound governance and effective stewardship of its core business processes and the IT systems supporting those processes, along with attention to human and physical resources, will be key to the Corporation's success in the months ahead.

As the number of financial institution failures continues to decline, the Corporation is reshaping its workforce and adjusting its budget and resources accordingly. The FDIC closed the West Coast Office and the Midwest Office in January 2012 and September 2012, respectively, and plans to close the East Coast Office in 2014. In this connection, authorized staffing for DRR, in particular, has fallen from a peak of 2,460 in 2010 to 1,463 proposed for 2013, which reflects a reduction of 393 positions from 2012 and 997 positions over three years. DRR contractor funding also has fallen from a peak of $1.34 billion in 2010 to about $457 million proposed for 2013, a reduction of about $319 million from 2012 and nearly $885 million (66 percent) over three years. Still, the significant surge in failed-bank assets and associated contracting activities will continue to require effective and efficient contractor oversight management and technical monitoring functions.

With the number of troubled FDIC-supervised institutions also on the decline, the FDIC has reduced authorized nonpermanent examination staff as well. Risk management examination staffing has declined from a peak of 2,237 in 2011 to 1,966 proposed for 2013, a reduction of 271 nonpermanent positions. The number of compliance examination staff as well has begun to decline, though not as much—from a peak of 572 in 2012 to 522 proposed for 2013, a reduction of 50 nonpermanent positions.

To fund operations, the FDIC Board of Directors recently approved a $2.7 billion Corporate Operating Budget for 2013, about 18 percent lower than the 2012 budget. In conjunction with its approval of the 2013 budget, the Board also approved an authorized 2013 staffing level of 8,026 employees, down from 8,713 previously authorized, a net reduction of 687 positions, with further reductions projected in 2014 and future years. The FDIC's operating expenses are paid from the DIF, and consistent with sound corporate governance principles, the Corporation's financial management efforts must continuously seek to be efficient and cost-conscious, particularly in a government-wide environment that is facing severe budgetary constraints.

As conditions improve throughout the industry and the economy, the Corporation and staff are adjusting to a new work environment and workplace. The closing of the two temporary offices and the plans for closing the third can disrupt current workplace conditions. These closings can also introduce risks, as workload, responsibilities, and files are transferred and employees depart to take other positions—sometimes external to the FDIC. Fewer risk management and compliance examiners can also pose challenges to the successful accomplishment of the FDIC's examination responsibilities. Further, the ramping up of the new Office of Complex Financial Institutions, with hiring from both internal and external sources will continue to require attention—with respect to on-boarding, training, and retaining staff with requisite skills for the challenging functions of that office. For all employees, in light of a transitioning workplace, the Corporation will seek to sustain its emphasis on fostering employee engagement and morale. Its new Workplace Excellence Program is a step in that direction.

From an IT perspective, amidst the heightened activity in the industry and economy, the FDIC has engaged in in massive amounts of information sharing, both internally and with external partners. This is also true with respect to sharing of highly sensitive information with other members of the FSOC formed pursuant to the Dodd-Frank Act. As noted earlier with respect to OCFI, FDIC systems contain voluminous amounts of critical data. The Corporation needs to ensure the integrity, availability, and appropriate confidentiality of bank data, personally identifiable information, and other sensitive information in an environment of increasingly sophisticated security threats and global connectivity. In a related vein, continued attention to ensuring the physical security of all FDIC resources is also a priority. The FDIC needs to be sure that its emergency response plans provide for the safety and physical security of its personnel and ensure that its business continuity planning and disaster recovery capability keep critical business functions operational during any emergency.

Finally, a key component of corporate governance at the FDIC is the FDIC Board of Directors. With the confirmations of the FDIC Chairman and Vice Chairman, along with appointments of others to fill Board positions over the past year, the Board is now operating at full strength. The Board will likely face challenges in leading the organization, accomplishing the Chairman's priorities, and coordinating with the other regulatory agencies on issues of mutual concern and shared responsibility. Enterprise risk management is a related aspect of governance at the FDIC. Notwithstanding a stronger economy and financial services industry, the FDIC's enterprise risk management activities need to be attuned to emerging risks, both internal and external to the FDIC, and the Corporation as a whole needs to be ready to take necessary steps to mitigate those risks as changes occur and challenging scenarios present themselves.