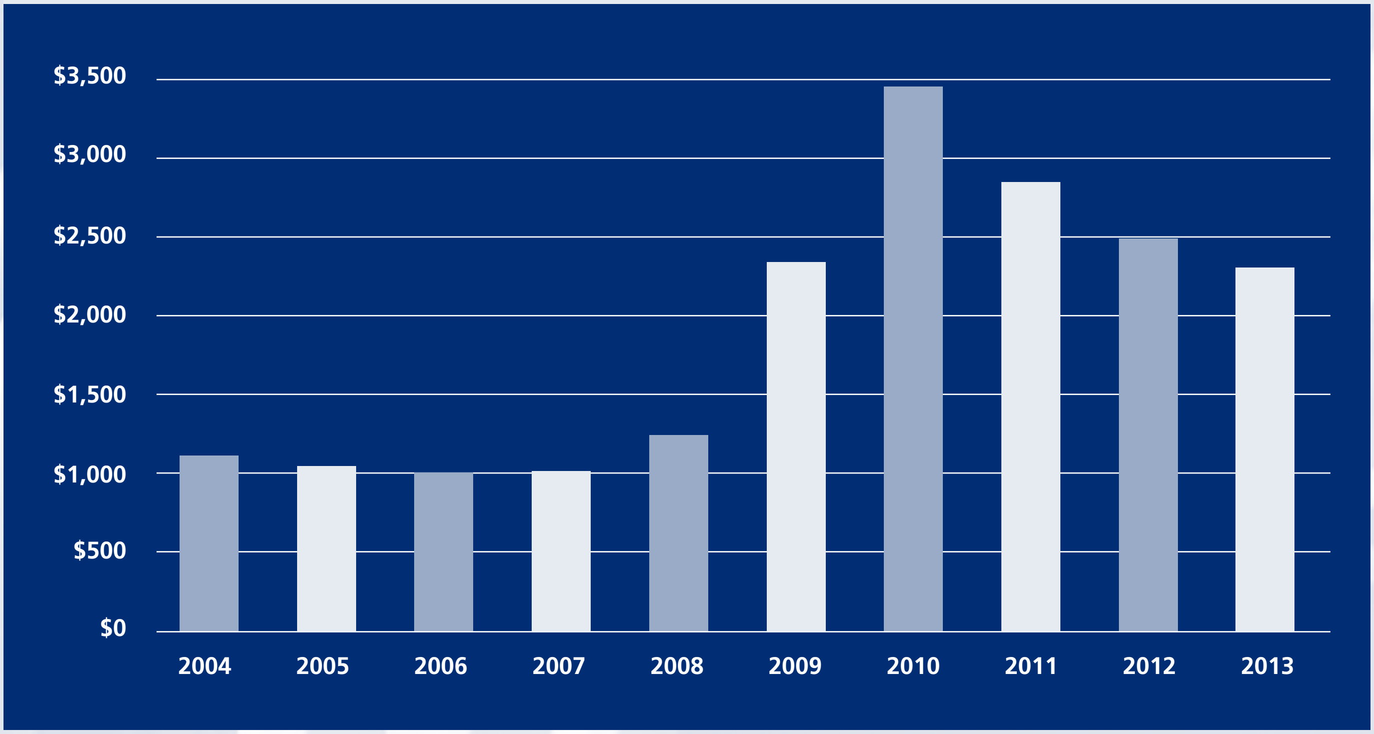
VI. Appendices

A. KEY STATISTICS

FDIC EXPENDITURES 2004–2013
Dollars in Millions



The FDIC's Strategic Plan and Annual Performance Plan provide the basis for annual planning and budgeting for needed resources. The 2013 aggregate budget (for corporate, receivership, and investment spending) was $2.7 billion, while actual expenditures for the year were $2.3 billion, about $0.2 billion less than 2012 expenditures.

Over the past decade the FDIC's expenditures have varied in response to workload. Earlier in the decade, expenditures rose, largely due to increasing resolution and receivership activity. To a lesser extent increased expenses resulted from supervision-related costs associated with the oversight of more troubled institutions. More recently, these increases have been subsiding.

FDIC ACTIONS ON FINANCIAL INSTITUTIONS APPLICATIONS 2011–2013

	2013	2012	2011
Deposit Insurance	10	6	10
Approved[1]	10	6	10
Denied	0	0	0
New Branches	499	570	442
Approved	499	570	442
Denied	0	0	0
Mergers	256	238	206
Approved	256	238	206
Denied	0	0	0
Requests for Consent to Serve[2]	474	674	876
Approved	474	671	875
Section 19	4	10	24
Section 32	470	661	851
Denied	0	3	1
Section 19	0	1	0
Section 32	0	2	1
Notices of Change in Control	22	26	21
Letters of Intent Not to Disapprove	22	26	21
Disapproved	0	0	0
Brokered Deposit Waivers	81	97	84
Approved	81	95	83
Denied	0	2	1
Savings Association Activities[3]	8	21	30
Approved	8	21	30
Denied	0	0	0
State Bank Activities/Investments[4]	10	7	9
Approved	10	7	9
Denied	0	0	0
Conversion of Mutual Institutions	7	8	6
Non-Objection	7	8	6
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 2011–2013	2013	2012	2011
Total Number of Actions Initiated by the FDIC	**414**	**557**	**557**
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	7	3	7
Sec. 8q Deposits Assumed	4	4	2
Sec. 8b Cease-and-Desist Actions			
Notices of Charges Issued	2	0	7
Orders to Pay Restitution	11	9	N/A
Consent Orders	70	120	183
Sec. 8e Removal/Prohibition of Director or Officer			
Notices of Intention to Remove/Prohibit	14	8	11
Consent Orders	99	108	100
Sec. 8g Suspension/Removal When Charged With Crime	0	0	1
Civil Money Penalties Issued			
Sec. 7a Call Report Penalties	0	1	0
Sec. 8i Civil Money Penalties	81	164	193
Sec. 8i Civil Money Penalty Notices of Assessment	13	5	5
Sec. 10c Orders of Investigation	16	16	29
Sec. 19 Waiver Orders			
Approved Section 19 Waiver Orders	86	119	10
Denied Section 19 Waiver Orders	2	0	1
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]	98	126	84
Suspicious Activity Reports (open and closed institutions)[1]	123,134	139,102	125,460
Other Actions Not Listed	9	0	8

[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 DECEMBER 31, 2013[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
2013	$250,000	$9,825,300	$6,011,310	61.2	$47,190.8	0.48	0.79
2012	250,000	9,474,582	7,406,522	78.2	32,957.8	0.35	0.44
2011	250,000	8,782,134	6,974,690	79.4	11,826.5	0.13	0.17
2010	250,000	7,887,733	6,302,329	79.9	(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	7,505,408	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

ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH DECEMBER 31, 2013[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
1978	40,000	1,145,835	760,706	66.4	8,796.0	0.77	1.16
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

ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH DECEMBER 31, 2013[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
1943	5,000	111,650	48,440	43.4	703.1	0.63	1.45
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]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 2013, figures are for DIF. Amounts for 1989-2013 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, 2013
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	$201,686.7	$137,510.7	$11,392.9	$75,568.9		$154,785.2	$120,599.0	$24,743.1	$9,443.1	$139.5	$47,041.0
2013	10,458.9	9,734.2	0.0	724.7	0.0776%	(4,045.9)	(5,659.4)	1,608.7	4.8	0	14,504.8
2012	18,522.3	12,397.2	0.2	6,125.3	0.1012	(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	0.1115	(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

INCOME AND EXPENSES, DEPOSIT INSURANCE FUND, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, THROUGH DECEMBER 31, 2013 (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)
1980	1,310.4	951.9	521.1	879.6	0.0370	83.6	(38.1)	118.2	3.5	0	1,226.8
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

INCOME AND EXPENSES, DEPOSIT INSURANCE FUND, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, THROUGH DECEMBER 31, 2013 (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)
1946	130.7	107.0	0.0	23.7	0.0833	10.0	0.1	9.9	0.0	0	120.7
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 and 2013 is based on full year accrued assessment income divided by a four-quarter average of the new assessment base. 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 on page 113 of this report shows 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.

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

[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	Number of Thrifts	Assets	Deposits	Estimated Receivership Loss[2]	Loss to Funds[3]
Total	748	$393,986,574	$317,501,978	$75,977,713	$81,580,200
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	3,286,907	3,832,145
1991	144	78,898,904	65,173,122	9,235,967	9,734,263
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	48,648,785

[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 2013
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								
Sunrise Bank Valdosta, GA	NM	2,469	$60,793	$57,775	$60,695	$16,119	05/10/13	Synovus Bank Columbus, GA
Community South Bank Parsons, TN	NM	18,041	$386,908	$377,672	$367,166	$72,494	08/23/13	CB&S Bank, Inc. Russellville, AL
Whole Bank Purchase and Assumption - All Deposits								
Westside Community Bank University Place, WA	NM	3,258	$91,935	$91,879	$94,131	$26,534	01/11/13	Sunwest Bank Irvine, CA
1st Regents Bank Andover, MN	NM	1,376	$49,626	$49,147	$48,853	$16,466	01/18/13	First Minnesota Bank Minnetoka, MN
Covenant Bank Chicago, IL	NM	3,673	$58,422	$54,202	$55,140	$21,756	02/15/13	Liberty Bank and Trust Company New Orleans, LA
Frontier Bank LaGrange, GA	NM	13,271	$258,840	$224,108	$215,689	$58,265	03/08/13	HeritageBank of the South Albany, GA
Gold Canyon Bank Gold Canyon, AZ	SM	1,370	$42,125	$41,728	$43,172	$11,080	04/05/13	First Scottsdale Bank, National Association Scottsdale, AZ
Chipola Community Bank Marianna, FL	NM	1,567	$37,471	$37,067	$37,490	$10,348	04/19/13	First Federal Bank of Florida Lake City, FL
First Federal Bank Lexington, KY	SA	5,017	$92,982	$87,196	$89,003	$10,477	04/19/13	Your Community Bank New Albany, IN
Heritage Bank of North Florida Orange Park, FL	NM	2,692	$103,960	$106,348	$105,923	$26,495	04/19/13	FirstAtlantic Bank Jacksonville, FL
Douglas County Bank Douglasville, GA	NM	15,310	$317,288	$315,326	$308,912	$91,392	04/26/13	Hamilton State Bank Hoschton, GA

FDIC- INSURED INSTITUTIONS CLOSED DURING 2013 (continued)
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
Parkway Bank Lenoir, NC	NM	6,035	$109,642	$104,709	$108,519	$18,623	04/26/13	CertusBank, National Association Easley, SC
Pisgah Community Bank Asheville, NC	NM	587	$21,880	$21,246	$22,975	$9,708	05/10/13	Capital Bank, National Association Rockville, MD
Central Arizona Bank Scottsdale, AZ	NM	1,006	$31,550	$30,822	$28,922	$8,645	05/14/13	Western State Bank Devils Lake, ND
Banks of Wisconsin d/b/a Bank of Kenosha Kenosha, WI	NM	7,008	$134,024	$127,590	$127,946	$19,763	05/31/13	North Shore Bank, FSB Brookfield, WI
1st Commerce Bank North Las Vegas, NV	NM	242	$20,152	$19,579	$21,891	$9,880	06/06/13	Plaza Bank Irvine, CA
Mountain National Bank Sevierville, TN	N	16,725	$437,282	$373,366	$376,858	$27,106	06/07/13	First Tennessee Bank, National Association Memphis, TN
First Community Bank of Southwest Florida Fort Myers, FL	NM	9,715	$247,315	$243,618	$239,309	$27,077	08/02/13	C1 Bank Saint Petersburg, FL
Bank of Wausau Wausau, WI	NM	1,465	$43,564	$40,663	$44,292	$13,500	08/09/13	Nicolet National Bank Green Bay, WI
Sunrise Bank of Arizona Phoenix, AZ	NM	5,430	$202,179	$196,924	$188,521	$17,049	08/23/13	First Fidelity Bank, National Association Oklahoma City, OK
First National Bank Edinburg, TX	N	89,508	$3,085,764	$2,338,335	$2,225,494	$637,523	09/13/13	PlainsCapital Bank Dallas, TX
Bank of Jackson County Graceville, FL	NM	2,491	$24,724	$24,591	$25,405	$5,074	10/30/13	First Federal Bank of Florida Lake City, FL

FDIC- INSURED INSTITUTIONS CLOSED DURING 2013 (continued)
Dollars in Thousands

Codes for Bank Class:

NM	=	State-chartered bank that is not a member of the Federal Reserve System	SB	=	Savings Bank	SM	=	State-chartered bank that is a member of the Federal Reserve System
N	=	National Bank	SI	=	Stock and Mutual Savings Bank	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
Texas Community Bank, National Association The Woodlands, TX	N	2,160	$159,257	$142,640	$118,657	$10,765	12/13/13	Spirit of Texas Bank, SSB College Station, TX
Insured Deposit Payoff								
The Community's Bank Bridgeport, CT	NM	1,049	$26,368	$25,715	$38,002	$7,800	9/13/13	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 12/31/13. 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.

RECOVERIES AND LOSSES BY THE DEPOSIT INSURANCE FUND ON DISBURSEMENTS FOR THE PROTECTION OF DEPOSITORS, 1934 - 2013
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
	2,584	**$931,664,951**	**$700,668,975**	**$577,938,885**	**$399,685,827**	**$59,761,118**	**$118,491,940**
2013	24	6,044,051	5,132,246	4,992,965	0	3,819,026	1,173,939
2012	51	11,617,348	11,009,630	11,074,800	1,201,587	7,069,516	2,803,697
2011	92	34,922,997	31,071,862	31,782,065	2,617,454	21,479,949	7,571,752
2010[4]	157	92,084,987	78,290,185	82,240,983	51,181,613	10,097,143	20,962,227
2009[4]	140	169,709,160	137,783,121	136,331,221	88,529,446	14,462,095	33,339,680
2008[4]	25	371,945,480	234,321,715	205,495,557	183,834,032	2,229,312	19,432,213
2007	3	2,614,928	2,424,187	1,918,810	1,369,413	380,982	168,415
2006	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0
2004	4	170,099	156,733	138,971	134,978	76	3,917
2003	3	947,317	901,978	883,772	812,933	8,192	62,647
2002	11	2,872,720	2,512,834	2,127,249	1,704,030	7,655	415,564
2001	4	1,821,760	1,661,214	1,605,612	1,128,577	184,384	292,651
2000	7	410,160	342,584	297,313	265,175	0	32,138
1999	8	1,592,189	1,320,573	1,307,442	711,758	5,674	590,010
1998	3	290,238	260,675	292,691	58,248	11,752	222,691
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	14,541,316	10,866,760	543	3,674,013
1991	124	64,556,512	52,972,034	21,499,567	15,500,130	4,819	5,994,618
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 - 2013 (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**
2013	0	0	0	0	0	0	0
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 - 2013 (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 for which the FDIC is appointed receiver, 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 2013, 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 12/31/13 for TAG accounts in 2010, 2009, and 2008 are $490 million, $1,408 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. OVERVIEW OF THE INDUSTRY

The 6,812 FDIC-insured commercial banks and savings institutions that filed financial results for full year 2013 reported net income of $154.7 billion, an increase of 9.6 percent compared to 2012. This is the fourth consecutive year that industry earnings have registered a year-over-year increase. The improvement in earnings was primarily attributable to lower expenses for loan-loss provisions, reduced noninterest expenses, and increased noninterest income. More than half of all institutions—54.2 percent—reported year-over-year increases in net income, and the percentage of institutions with negative net income for the year fell to 7.8 percent, down from 11 percent a year earlier.

The average return on assets (ROA) was 1.07 percent, up from 1.00 percent in 2012. This is the highest annual ROA for the industry since 2006. However, fewer than half of insured institutions—45.3 percent—had higher ROAs in 2013 than in 2012. Insured institutions set aside $32.1 billion in provisions for loan and lease losses during 2013, a decline of $25.7 billion (44.4 percent) compared to 2012. This is the smallest annual loss provision since 2006. The industry's total noninterest expenses fell by $4.5 billion (1.1 percent), as itemized litigation expenses declined by $4.5 billion. Noninterest income rose by $3.2 billion (1.3 percent), as trading revenue was $4.3 billion (23.7 percent) higher, servicing fee income was up by $3.9 billion (27.5 percent), and income from trust activities rose by $2.2 billion (7.7 percent). Noninterest income from changes in the fair values of financial instruments accounted for under a fair value option was $6.5 billion lower than in 2012. Realized gains on securities were $5.2 billion (53.7 percent) lower, as higher interest rates in 2013 reduced the market values of banks' securities portfolios.

A challenging interest-rate environment contributed to a decline in the industry's net interest income in 2013. Net interest income registered a third consecutive annual decline, falling by $3.7 billion (0.9 percent), as interest income declined more rapidly than interest expense. Total interest income was $16 billion (3.3 percent) lower than in 2012, even though average interest-earning asset balances were $487.3 billion (4 percent) higher, as older, higher-yield assets matured and were replaced by lower-yielding current investments. The average net interest margin fell from 3.42 percent in 2012 to 3.26 percent, the lowest annual average since 2008.

Indicators of asset quality continued to improve in 2013. In the twelve months ended December 31, total noncurrent loans and leases—those that were 90 days or more past due or in nonaccrual status—declined by $69.7 billion (25.2 percent). Loans secured by real estate properties accounted for the largest share of the reduction in noncurrent loans ($64.9 billion). Noncurrent 1-4 family residential real estate loans fell by $44.5 billion (23.2 percent), noncurrent nonfarm nonresidential real estate loans declined by $9.5 billion (31.1 percent), and noncurrent real estate construction loans fell by $8.6 billion (50.6 percent). Noncurrent balances in all other major loan categories declined, led by loans to commercial and industrial (C&I) borrowers (down $3.3 billion, or 24.8 percent).

Net charge-offs of loans and leases (NCOs) totaled $53.2 billion in 2013, a decline of $29 billion (35.3 percent) compared to 2012. Real estate loans secured by 1-4 family residential properties registered the largest year-over-year decline, with NCOs falling by $15.9 billion (51.7 percent). Net charge-offs of credit card loans were $3.2 billion (12.5 percent) lower, while net charge-offs of nonfarm nonresidential real estate loans declined by $3 billion (51.4 percent), and NCOs of real estate construction and development loans were $2.8 billion (73 percent) lower than in 2012. NCOs in all other major loan categories also posted significant declines. At the end of 2013, there were 467 institutions on the FDIC's "Problem List," down from 651 "problem" institutions a year earlier.

Asset growth remained modest in 2013. During the 12 months ended December 31, total assets of insured institutions increased by $272.1 billion (1.9 percent). Loans and leases accounted for more than half of the increase in total assets, rising by $197.3 billion (2.6 percent). C&I loans increased by $101.5 billion (6.8 percent), nonfarm nonresidential real estate loans rose by $36.1 billion (3.4 percent), and auto loans increased by $33.2 billion

(10.4 percent). In contrast, home equity lines of credit fell by $44 billion (7.9 percent), and other real estate loans secured by 1-4 family residential properties declined by $63.5 billion (3.4 percent).

Growth in deposits outpaced the increase in total assets. In the 12 months ended December 31, total deposits of insured institutions increased by $374.7 billion (3.5 percent). Deposits in domestic offices rose by $343.9 billion, (3.6 percent), while foreign office deposits increased by $30.7 billion (2.2 percent). Much of the increase in domestic deposits occurred in balances in large-denomination accounts. Deposits in accounts with denominations greater than $250,000 increased by $269.4 billion, (5.9 percent). Nondeposit liabilities declined by $128.2 billion (6.4 percent), while equity capital rose by $29.8 billion (1.8 percent).

C. 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, New York.

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.

On April 1, 2013, Mr. Curry was named Chairman of the Federal Financial Institutions Examination Council (FFIEC) for a two-year term. Comptroller Curry is the 21st FFIEC Chairman.

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

BOARD OF DIRECTORS

- Thomas M. Hoenig, FDIC, Vice Chairman, Board Member
- Jeremiah O. Norton, FDIC, Board Member
- Martin J. Gruenberg, FDIC, Chairman
- Thomas J. Curry, OCC, Board Member
- Richard Cordray, CFPB, Board Member

DEPUTY TO THE CHAIRMAN AND CHIEF OPERATING OFFICER, CHIEF OF STAFF — Barbara A. Ryan
- OFFICE OF MINORITY AND WOMEN INCLUSION — E. Melodee Brooks, Acting Director
- OFFICE OF LEGISLATIVE AFFAIRS — Eric J. Spitler, Director
- OFFICE OF THE OMBUDSMAN — Cottrell L. Webster, Ombudsman

DEPUTY TO THE CHAIRMAN — Kymberly K. Copa

CHIEF RISK OFFICER — Stephen A. Quick

SPECIAL ADVISOR FOR SUPERVISORY MATTERS — Jason C. Cave

CHIEF INFORMATION OFFICER AND CHIEF PRIVACY OFFICER — Martin D. Henning, Acting Chief Information and Privacy Officer
- DIVISION OF INFORMATION TECHOLOGY — Russell G. Pittman, Director
- INFORMATION SECURITY AND PRIVACY STAFF — Christopher J. Farrow, Chief Information Security Officer

DEPUTY TO THE CHAIRMAN AND CHIEF FINANCIAL OFFICER — Steven O. App
- DIVISION OF FINANCE — Craig R. Jarvill, Director
- DIVISION OF ADMINISTRATION — Arleas Upton Kea, Director
- CORPORATE UNIVERSITY — Suzannah L. Susser, Acting Director

DEPUTY TO THE CHAIRMAN FOR COMMUNICATIONS — Andrew S. Gray
- OFFICE OF COMMUNICATIONS

SENIOR ADVISOR INTERNATIONAL RESOLUTION POLICY — David S. Hoelscher

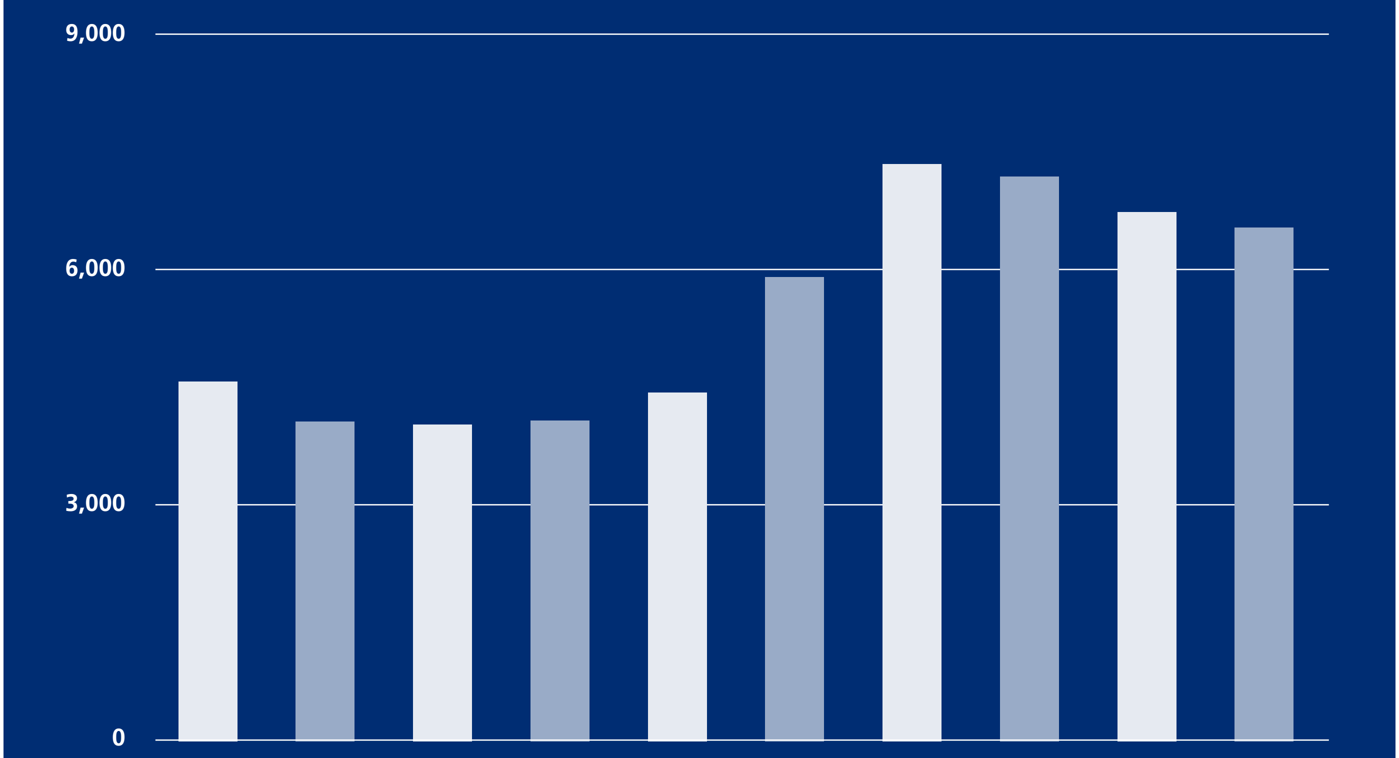
INTERNAL OMBUDSMAN — Robert D. Harris

OFFICE OF INSPECTOR GENERAL — Fred W. Gibson, Acting Inspector General

WRITER-EDITOR — Michele A. Heller

- DIVISION OF INSURANCE AND RESEARCH — Diane Ellis, Director
- LEGAL DIVISION — Richard J. Osterman, Jr., Acting General Counsel
- DIVISION OF RESOLUTION AND RECEIVERSHIPS — Bret D. Edwards, Director
- OFFICE OF COMPLEX FINANCIAL INSTITUTIONS — Arthur J. Murton, Director
- DIVISION OF DEPOSITOR AND CONSUMER PROTECTION — Mark E. Pearce, Director
- DIVISION OF RISK MANAGEMENT SUPERVISION — Doreen R. Eberley, Director

CORPORATE STAFFING
STAFFING TRENDS 2004-2013



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5,078	4,514	4,476	4,532	4,988	6,557	8,150	7,973	7,476	7,254

FDIC Year–End Staffing

Note: 2008-2013 staffing totals reflect year-end full time equivalent staff. Prior to 2008, staffing totals reflect total employees on-board.

NUMBER OF EMPLOYEES BY DIVISION/OFFICE 2013 AND 2012 (YEAR-END)[1]

	Total		Washington		Regional/Field	
Division or Office:	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Division of Risk Management Supervision[2]	2,814	2,763	207	169	2,608	2,593
Division of Depositor and Consumer Protection	858	848	126	119	732	729
Division of Resolutions and Receiverships	1,284	1,428	166	165	1,118	1,263
Legal Division	678	716	388	384	290	332
Division of Administration	396	403	247	248	149	156
Division of Information Technology[3]	340	358	264	280	76	78
Corporate University	195	194	184	176	11	18
Division of Insurance and Research[3]	187	195	143	145	44	51
Division of Finance	176	176	174	174	2	2
Office of Inspector General	117	126	75	81	42	46
Office of Complex Financial Institutions[2]	74	148	62	87	12	61
Executive Offices[4]	20	20	20	20	0	0
Executive Support Offices[3,5]	117	102	107	89	10	13
Total	**7,254**	**7,476**	**2,161**	**2,135**	**5,093**	**5,341**

[1] The FDIC reports staffing totals using a full-time equivalent 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] In March 2013, 99 positions were moved from the Office of Complex Financial Institutions to the Division of Risk Management Supervision.

[3] In September 2013, the Office of the International Agency was merged into the Division of Insurance and Research and the Office of the Information Security Privacy Staff (ISPS) was split from the Division of Information Technology.

[4] Includes the Offices of the Chairman, Vice Chairman, Director (Appointive), Chief Operating Officer, Chief Financial Officer, Chief Information Officer, and External Affairs.

[5] Includes the Offices of the Legislative Affairs, Communications, Ombudsman, Information Security and Privacy Staff, 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.

REGIONAL AND AREA OFFICES

Atlanta Regional Office
10 Tenth Street, NE
Suite 800
Atlanta, Georgia 30309
(678) 916-2200

Alabama
Florida
Georgia
North Carolina
South Carolina
Virginia
West Virginia

Chicago Regional Office
300 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
(312) 382-6000

Illinois
Indiana
Kentucky
Michigan
Ohio
Wisconsin

Dallas Regional Office
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Oklahoma
Texas

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Kansas
Minnesota
Missouri
Nebraska
North Dakota
South Dakota

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(917) 320-2500

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District of Columbia
Maryland
New Jersey
New York
Pennsylvania
Puerto Rico
Virgin Islands

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Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

San Francisco Regional Office

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San Francisco, California 94105
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Alaska
Arizona
California
Guam
Hawaii
Idaho
Montana
Nevada
Oregon
Utah
Washington
Wyoming

D. 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) identifies the management and performance challenges facing the FDIC and provides its assessment to the FDIC for inclusion in the FDIC's annual performance and accountability report. In doing so, we keep in mind the FDIC'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. The OIG believes that the FDIC faces challenges in the areas listed below, as it continues to operate in a post-crisis environment.

Carrying Out Systemic Resolution Responsibilities

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) created a comprehensive new regulatory and resolution framework designed to avoid the severe consequences of financial instability. Title I of the Dodd-Frank Act provides tools for regulators to impose enhanced supervision and prudential standards on systemically important financial institutions (SIFIs). Title II provides the FDIC with a new orderly liquidation authority for SIFIs, subject to a systemic risk determination by statutorily-designated regulators.

The FDIC has made significant progress over the past three years toward implementing its systemic resolution authorities under the Dodd-Frank Act. Among other things, the FDIC has issued a joint regulation and met established time frames for completing reviews of resolution plans submitted by covered financial companies, entered into agreements with certain foreign regulatory authorities to promote cross-border cooperation, and developed a single-point-of-entry resolution strategy as a preferred approach for the orderly liquidation of covered financial companies under certain circumstances.

While these accomplishments are notable, challenges remain in establishing a robust corporate-wide capability for this critical responsibility. In the coming months, the FDIC will be working to enhance its strategic planning efforts, strengthen coordination among the various FDIC divisions involved in the resolution activities, and build out the Office of Complex Financial Institutions' infrastructure to support systemic resolution activities.

Strengthening IT Security and Governance

Key to achieving the FDIC's mission of maintaining stability and public confidence in the nation's financial system is safeguarding the sensitive information, including personally identifiable information that the FDIC collects and manages in its role as federal deposit insurer and regulator of state non-member financial institutions. Further, as an employer, an acquirer of services, and a receiver for failed institutions, the FDIC obtains considerable amounts of sensitive information from its employees, contractors, and failed institutions. Increasingly sophisticated security risks and global connectivity have resulted in both internal and external risks to that sensitive information. Internal risks include errors and fraudulent or malevolent acts by employees or contractors working within the organization. External threats include a growing number of cyber-based attacks that can come from a variety of sources, such as hackers, criminals, foreign nations, terrorists, and other adversarial groups. Such threats underscore the importance of a strong, enterprise-wide information security program.

During 2013, the FDIC Chairman announced significant changes to the FDIC's information security governance structure. These changes were intended to address current and emerging risks in the IT and information security environments. Among these changes, in April, the FDIC established the IT/Cyber Security Oversight Group to provide a senior-level forum for assessing cybersecurity threats and developments impacting the FDIC and the banking industry. In July 2013, the Chairman separated the roles and responsibilities of the Chief Information Officer (CIO) and Director, Division of Information Technology. Both positions had previously been held by the same individual. The position of CIO now reports directly to the FDIC Chairman. The CIO has broad strategic responsibility of IT governance, investments, program management, and information security. The CIO also serves as the FDIC's Chief Privacy Officer. Finally, the Chief Information Security Officer (CISO) and related staff, who had formerly reported to the Director of the Division of Information Technology, now report to the CIO. The purpose of this realignment was to ensure that the CISO has the ability to provide an independent perspective on security matters to the CIO and that the CIO has the authority and primary responsibility to implement an agency-wide information security program.

During 2014, a challenging priority for the FDIC will be to continue to adapt to these organizational changes as the new roles and responsibilities become ingrained in a changing environment and to ensure effective communication and collaboration among all parties involved in ensuring a robust and secure IT operating environment.

Maintaining Effective Supervision and Preserving Community Banking

The FDIC's supervision program promotes the safety and soundness of FDIC-supervised IDIs. The FDIC is the primary federal regulator for 4,316 FDIC-insured, state-chartered institutions that are not members of the Federal Reserve Board. As such, the FDIC is the lead federal regulator for the majority of community banks. As the FDIC continues to operate in a post-crisis environment, it must continue to apply lessons learned over the past years of turmoil. One key lesson is the need for earlier regulatory response when risks are building. For example, banks may be tempted to take additional risks or to loosen underwriting standards. Some banks are also introducing new products or lines of business or seeking new sources for non-interest income, all of which can lead to interest rate risk, credit risk, operational risk, and reputational risk. Additionally, with technological changes, increased use of technology service providers, new delivery channels, and cyber-threats, the FDIC's IT examination program needs to be proactive and bankers need to ensure a strong control environment and sound governance practices in their institutions. If 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.

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 FDIC undertook a comprehensive review of the U.S. community banking sector covering 27 years of data. Additionally, the FDIC has reviewed its examination, rulemaking, and guidance processes with a goal of identifying ways to make the supervisory process more efficient, consistent, and transparent—while maintaining safe and sound banking practices. Supplementing these activities were roundtable discussions with community bankers from around the country, and ongoing discussions with the FDIC's Advisory Committee on Community Banking. In response to concerns raised, the FDIC implemented a number of enhancements to its supervisory and rulemaking processes. For example, it restructured the pre-exam process. It is taking steps to improve communication with banks under its supervision by using Web-based tools. Finally, it has instituted a number of outreach and technical assistance initiatives for community bankers, which it expects to continue.

A strong examination program, vigilant supervisory activities, effective enforcement actions and lessons learned in light of the recent crisis will be critical to the future of community banks. These actions will also ensure stability and continued confidence in the financial system going forward.

Carrying Out Ongoing Resolution and Receivership Workload

In the recent financial crisis, the FDIC made extensive use of loss-share agreements (LSA) to facilitate the prompt transfer of failed bank assets to private management. In a loss share transaction, the FDIC as receiver agrees to share losses on certain assets with the acquirer. Under a typical LSA structure, the FDIC would assume 80 percent of future losses on troubled assets, with the acquiring institution assuming the remaining 20 percent. This partial indemnification against loss would induce risk-averse acquirers to take on these troubled assets under private management, and thus keep them out of a government-controlled receivership. It also provided an incentive for the acquirer to maximize net recoveries on those assets,

– consistent with the fiduciary responsibility of the FDIC. Almost 65 percent of the bank failures since the beginning of 2008 through 2012 were resolved through whole-bank purchase and assumption transactions with LSAs.

As another resolution strategy, the FDIC employed structured transactions to minimize the FDIC's holding and asset management expenses for the assets by transferring the management responsibility to private-sector asset management experts. As receiver, the FDIC had completed 34 structured transactions through August 2013 involving 42,900 assets with a total unpaid principal balance of $26 billion. To ensure the FDIC receives the highest return on the assets and the managing members treat failed bank borrowers fairly, the FDIC must continue to monitor the managing member's compliance with the transaction agreements by reviewing regular reports, measuring actual performance against performance projections in the consolidated business plans, conducting regular site visitations, and thoroughly investigating borrower or guarantor complaints with regard to the servicing and dispositions of their loans by the managing members.

As the crisis continues to diminish, some of these agreements will be winding down. We have recommended that the FDIC develop a strategy for mitigating the impact of impending portfolio sales and LSA terminations on the Deposit Insurance Fund (DIF) and that it ensure that procedures, processes, and resources are sufficient to address the volume of terminations and potential requests for asset sales. Given the dollar value and risks associated with the structured transactions, the FDIC needs to ensure continuous monitoring and effective oversight in the interest of receiving a high return on assets.

Ensuring the Continued Strength of the 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. 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. Continuing to replenish the DIF in a post-crisis environment is a critical activity for the FDIC. The DIF balance had dropped below negative $20 billion during the worst time of the crisis. At year-end 2013, the balance was $47.2 billion, reflecting 16 consecutive quarters of positive growth. Assessment revenue and a decline in loss provisions for anticipated bank failures have been the impetus for the increase in the fund balance.

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.

Promoting Consumer Protections and Economic Inclusion

The FDIC carries out its consumer protection role by providing consumers with access to information about their rights and disclosures that are required by federal laws and regulations. Importantly, it also examines 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. The FDIC also coordinates with the Consumer Financial Protection Board (CFPB), created under the Dodd-Frank Act, on consumer issues of mutual interest.

The FDIC continues to work 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. Efforts in this regard include the FDIC's biennial survey conducted jointly with the Census Bureau to assess the overall population's access to insured institutions. Additionally, the FDIC's Advisory Committee on Economic Inclusion, composed of bankers, community and consumer organizations, and academics, explores strategies to bring the unbanked into the financial mainstream. The FDIC's Alliance for Economic Inclusion initiative seeks to collaborate with financial institutions; community organizations; local, state, and federal agencies; and other partners to form broad-based coalitions to bring unbanked and underbanked consumers and small businesses into the financial mainstream.

Successful activities in pursuit of this priority will continue to require effort on the part of the FDIC going forward. The FDIC will need to sustain ongoing efforts to carry out required compliance and community reinvestment examinations, coordinate with CFPB on regulatory matters involving financial products and services, and pursue economic inclusion initiatives to the benefit of the American public.

Implementing Workforce Changes and Budget Reductions

As the number of financial institution failures continues to decline, the FDIC is reshaping its workforce and adjusting its budget and human resources as it seeks a balanced approach to managing costs while achieving mission responsibilities. The FDIC closed two temporary offices charged with managing receivership activities and asset sales: the West Coast Office and the Midwest Office in January 2012, and September 2012, respectively. It plans to close the East Coast Office in April 2014.

The Board of Directors approved a $2.4 billion Corporate Operating Budget for 2014, 11 percent lower than the 2013 budget. In conjunction with its approval of the 2014 budget, the Board also approved an authorized 2014 staffing level of 7,199 positions, down from 8,053 currently authorized, a net reduction of 854 positions. This is the third consecutive reduction in the FDIC's annual operating budget, and the 2014 budget is the lowest annual budget since 2008.

As conditions improve throughout the industry and the economy, the FDIC and staff are adjusting to a new work environment and workplace. For all employees, in light of a post-crisis, transitioning workplace, the FDIC will seek to sustain its emphasis on fostering employee engagement and morale. Its diversity and inclusion initiatives, along with its new Workplace Excellence Program are positive steps in that direction and should continue to yield positive results.

Ensuring Effective Enterprise Risk Management

A key component of corporate governance at the FDIC is the Board of Directors. The Board will likely face challenges in leading the organization, accomplishing the Chairman's priority initiatives, 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 framework and related activities need to be attuned to emerging risks, both internal and external to the FDIC that can threaten corporate success. Individuals at every working level throughout the FDIC need to understand current and emerging risks and be ready to take necessary steps to mitigate those risks as changes occur and challenging scenarios present themselves.