

III.

Financial Highlights



In its role as deposit insurer of financial institutions, the FDIC promotes the safety and soundness of IDIs. The following financial highlights address the performance of the Deposit Insurance Fund.

DEPOSIT INSURANCE FUND PERFORMANCE

The DIF balance ended the year at \$72.6 billion, an increase of \$9.8 billion from \$62.8 billion at year-end 2014. The DIF's comprehensive income totaled \$9.8 billion for 2015 compared to comprehensive income of \$15.6 billion during 2014. This \$5.8 billion year-over-year decrease was primarily due to a \$6.0 billion lower negative provision for insurance losses, partially offset by a \$191 million increase in assessment revenue and a \$141 million increase in interest revenue.

The provision for insurance losses was negative \$2.3 billion for 2015, compared to negative \$8.3 billion for 2014. The negative provision for 2015 primarily resulted from a decrease of \$2.2 billion in the estimated losses for institutions that failed in current and prior years, which was primarily attributable to (1) unanticipated recoveries of \$1.0 billion in litigation settlements, professional liability claims, and tax refunds by the receiverships; (2) a \$1.4 billion decrease in the receiverships' shared-loss liability; (3) an adjustment of \$501 million for lower-than-anticipated loss estimates at time of failure for all current year failures; and (4) a \$715 million increase in receivership legal and representation and

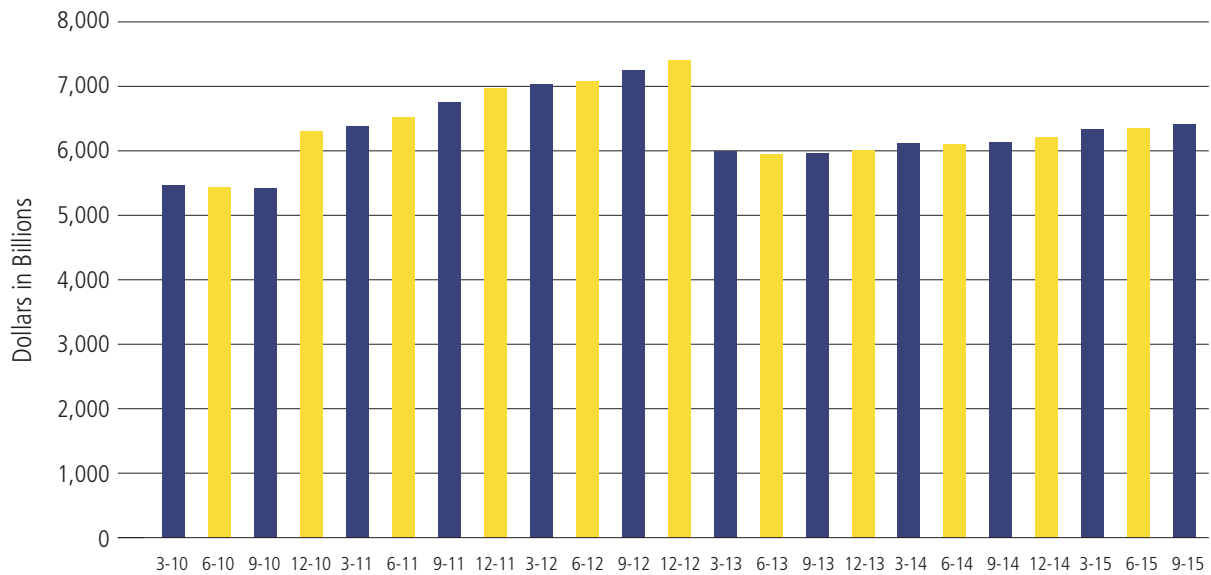
warranty liabilities and projected future receivership expenses. For the receiverships' shared-loss liability, in 2015, covered asset balances decreased by \$23.1 billion as a result of loan amortizations and pay-downs, as well as the expiration of 113 commercial shared-loss agreements and the early termination of 66 shared-loss agreements. Actual losses on this portion of covered assets were less than estimated at year-end 2014. The composition of the remaining covered asset portfolio primarily consists of performing single family assets, which have historically experienced significantly lower losses than commercial assets.

Assessment revenue was \$8.8 billion for 2015, as compared to \$8.7 billion for 2014. The combination of declining assessment rates and increasing assessment base resulted in the modest increase in assessment revenue of \$191 million.

The DIF's interest revenue on U.S. Treasury investments for 2015 was \$423 million compared to interest revenue of \$282 million in 2014. This \$141 million year-over-year increase reflects not only a larger investment portfolio balance, but also new, higher-yielding investments. The DIF's cash and U.S. Treasury investment portfolio balance was \$63.4 billion at year-end 2015, an increase of \$11.7 billion from the year-end 2014 balance of \$51.7 billion that was primarily due to assessment collections of \$8.7 billion and recoveries from resolutions of \$6.3 billion, less resolution disbursements of \$2.3 billion and operating expenses paid of \$1.6 billion.



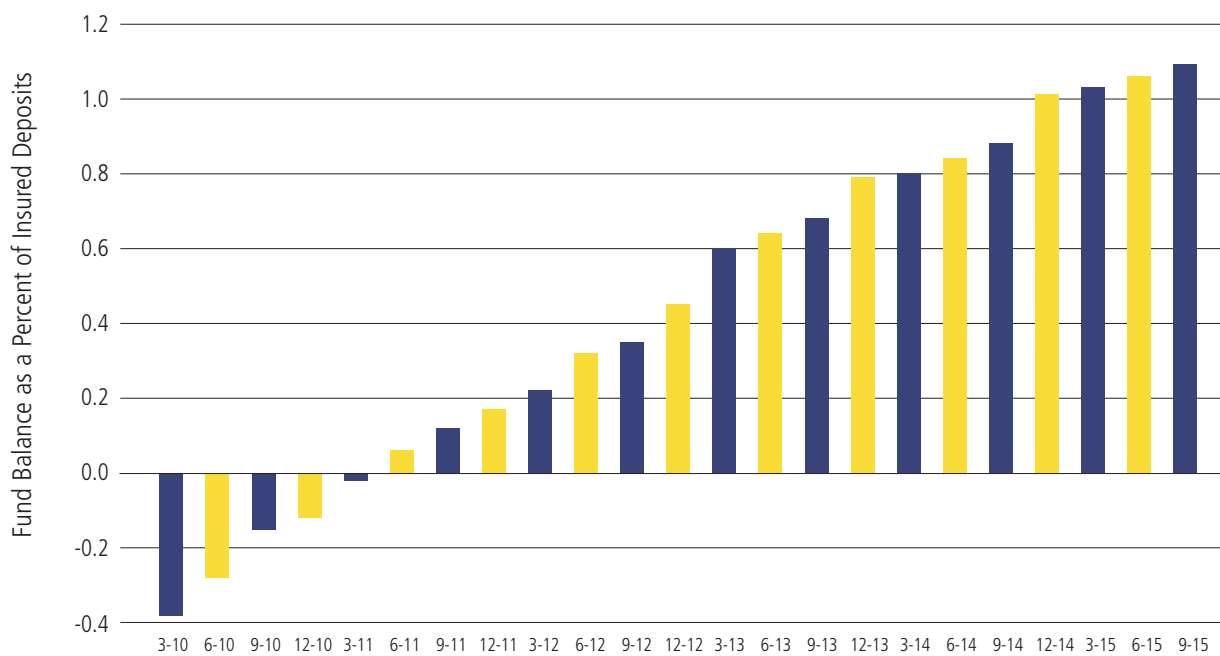
ESTIMATED DIF INSURED DEPOSITS



SOURCE: Commercial Bank Call and Thrift Financial Reports

Note: Beginning in fourth quarter 2010 through fourth quarter 2012, estimated insured deposits include the entire balance of noninterest-bearing transaction accounts.

DEPOSIT INSURANCE FUND RESERVE RATIOS



DEPOSIT INSURANCE FUND SELECTED STATISTICS
Dollars in Millions

	For the years ended December 31		
	2015	2014	2013
Financial Results			
Revenue	\$9,304	\$8,965	\$10,459
Operating Expenses	1,687	1,664	1,609
Insurance and Other Expenses (includes provision for losses)	(2,240)	(8,299)	(5,655)
Net Income	9,857	15,600	14,505
Comprehensive Income	9,820	15,589	14,233
Insurance Fund Balance	\$72,600	\$62,780	\$47,191
Fund as a Percentage of Insured Deposits (reserve ratio)	1.09% ³	1.01%	0.79%
Selected Statistics			
Total DIF-Member Institutions ¹	6,270 ³	6,509	6,812
Problem Institutions	203 ³	291	467
Total Assets of Problem Institutions	\$51,068 ³	\$86,712	\$152,687
Institution Failures	8	18	24
Total Assets of Failed Institutions in Year ²	\$6,706	\$2,914	\$6,044
Number of Active Failed Institution Receiverships	446	481	479

¹ Commercial banks and savings institutions. Does not include U.S. insured branches of foreign banks.

² Total Assets data are based upon the last Call Report filed by the institution prior to failure.

³ As of September 30, 2015.