



# Letter to Stakeholders

2nd quarter  
2003

## FDIC

It's been exactly a year since we began our quarterly Letter to Stakeholders and the project has been a great success – now reaching over 10,000 recipients each quarter. I am pleased to report that we continue to make progress in each of the three key priority areas highlighted below – Stability, Sound Policy and Stewardship. By year end I hope to report that Deposit Insurance Reform is a reality. I encourage you to visit our website [www.fdic.gov](http://www.fdic.gov) for additional information about the FDIC and our progress in these and other areas.

**Don Powell**  
Chairman

## Our Priorities

### Stability

- Board voted to maintain the existing BIF and SAIF assessment rate schedules for the second semi-annual period of 2003.
- Hosted a Corporate Sector Roundtable in New York to consult with Wall Street experts on the progress made to restructure firms in hard-hit industries and to assess the prospects for recovery in corporate hiring and business investment in the second half of 2003.
- Chairman Powell addressed the Federal Reserve Bank of Atlanta on the need to carefully examine reliance on third party accounting firms, rating agencies and lawyers as lines of defense for the deposit insurance funds.

### Sound Policy

- Chairman Powell addressed the Conference of State Bank Supervisors on the issue of Industrial Loan Companies stating that ILCs do not present unique safety and soundness concerns to the insurance fund.
- Joined with other regulators for an inter-agency EGRPRA effort to eliminate outdated or unnecessary regulations that impose heavy burdens on banking.
- Chairman Powell addressed the Nebraska Bankers Association on the issues and need for the passage of comprehensive Deposit Insurance Reform legislation this year.
- Coordinated with the Federal Reserve and Comptroller of the Currency to issue for comment the third consultative paper on the new Basel Capital Accord.

### Stewardship

- Awarded a 10-year, \$39 million contract on behalf of the FFIEC to design, build and manage a Central Data Repository for Call Reports, employing flexible technologies and the XBRL data standard.
- Appointed former RTC Executive Director David C. Cooke as the FDIC's first Chief Learning Officer (CLO) and head of the FDIC Corporate University.
- Partnered with National Image, Inc. on *Money Smart* for better outreach and networking in the Hispanic community in the area of financial education.

## Our Key Indices Most Current Data ▼

Insurance						
Updated quarterly (\$ billions)	BIF		SAIF		Both Funds	
	Q1 2002	Q1 2003	Q1 2002	Q1 2003	Q1 2002	Q1 2003
# Insured Inst.	8,265	8,114	1,273	1,216	9,538	9,330
\$ Insured Inst.	\$ 6,773	\$ 7,476	\$ 1,059	\$ 1,141	\$ 7,832	\$ 8,617
Insured Deposits	\$ 2,495	\$ 2,531	\$ 811	\$ 868	\$ 3,306	\$ 3,399
Fund Balances	\$ 30.7	\$ 32.4	\$ 11.0	\$ 11.9	\$ 41.7	\$ 44.3
Reserve Ratios	% 1.23	% 1.28	% 1.36	% 1.37	% 1.26	% 1.30

Supervision		
YTD	6/30/2002	6/30/2003
Total Number of FDIC Supervised Institutions	5,430	5,338
Bank Examinations:		
Safety and Soundness	1,373	1,202
Compliance and CRA	927	944
Insurance and Other Applications Approved	1,337	1,354
Formal and Informal Enforcement Actions	183	202

Receiverships						
YTD (\$ millions)	BIF		SAIF		Both Funds	
	Q2 2002	Q2 2003	Q2 2002	Q2 2003	Q2 2002	Q2 2003
Total Receiverships	41	34	4	3	45	37
Assets in Liquidation	\$ 1,357	\$ 657	\$ 598	\$ 402	\$ 1,955	\$ 1,059
Collections	\$ 998	\$ 1,382	\$ 41	\$ 7	\$ 1,039	\$ 1,389
Dividends Paid	\$ 89	\$ 701	\$ 762	\$ 0	\$ 851	\$ 701

Income						
YTD (\$ millions)	BIF		SAIF		Both Funds	
	Q1 2003	Q2 2003	Q1 2003	Q2 2003	Q1 2003	Q2 2003
Assessment Income	\$ 19	\$ 38	\$ 4	\$ 8	\$ 23	\$ 46
Interest	\$ 376	\$ 801	\$ 130	\$ 276	\$ 506	\$ 1,077
Comprehensive Income	\$ 332	\$ 750	\$ 159	\$ 336	\$ 491	\$ 1,086

Resources						
(\$ millions)	Budget/Expenditures				On Board Staff	
	Total	Ongoing Operations	Recvrship Funding	Major Investment Funding	Q2 2003	Target Y/E 2003
Annual Budget	\$ 1,112	\$ 985	\$ 75	\$ 52	5,368	5,568
YTD Expended	\$ 484	\$ 454	\$ 26	\$ 4		

▼ Financial data is unaudited  
● Data as of June 14, 2003