# VII.
# APPENDICES

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## A. KEY STATISTICS

| FDIC ACTIONS ON FINANCIAL INSTITUTIONS APPLICATIONS 2014–2016 | 2016 | 2015 | 2014 |
|---|---|---|---|
| **Deposit Insurance** | **7** | **5** | **2** |
| Approved[1] | 7 | 5 | 2 |
| Denied | 0 | 0 | 0 |
| **New Branches** | **507** | **548** | **520** |
| Approved | 507 | 548 | 520 |
| Denied | 0 | 0 | 0 |
| **Mergers** | **245** | **270** | **251** |
| Approved | 245 | 270 | 251 |
| Denied | 0 | 0 | 0 |
| **Requests for Consent to Serve[2]** | **167** | **240** | **327** |
| Approved | 164 | 239 | 327 |
| Section 19 | 9 | 7 | 7 |
| Section 32 | 155 | 232 | 320 |
| Denied | 3 | 1 | 0 |
| Section 19 | 0 | 0 | 0 |
| Section 32 | 3 | 1 | 0 |
| **Notices of Change in Control** | **14** | **20** | **15** |
| Letters of Intent Not to Disapprove | 14 | 20 | 15 |
| Disapproved | 0 | 0 | 0 |
| **Brokered Deposit Waivers** | **14** | **20** | **46** |
| Approved | 13 | 20 | 46 |
| Denied | 1 | 0 | 0 |
| **Savings Association Activities** | **0** | **1** | **4** |
| Approved | 0 | 1 | 4 |
| Denied | 0 | 0 | 0 |
| **State Bank Activities/Investments[3]** | **5** | **10** | **14** |
| Approved | 5 | 10 | 14 |
| Denied | 0 | 0 | 0 |
| **Conversion of Mutual Institutions** | **5** | **4** | **4** |
| Non-Objection | 5 | 4 | 4 |
| 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] Section 24 of the FDI Act, in general, prohibits 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.

| COMBINED RISK AND CONSUMER ENFORCEMENT ACTIONS 2014–2016 | 2016 | 2015 | 2014 |
|---|---|---|---|
| **Total Number of Actions Initiated by the FDIC** | **259** | **268** | **320** |
| **Termination of Insurance** | **0** | **11** | **3** |
| **Involuntary Termination** | 0 | **0** | **0** |
| Sec. 8a For Violations, Unsafe/Unsound Practices or Conditions | 0 | 0 | 0 |
| **Voluntary Termination** | **5** | **11** | **3** |
| Sec. 8a By Order Upon Request | 0 | 0 | 0 |
| Sec. 8p No Deposits | 5 | 6 | 3 |
| Sec. 8q Deposits Assumed | 0 | 5 | 0 |
| **Sec. 8b Cease-and-Desist Actions** | **30** | **48** | **57** |
| Notices of Charges Issued | 2 | 3 | 1 |
| Orders to Pay Restitution | 0 | 9 | 7 |
| Consent Orders | 26 | 36 | 48 |
| Personal Cease and Desist Orders | 2 | 0 | 1 |
| **Sec. 8e Removal/Prohibition of Director or Officer** | **97** | **88** | **101** |
| Notices of Intention to Remove/Prohibit | 8 | 4 | 4 |
| Consent Orders | 89 | 84 | 97 |
| **Sec. 8g Suspension/Removal When Charged With Crime** | **0** | **0** | **2** |
| **Civil Money Penalties Issued** | **37** | **45** | **66** |
| Sec. 7a Call Report Penalties | 0 | 0 | 0 |
| Sec. 8i Civil Money Penalties | 34 | 36 | 62 |
| Sec. 8i Civil Money Penalty Notices of Assessment | 3 | 9 | 4 |
| **Sec. 10c Orders of Investigation** | **10** | **19** | **16** |
| **Sec. 19 Waiver Orders** | **72** | **51** | **69** |
| Approved Section 19 Waiver Orders | 72 | 51 | 68 |
| Denied Section 19 Waiver Orders | 0 | 0 | 1 |
| **Sec. 32 Notices Disapproving Officer/Director's Request for Review** | 1 | **0** | **0** |
| **Truth-in-Lending Act Reimbursement Actions** | **83** | **64** | **69** |
| Denials of Requests for Relief | 0 | 0 | 0 |
| Grants of Relief | 0 | 0 | 0 |
| Banks Making Reimbursement* | 83 | 64 | 69 |
| **Suspicious Activity Reports (Open and closed institutions)*** | **222,836** | **189,505** | **164,777** |
| **Other Actions Not Listed** | **7** | **6** | **6** |

* 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, 2016[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 Domestic Deposits | Deposit Insurance Fund | Total Domestic Deposits | Est. Insured Deposits |
| 2016 | $250,000 | $11,505,053 | $6,822,885 | 59.3 | 80,704.0 | 0.70 | 1.18 |
| 2015 | 250,000 | 10,950,090 | 6,528,125 | 59.6 | 72,600.2 | 0.66 | 1.11 |
| 2014 | 250,000 | 10,408,187 | 6,201,915 | 59.6 | 62,780.2 | 0.60 | 1.01 |
| 2013 | 250,000 | 9,825,479 | 5,999,191 | 61.1 | 47,190.8 | 0.48 | 0.79 |
| 2012 | 250,000 | 9,474,720 | 7,402,053 | 78.1 | 32,957.8 | 0.35 | 0.45 |
| 2011 | 250,000 | 8,782,292 | 6,973,483 | 79.4 | 11,826.5 | 0.13 | 0.17 |
| 2010 | 250,000 | 7,887,858 | 6,301,542 | 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 | 6,229,753 | 3,890,930 | 62.5 | 48,596.6 | 0.78 | 1.25 |
| 2004 | 100,000 | 5,724,621 | 3,622,059 | 63.3 | 47,506.8 | 0.83 | 1.31 |
| 2003 | 100,000 | 5,223,922 | 3,452,497 | 66.1 | 46,022.3 | 0.88 | 1.33 |
| 2002 | 100,000 | 4,916,078 | 3,383,598 | 68.8 | 43,797.0 | 0.89 | 1.29 |
| 2001 | 100,000 | 4,564,064 | 3,215,581 | 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 |

## ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH SEPTEMBER 30, 2016[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 Domestic Deposits | Deposit Insurance Fund | Total Domestic Deposits | Est. Insured Deposits |
| 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 |
| 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 |

## ESTIMATED INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, DECEMBER 31, 1934, THROUGH SEPTEMBER 30, 2016[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 Domestic Deposits | Deposit Insurance Fund | Total Domestic Deposits | Est. Insured Deposits |
| 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 |
| 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 2016, figures are as of September 30; all other 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 the sum of the BIF and Savings Association Insurance Fund (SAIF) amounts; for 2006 to 2016, figures are for DIF. Amounts for 1989-2016 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, 2016

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** | **$230,629.4** | **$165,000.2** | **$11,392.9** | **$77,022.1** | | **$147,747.9** | **$108,474.3** | **$29,809.6** | **$9,464.0** | **$139.5** | **$83,021.0** |
| 2016 | 10,674.1 | 9,986.6 | 0.0 | 687.5 | 0.0699% | 150.6 | (1,567.9) | 1,715.0 | 3.5 | 0 | 10,523.5 |
| 2015 | 9,303.5 | 8,846.8 | 0.0 | 456.7 | 0.0647% | (553.2) | (2,251.3) | 1,687.2 | 10.9 | 0 | 9,856.7 |
| 2014 | 8,965.1 | 8,656.1 | 0.0 | 309.0 | 0.0663% | (6,634.7) | (8,305.5) | 1,664.3 | 6.5 | 0 | 15,599.8 |
| 2013 | 10,458.9 | 9,734.2 | 0.0 | 724.7 | 0.0775% | (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 |
| 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, 2016 (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 |
| 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 |

## INCOME AND EXPENSES, DEPOSIT INSURANCE FUND, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, THROUGH DECEMBER 31, 2016 (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 Resolu-tion Fund | Net Income/ (Loss) |
| 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. 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. 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 annualized assessment rate for 2016 is based on full year assessment income divided by a four quarter average of 2016 quarterly assessment base amounts. The assessment base for fourth quarter 2016 was estimated using the third quarter 2016 assessment base and an assumed quarterly growth rate of one percent. Beginning July 1, 2016 initial assessment rates were lowered from a range of 5 basis points to 35 basis points to a range of 3 basis points to 30 basis points, and an additional surcharge was imposed on large banks (generally institutions with $10 billion or more in assets) of 4.5 basis points of their assessment base (after making adjustments).

[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 89 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 (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.

## FDIC INSURED INSTITUTIONS CLOSED DURING 2016

Dollars in Thousands

**Codes for Bank Class**

| | | |
|---|---|---|
| NM = State-chartered bank that is not a member of the Federal Reserve System<br>N = National Bank | SB = Savings Bank<br>SI = Stock and Mutual Savings Bank | SM= State-chartered bank that is a member of the Federal Reserve System<br>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** | | | | | | | | |
| Trust Company Bank<br>Memphis, TN | NM | 614 | $18,998 | $20,148 | $21,119 | $10,931 | 04/29/16 | The Bank of Fayette County<br>Piperton, TN |
| **Whole Bank Purchase and Assumption - All Deposits** | | | | | | | | |
| North Milwaukee State Bank<br>Milwaukee, WI | NM | 2,548 | $67,115 | $61,493 | $59,864 | 11,846 | 03/11/16 | First-Citizens Bank & Trust Company<br>Raleigh, NC |
| First CornerStone Bank<br>King of Prussia, PA | NM | 2,372 | $103,307 | $101,040 | $97,455 | 12,482 | 05/06/16 | First-Citizens Bank & Trust Company<br>Raleigh, NC |
| The Woodbury Banking Company<br>Woodbury, GA | NM | 1,358 | $21,426 | $21,122 | $20,475 | $5,225 | 08/19/16 | United Bank<br>Zebulon, GA |
| Allied Bank<br>Mulberry, AR | SM | 4,081 | $66,336 | $64,713 | $61,271 | $6,880 | 09/23/16 | Today's Bank<br>Huntsville, AR |

[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 December 31, 2016. 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 - 2016

Dollars in Thousands

**Bank and Thrift Failures[1]**

| Year[2] | Number of Banks/ Thrifts | Total Assets[3] | Total Deposits[3] | Funding[4] | Recoveries[5] | Estimated Additional Recoveries | Final and Estimated Losses[6] |
|---|---|---|---|---|---|---|---|
| | **2,615** | **$941,561,675** | **$708,551,440** | **$582,315,734** | **$412,100,104** | **$63,283,794** | **$106,931,836** |
| 2016 | 5 | $277,182 | $268,516 | 260,184 | 0 | 212,820 | 47,364 |
| 2015 | 8 | 6,706,038 | 4,870,464 | 4,559,009 | 730,994 | 2,921,111 | 906,904 |
| 2014 | 18 | 2,913,503 | 2,691,485 | 2,679,230 | 387,559 | 1,899,750 | 391,921 |
| 2013 | 24 | 6,044,051 | 5,132,246 | 5,019,216 | 217,015 | 3,549,064 | 1,253,137 |
| 2012 | 51 | 11,617,348 | 11,009,630 | 11,035,242 | 1,647,257 | 6,913,768 | 2,474,217 |
| 2011 | 92 | 34,922,997 | 31,071,862 | 30,705,964 | 2,847,739 | 21,329,461 | 6,528,764 |
| 2010[7] | 157 | 92,084,988 | 78,290,185 | 82,295,469 | 55,153,961 | 10,678,036 | 16,463,472 |
| 2009[7] | 140 | 169,709,160 | 137,835,121 | 136,056,847 | 94,312,538 | 14,205,363 | 27,538,946 |
| 2008[7] | 25 | 371,945,480 | 234,321,715 | 205,822,476 | 184,374,984 | 3,146,441 | 18,301,051 |
| 2007 | 3 | 2,614,928 | 2,424,187 | 1,920,576 | 1,461,932 | 297,359 | 161,285 |
| 2006 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2004 | 4 | 170,099 | 156,733 | 139,182 | 134,978 | 287 | 3,917 |
| 2003 | 3 | 947,317 | 901,978 | 883,772 | 812,933 | 8,192 | 62,647 |
| 2002 | 11 | 2,872,720 | 2,512,834 | 1,567,805 | 1,711,173 | (493,685) | 350,317 |
| 2001 | 4 | 1,821,760 | 1,661,214 | 21,131 | 1,138,677 | (1,410,011) | 292,465 |
| 2000 | 7 | 410,160 | 342,584 | 297,313 | 265,175 | 0 | 32,138 |
| 1999 | 8 | 1,592,189 | 1,320,573 | 1,308,225 | 711,758 | 9,324 | 587,143 |
| 1998 | 3 | 290,238 | 260,675 | 292,921 | 58,248 | 11,819 | 222,854 |
| 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 | 14,541,476 | 10,866,760 | 567 | 3,674,149 |
| 1991 | 124 | 64,556,512 | 52,972,034 | 21,501,145 | 15,496,730 | 4,128 | 6,000,287 |
| 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 - 2016

Dollars in Thousands

### Assistance Transactions[1]

| Year[2] | Number of Banks/ Thrifts | Total Assets[3] | Total Deposits[3] | Funding[4] | Recoveries[5] | Estimated Additional Recoveries | Final and Estimated Losses[6] |
|---|---|---|---|---|---|---|---|
| | **154** | **$3,317,099,253** | **$1,442,173,417** | **$11,630,356** | **$6,199,875** | **0** | **$5,430,481** |
| 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2015 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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[8] | 8 | 1,917,482,183 | 1,090,318,282 | 0 | 0 | 0 | 0 |
| 2008[8] | 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 |

## RECOVERIES AND LOSSES BY THE DEPOSIT INSURANCE FUND ON DISBURSEMENTS FOR THE PROTECTION OF DEPOSITORS, 1934 - 2016 (continued)

Dollars in Thousands

### Assistance Transactions[1]

| Year[2] | Number of Banks/ Thrifts | Total Assets[3] | Total Deposits[3] | Funding[4] | Recoveries[5] | Estimated Additional Recoveries | Final and Estimated Losses[6] |
|---|---|---|---|---|---|---|---|
| 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 |
| 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 2016, figures are for the DIF.

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

[4] Funding represents the amounts provided by the DIF to receiverships for subrogated claims, advances for working capital, and administrative expenses paid on their behalf. Beginning in 2008, the DIF resolves failures using whole-bank purchase and assumption transactions, most with an accompanying shared-loss agreement (SLA). The DIF satifies any resulting liabilities by offsetting receivables from resolutions when receiverships declare a dividend and/or sending cash directly to receiverships to fund an SLA and other expenses.

[5] Recoveries represent cash received and dividends (cash and non-cash) declared by receiverships.

[6] Final losses represent actual losses for unreimbursed subrogated claims of inactivated receiverships. Estimated losses represent the difference between the amount paid by the DIF to cover obligations to insured depositors and the estimated recoveries from the liquidation of receivership assets.

[7] Includes amounts related to transaction account coverage under the Transaction Account Guarantee Program (TAG). The estimated losses as of December 31, 2016, for TAG accounts in 2010, 2009, and 2008 are $381 million, $1.1 billion, and $13 million, respectively.

[8] Includes institutions where assistance was provided under a systemic risk determination.

## 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 Fund[3] |
|---|---|---|---|---|---|
| **Total** | **748** | **$393,986,574** | **$318,328,770** | **$75,977,846** | **$81,581,578** |
| 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 | 5,708,253 | 267,595 | 65,212 |
| 1992 | 59 | 44,196,946 | 34,773,224 | 3,286,908 | 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 | 16,062,685 | 19,257,578 |
| 1989[4] | 318 | 134,519,630 | 113,168,009 | 47,085,027 | 48,650,031 |

[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 the FRF's books. Year is the year of failure, not the year of resolution.

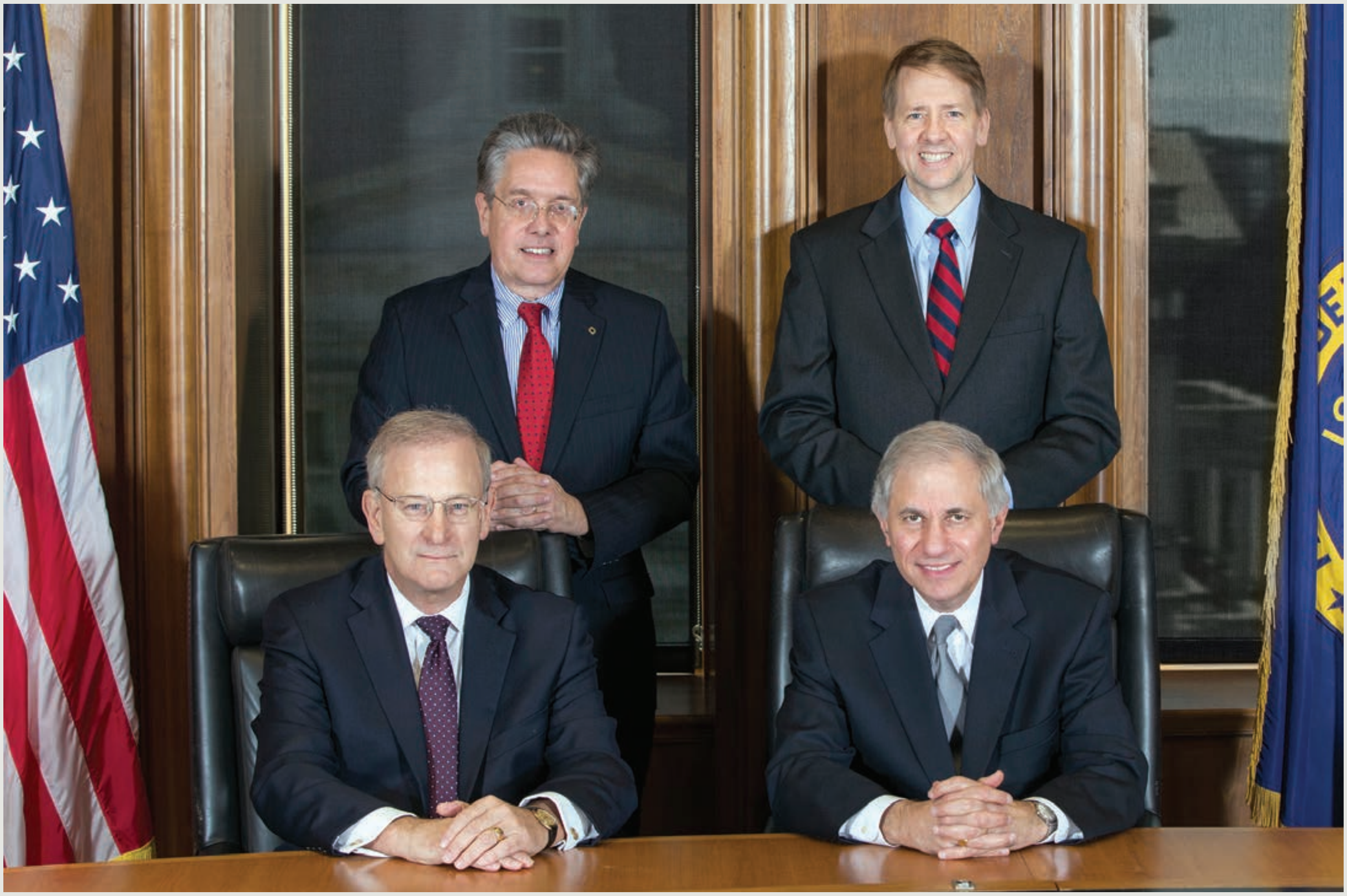
[2] The Estimated Receivership Loss represents the projected loss at the fund level from receiverships for unreimbursed subrogated claims of the FRF and unpaid advances to receiverships from the FRF.

[3] The Final Loss to Fund represents the total resolution cost of the failed thrifts in the FRF-RTC fund. In addition to the estimated losses for receiverships, the final loss 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.

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

## B. MORE ABOUT THE FDIC

## FDIC BOARD OF DIRECTORS



*Seated (left to right): Thomas M. Hoenig and Martin J. Gruenberg.*
*Standing (left to right): Thomas J. Curry and 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 served as Vice Chairman and Member of the FDIC Board of Directors from August 22, 2005, until his confirmation as Chairman. He served 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.

## 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 approximately 1,700 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 is a Director of NeighborWorks® America where he served as Chairman from March 2014 through June 2016, and also a member of the Federal Financial Institutions Examination Council (FFIEC) where he served as Chairman for a two-year term from April 2013 until April 2015.

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.

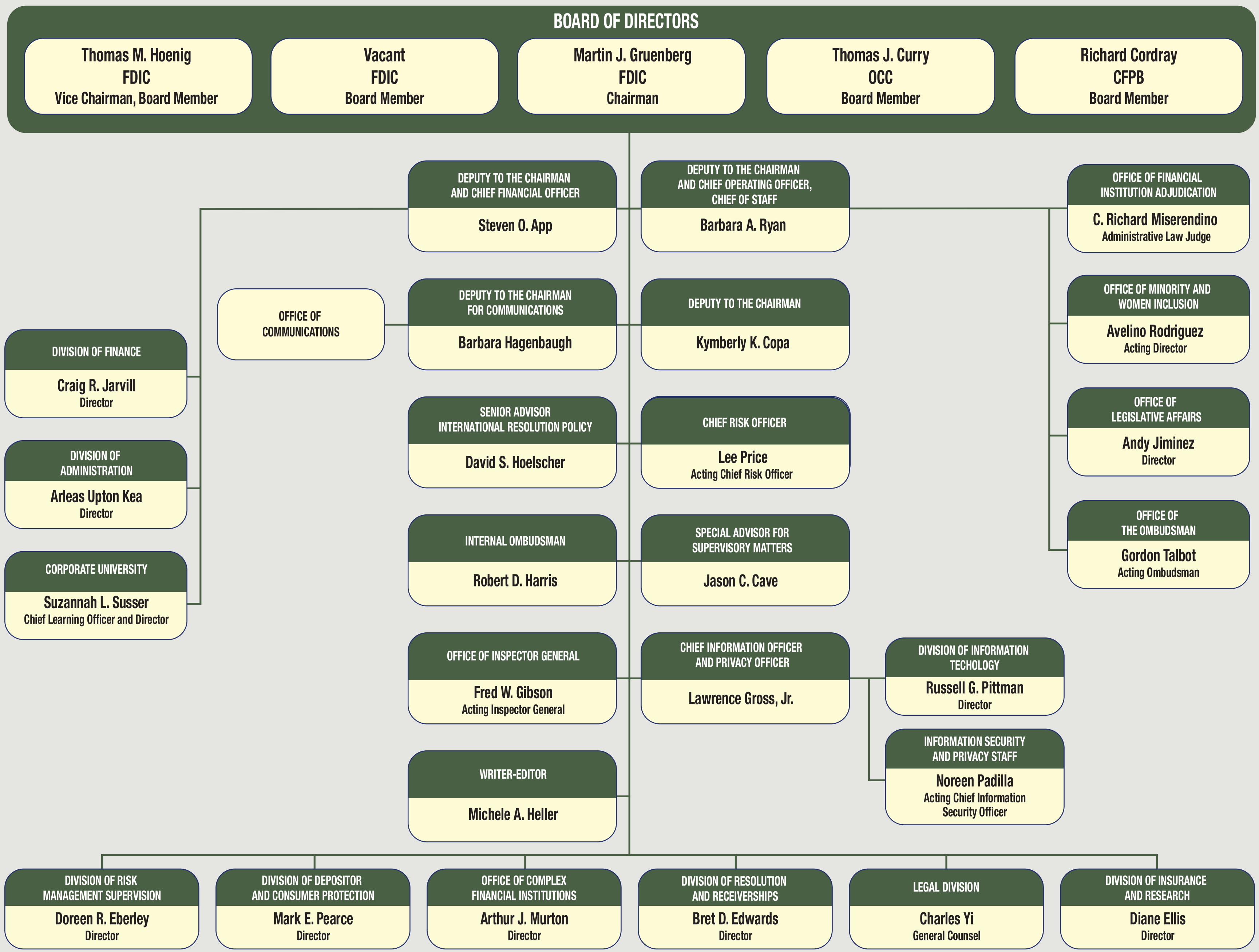
Prior to joining the Bureau, Mr. Cordray served on the front lines of consumer protection as Ohio's Attorney General. Mr. Cordray recovered more than $2 billion for Ohio's retirees, investors, and business owners, and took major steps to help protect its consumers from fraudulent foreclosures and financial 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.

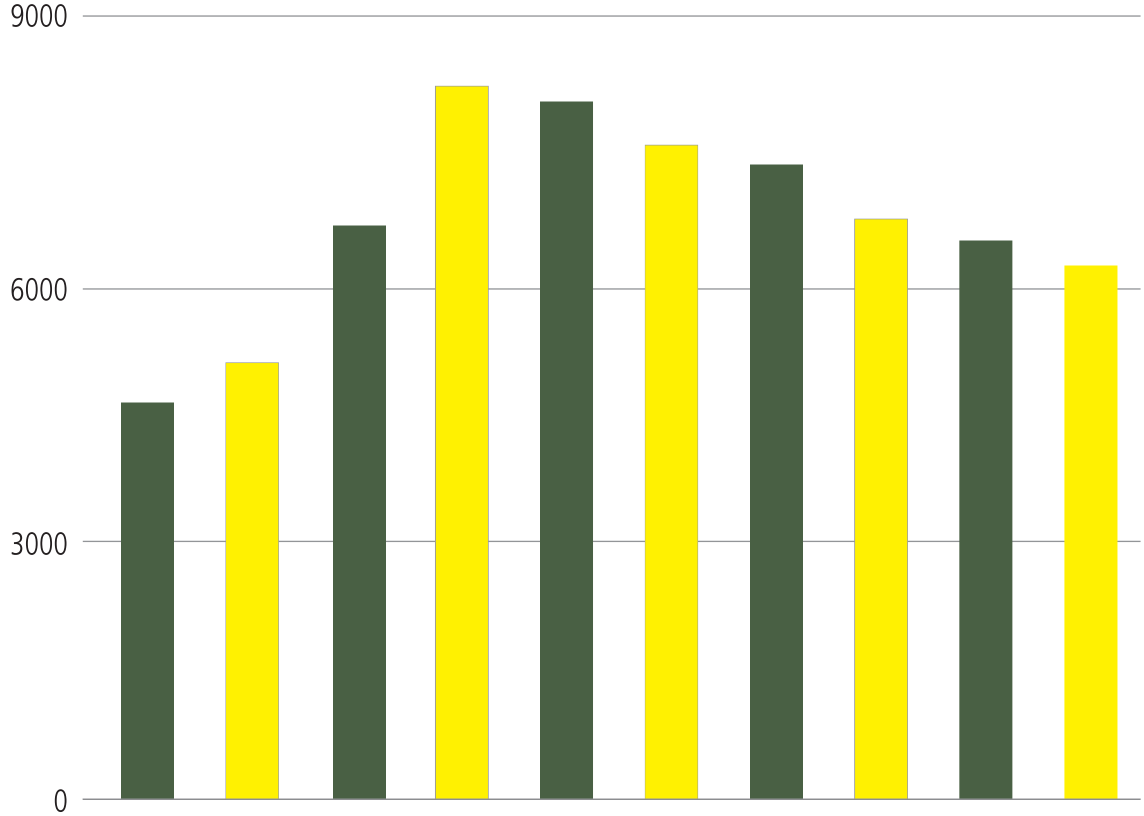
Earlier in his career, Mr. Cordray was an adjunct professor at the Ohio State University College of Law, served as a State Representative for the 33rd Ohio House District, was the first Solicitor General in Ohio's history, and was a sole practitioner and Counsel to Kirkland & Ellis. Mr. Cordray has argued 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 2007-2016




| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| 4,532 | 4,988 | 6,557 | 8,150 | 7,973 | 7,476 | 7,254 | 6,631 | 6,385 | 6,096 |

**FDIC Year–End On-Board Staffing**

Note: 2007–2016 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 2015 AND 2016 (YEAR-END)[1]

| | Total | | Washington | | Regional/Field | |
|---|---|---|---|---|---|---|
| **Division or Office:** | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** |
| Division of Risk Management Supervision | 2,627 | 2,683 | 204 | 208 | 2,423 | 2,475 |
| Division of Depositor and Consumer Protection | 838 | 841 | 116 | 122 | 722 | 719 |
| Division of Resolutions and Receiverships | 537 | 719 | 138 | 149 | 399 | 570 |
| Legal Division | 531 | 564 | 340 | 356 | 191 | 208 |
| Division of Administration | 370 | 367 | 256 | 251 | 114 | 116 |
| Division of Information Technology | 301 | 319 | 237 | 252 | 64 | 67 |
| Corporate University | 210 | 194 | 202 | 187 | 8 | 7 |
| Division of Insurance and Research | 193 | 205 | 153 | 163 | 40 | 42 |
| Division of Finance | 167 | 171 | 164 | 169 | 3 | 2 |
| Information Security and Privacy Staff | 34 | 36 | 34 | 36 | 0 | 0 |
| Office of Inspector General | 122 | 119 | 76 | 74 | 47 | 46 |
| Office of Complex Financial Institutions | 67 | 62 | 50 | 52 | 17 | 10 |
| Executive Offices[2] | 22 | 22 | 22 | 22 | 0 | 0 |
| Executive Support Offices [3] | 79 | 84 | 72 | 76 | 7 | 8 |
| **TOTAL** | **6,096** | **6,385** | **2,062** | **2,115** | **4,034** | **4,270** |

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

[3] Includes the Offices of Legislative Affairs, Communications, 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 bank 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 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, which is 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://catalog.fdic.gov

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

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Georgia
North Carolina
South Carolina
Virginia
West Virginia

### Chicago Regional Office

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Illinois
Indiana
Kentucky
Michigan
Ohio
Wisconsin

### Dallas Regional Office

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New Mexico
Oklahoma
Texas

### Memphis Area Office

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Louisiana
Mississippi
Tennessee

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Iowa
Kansas
Minnesota
Missouri
Nebraska
North Dakota
South Dakota

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Maryland
New Jersey
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Virgin Islands

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Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

### San Francisco Regional Office

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San Francisco, California 94105
(415) 546-0160

Alaska
American Samoa
Arizona
California
Federated States of Micronesia
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) identifies the management and performance challenges facing the FDIC and provides its assessment to the Corporation 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 for the foreseeable future, the FDIC faces challenges in the critical areas listed below, a number of which carry over from past years. A challenge of particular emphasis this year is *Maintaining Strong Information Security and Governance Practices*. We would point out that all of these challenges may well be impacted by changes brought on by a new Administration during 2017.

### Maintaining Strong Information Security and Governance Practices

Essential to achieving the FDIC's mission of maintaining stability and public confidence in the nation's financial system is safeguarding sensitive information, including personally identifiable information that the FDIC collects and manages in its role as employer, federal deposit insurer, regulator of state nonmember financial institutions, and receiver of failed institutions. Materials that the FDIC possesses related to its Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) responsibilities contain some of the most sensitive information that the FDIC maintains and safeguarding it from unauthorized access or disclosure is critically important. Equally important to the FDIC and the Nation is the defense of critical infrastructure, which includes financial systems and associated computer network operations. In that regard, the Federal Information Security Modernization Act (FISMA) of 2014 establishes standards to assess information security government wide. The OIG's FISMA work is intended not only to ensure compliance with those standards but also to help defend the critical infrastructure against those who would attack it.

The FDIC has recently come under increased scrutiny by the Congress for specific actions it has taken related to protecting sensitive information and has been criticized for its reporting of breaches of such information, as required by FISMA and related Office of Management and Budget (OMB) guidance. The Corporation's continuing challenge will be to restore confidence both in its ability to protect the sensitive information it possesses and its actions to fully report major security incidents within prescribed timeframes, as required by law. Our office reported and testified before the Committee on Science, Space, and Technology, U.S. House of Representatives, on our work in two areas in this regard, and we continue to conduct work on related matters.

One audit dealt with the FDIC's process for identifying and reporting major information security incidents and focused on an incident where a former FDIC employee copied a large quantity of sensitive FDIC information, including personally identifiable information, to removable media and took this information when departing the FDIC's employment in October 2015. The FDIC detected the incident through its Data Loss Prevention tool. Although the FDIC had established various incident response policies, procedures, guidelines, and processes, these controls did not provide reasonable assurance that major incidents were identified and reported in a timely manner. We recommended actions to provide the FDIC with greater assurance that major incidents are identified and reported consistent with relevant guidance.

In a second audit, we reviewed the Corporation's controls for mitigating the risk of an unauthorized release of highly sensitive resolution plans. In September 2015, an FDIC employee abruptly resigned from the Corporation and took copies of sensitive components of resolution plans without authorization and in violation of FDIC policy. A number of factors contributed to this security incident. Most notably, an insider threat program was not in place that would have better enabled the FDIC to deter, detect, and mitigate the risks posed by the employee. Additionally, a key security control designed to prevent employees with access to sensitive resolution plans from copying electronic information to removable media failed to operate as intended. To address these concerns, we recommended that the FDIC establish a corporate-wide insider threat program and take other steps to better protect sensitive resolution plans. On September 20, 2016, the Corporation issued a policy formally establishing its Insider Threat and Counterintelligence Program and finalized a governance charter and implementation plan for the program.

As noted earlier, more broadly speaking, the OIG looks to its annual work under FISMA to identify the Corporation's information security successes and its ongoing challenges. Our most recent FISMA work determined that the FDIC had established a number of information security program controls and practices that were generally consistent with FISMA requirements, OMB policy and guidelines, and applicable National Institute of Standards and Technology (NIST) standards and guidelines. The FDIC had also taken steps to strengthen its security program controls following our 2015 FISMA work. Among other things, the FDIC: restricted (with limited exceptions) the ability of employees and contractor personnel to copy information to removable media in response to the major information security incidents involving the unauthorized exfiltration of sensitive information by departing employees; identified and reported its high value assets to the Department of Homeland Security (DHS); and updated its security control framework to address changes introduced by NIST guidance related to security and privacy controls for federal information systems and organizations.

Notwithstanding these actions, our FISMA audit found security control weaknesses that impaired the effectiveness of the FDIC's information security program and practices and placed the confidentiality, integrity, and availability of the FDIC's information systems and data at elevated risk. Some findings were identified during the current year and others were identified in prior reports issued by the OIG or the Government Accountability Office. Areas of notable weakness that continue to pose challenges for the Corporation include strategic planning, vulnerability scanning, the FDIC's information security manager program, configuration management, third-party software patching, multifactor authentication, and contingency planning.

The FDIC is working to strengthen the effectiveness of its information security program controls in a number of other areas. For example, the FDIC is working to improve its incident response capabilities; more effectively protect its sensitive information by improving the effectiveness of its Data Loss Prevention tool and adopting Digital Rights Management software; complete an end-to-end assessment of its information security and privacy programs; hire a permanent Chief Information Security Officer (CISO); and begin addressing action items identified during a Cyber Stat Review with OMB and DHS officials aimed at improving the FDIC's cybersecurity posture.

Other ongoing challenges for the Corporation that we pointed out involve a risk related to the performance of the vendor that supports the FDIC's infrastructure services and an observation on the frequent turnover in the CISO position and whether the CISO's authorities enable the CISO to effectively address the responsibilities defined in FISMA.

Going forward, a challenging priority for the FDIC will be to maintain effective communication with the Congress and collaboration among all parties involved in protecting sensitive information and the Nation's critical infrastructure. Doing so will require strong leadership and an effective IT governance structure. In addition, in confronting its information security challenges, competing priorities must be carefully considered, and sound decision-making will be critical to the Corporation's success. Given the substantial financial investment in FDIC systems, security features, and related human resources, the Corporation needs to consider the cost-effectiveness and measurable business value outcomes in its decisions to fund major IT projects to ensure proper stewardship of millions of dollars in IT investments.

## Carrying Out Dodd-Frank Act Responsibilities

The Dodd-Frank Act created a comprehensive new regulatory and resolution framework designed to avoid the severe consequences of financial instability. Under current law, Title I of the Dodd-Frank Act provides tools for regulators to impose enhanced supervision and prudential standards on systemically important financial institutions (SIFI). 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 progress toward implementing its systemic resolution authorities under the Dodd-Frank Act, but challenges remain. These challenges involve the FDIC fulfilling its insurance, supervisory, receivership management, and resolution responsibilities as it meets the requirements of the Dodd-Frank Act. These responsibilities are cross-cutting and require collaborative efforts among staff throughout the Corporation's headquarters and regional divisions and offices in implementing Titles I and II, including the Office of Complex Financial Institutions (OCFI), Division of Risk Management Supervision (RMS), Division of Resolutions and Receiverships (DRR), and Legal Division.

Of note with respect to the challenge of Dodd-Frank Act responsibilities, in April 2016, the FDIC and the Federal Reserve Board (FRB) announced a significant step forward in the use of the "living will" authority to require systemically important financial institutions to demonstrate they can fail in an orderly way at no cost to taxpayers. Specifically, following eight firms' submission of their living wills or resolution plans in July 2015, the FDIC and the Federal Reserve announced findings based on their review of the plans and conveyed required actions that firms needed to take for remediation. For five firms, the agencies jointly determined that the plans were not credible or would not facilitate an orderly resolution under bankruptcy. The FDIC and FRB jointly identified a number of deficiencies in those plans, as required by statute. Those five firms were required to remedy the deficiencies by October 1, 2016. If not, the firms could be subject to more stringent capital, leverage, or liquidity requirements, or restrictions on growth, activities, or operations. On December 13, 2016, the FDIC and the FRB announced that four of the five firms had adequately remediated deficiencies in their 2015 plans.

For two other firms, the FDIC and the FRB did not make a joint determination, but did find separately that in the two cases, the plans were not credible and would not facilitate an orderly resolution under bankruptcy. For the eighth and final firm, the shortcomings did not rise to the level of the statutory standard for a joint determination of non-credibility. In addition to the October deadline for the five plans referenced above, all shortcomings in the plans must be addressed by July 1, 2017.

Those involved in Dodd-Frank Act activities will continue to evaluate the resolution plans submitted by the largest bank holding companies and other SIFIs under Title I, develop strategies for resolving SIFIs under Title II, work to promote cross-border coordination and cooperation for the orderly resolution of a global SIFI, and coordinate with the other regulators in developing policy to implement the provisions of the Act.

Also, the FDIC will need to ensure that staff have the needed knowledge and experience to continue to carry out risk assessments to identify supervisory, resolution, and insurance pricing-related risks in all insured depository institutions with more than $10 billion in assets, including those for which the FDIC is not the primary federal regulator, in addition to systemically important bank holding companies and nonbank financial companies subject to Title I of the Dodd-Frank Act.

## Maintaining Effective Supervision and Preserving Community Banking

The FDIC's supervision program promotes the safety and soundness of FDIC-supervised insured depository institutions. The FDIC is the primary federal regulator for 3,790 FDIC-insured, state-chartered institutions that are not members of the Board of Governors of the Federal Reserve System. As such, the FDIC is the lead federal regulator for the majority of community banks. In the case of "de novo" institutions, the FDIC needs to continue to emphasize that these new banks satisfactorily address statutory factors, including adequacy of capital, future earnings prospects, and the general character and fitness of bank management.

We have pointed out in our past work that a key lesson from the crisis is the need for earlier regulatory response when risks are building. Even now, for example, as they operate in a post-crisis environment, banks may be tempted to take additional risks, engage in imprudent concentrations, or 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. Such risks need to be managed and addressed early-on during the "good times" before a period of downturn. RMS has continued to reinforce the importance of forward-looking supervision to assess the potential impact of an institution's new and/or growing risks and ensure early mitigation when necessary.

FDIC examiners need to continue to identify problems; bring them to bank management's attention; follow up on problems; bring enforcement actions as needed; ban individuals from banking, as appropriate; and be alert to such risks as Bank Secrecy Act and anti-money-laundering issues. In doing so, the Corporation needs to execute its supervisory authority in a fair, consistent manner. With respect to important international concerns, the FDIC also needs to support development of sound global regulatory policy through participation on the Basel Committee on Bank Supervision and other related sub-groups.

In light of technological changes, increased use of technology service providers (TSP), new delivery channels, and cyber threats, we have pointed out in past work that the FDIC's IT examination program needs to be proactive and bankers and Boards of Directors need to ensure a strong control environment and sound risk management and governance practices in their institutions. Importantly, with respect to TSPs, one TSP can service hundreds or even thousands of financial institutions, so the impact of security incidents in one TSP can have devastating ripple effects on those institutions. Controls need to be designed not only to protect sensitive customer information at banks and TSPs, but also to guard against intrusions that can compromise the integrity and availability of operations, information and transaction processing systems, data, and business continuity. Given the complexities of the range of cyber threats, the FDIC needs to ensure its examination workforce has the needed expertise to effectively carry out its IT examination function.

An article in the FDIC's Winter 2015 issue of *Supervisory Insights* highlights a number of steps the Corporation has taken to increase industry awareness of cyber risks and to provide practical tools to help mitigate the risk of cyber attacks. Among those, the FDIC has urged institutions to avail themselves of existing resources to identify and mitigate cyber risks; developed the "Cyber Challenge" exercise for community banks to use in assessing their preparedness for a cyber-related incident; offered a cybersecurity awareness training program for FDIC-supervised institutions and FDIC supervision staff and management in each of the FDIC's regional offices; continued participation on the Federal Financial Institutions Examination Council's (FFIEC) Cybersecurity Critical Infrastructure Working Group to determine how well banks manage cyber security and assess banks' preparedness to mitigate cyber risks; and assisted in updating the FFIEC's IT Examination Handbook and related guidance.

In the coming months, the Corporation needs to continue efforts, along with the other regulators, to address these and other emerging risks and use all available supervisory and legal authorities to ensure the continued safety and soundness of financial institutions and affiliated third-party entities. It also needs to ensure effective information-sharing about security incidents with regulatory parties and other federal groups established to combat cyber threats in an increasingly interconnected world.

The FDIC Chairman continues to emphasize 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. Local communities and small businesses rely heavily on community banks for credit and other essential financial services. These banks foster economic growth and help to ensure that the financial resources of the local community are put to work on its behalf. Consolidations and other far-reaching changes in the U.S. financial sector in recent decades have made community banks a smaller part of the U.S. financial system. Still, over the last several years, they have made up a larger percentage of all FDIC-insured banks and thrifts than at any other time over the last three decades. Their share of total industry loans has also remained relatively constant over the past decade.

The FDIC has sought to identify and implement changes to improve the efficiency and effectiveness of the community bank risk management and compliance examination processes, while still maintaining supervisory standards. To ensure the continued strength of the community banks, the Corporation will also need to sustain initiatives such as ongoing research, technical assistance to the banks by way of training videos on key risk management and consumer compliance matters, continuous outreach and dialogue with community banking groups, and attention to strengthening minority depository institutions.

Maintaining a strong examination program, conducting forward-looking supervisory activities for both small and large banks, applying lessons learned, being attuned to harmful cyber threats in financial institutions and technology service providers, and preserving community banking will be critical to ensuring stability and continued confidence in the financial system going forward.

### Carrying Out Current and Future Resolution and Receivership Responsibilities

One of the FDIC's most important roles is acting as the receiver or liquidating agent for failed FDIC-insured institutions. The FDIC's responsibilities include planning and efficiently handling the resolutions of failing FDIC-insured institutions and providing prompt, responsive, and efficient administration of failing and failed financial institutions in order to maintain confidence and stability in our financial system.

As part of the resolution process, the FDIC values a failing federally insured depository institution, markets it, solicits and accepts bids for the sale of the institution, considers the least costly resolution method, determines which bid to accept, and works with the acquiring institution through the closing process. The receivership process involves performing the closing function at the failed bank; liquidating any remaining assets; and distributing any proceeds to the FDIC, the bank customers, general creditors, and those with approved claims. The FDIC seeks to close out or pursue professional liability claims within 18 months of an insured institution's failure, which can prove challenging as well.

The FDIC places great emphasis on promptly marketing and selling the assets of failed institutions and terminating the receivership quickly. Although the number of institution failures has fallen dramatically since the crisis, these activities still pose challenges to the Corporation. As of December 31, 2016, DRR was managing 378 active receiverships with assets in liquidation totaling about $3.3 billion.

In addition, through purchase and assumption agreements with acquiring institutions, the Corporation has entered into shared-loss agreements (SLA). Since loss sharing began during the most recent crisis in November 2008, the Corporation has resolved 304 failures with accompanying SLAs. Under these agreements, the FDIC agrees to absorb a portion of the loss—generally 80 to 95 percent—which may be experienced by the acquiring institution with regard to those assets, for a period of up to 10 years. The FDIC entered into 304 SLAs from November 2008 through September 30, 2013, with an initial asset base of $216.5 billion. As of December 31, 2016, FDIC recoveries totaled $5.2 billion, representing 15.2 percent of the $34.1 billion in FDIC SLA payments.

As another resolution strategy, the FDIC entered into 35 structured sales transactions involving 43,315 assets with a total unpaid principal balance of $26.2 billion. Under these arrangements, the FDIC receiverships retain a participation interest in future net positive cash flows derived from third-party management of these assets. As of December 31, 2016, the unpaid principal balance in 26 active arrangements was $1.5 billion. The Corporation will continue to evaluate termination offers from limited liability company (LLC) managing members in deciding whether to pursue dissolution of the LLCs if in the best economic interest of the receiverships.

As time passes and recovery from the crisis continues, these risk sharing agreements will continue to wind down and certain active receiverships will be terminated. Given the substantial dollar value and risks associated with the risk-sharing activities and other receivership operations, the FDIC needs to ensure continuous monitoring and effective oversight to protect the FDIC's financial interests. As an example, a large number of commercial SLAs have reached their 5-year mark, resulting in the end of FDIC loss-share coverage but not the end of the commercial SLAs, which last 8 years. The last 3 years of commercial SLA coverage is for recoveries only. Acquiring institutions may not pursue recoveries as vigorously as they should because they may only share in a relatively small percentage of recoveries. The FDIC needs to be sure that acquiring institutions identify and remit recoveries to the Corporation.

While conditions in the economy and financial system have improved since the peak of the financial crisis, bank failures continue to occur. The Corporation has reshaped its workforce and adjusted its budget and resources in line with the trend of far fewer failures. Notably, in the case of the FDIC's resolutions and receiverships workforce, authorized staffing decreased dramatically from a peak of 2,460 in 2010 to authorized staffing of 564 for 2016. As of December 31, 2016, DRR on-board staffing totaled 537. DRR will continue to substantially reduce its nonpermanent staff each year, based on declining workload.

These staff reductions bring with them a loss of specialized experience and expertise that could impact the success of future, large-scale resolution and receivership activities. As discussed in connection with Dodd-Frank Act responsibilities, for example, the Corporation must continue to review the resolution plans of large bank holding companies and designated nonbank holding companies to ensure their resolvability under the Bankruptcy Code, if necessary, and in cases where their failure would threaten financial stability, administer their orderly liquidation. Carrying out such activities could pose significant challenges to those remaining staff in DRR who could be called upon to lead critical resolution activities.

## Ensuring the Continued Strength 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.

Continuing to replenish the Deposit Insurance Fund (DIF) in a post-crisis environment is a critical activity for the FDIC. To maintain sufficient DIF balances, the FDIC collects risk-based insurance premiums from insured institutions and invests deposit insurance funds. A broad goal for the FDIC is that institutions that pose the greatest risk to the DIF have deposit insurance rates that are commensurate with that risk.

The DIF balance had dropped below negative $20 billion during the worst time of the crisis. As of December 31, 2016, the DIF balance had risen to $83.2 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 and administer the insurance coverage that depositors have come to rely upon. This is true for insured depositors at small banks as well as for claims at large depository institutions.

In response to the Dodd-Frank Act and in the interest of protecting and insuring depositors, the Corporation has designed a long-term DIF management plan. This plan complements the Restoration Plan, which is designed to ensure that the DIF reserve ratio will reach 1.35 percent by September 30, 2020. As of September 30, 2016, the reserve ratio had reached 1.18 percent, the highest reserve ratio in 8 years.

In February 2011, the FDIC Board decided to reduce overall assessment rates when the reserve ratio reached 1.15 and the Board reaffirmed that position in April 2016. Now a large majority of banks will pay lower deposit insurance assessments. Assessment rates for approximately 93 percent of banks with less than $10 billion in assets declined. Regular quarterly assessments declined on average by about one-third for these smaller institutions.

Additionally, since the ratio has reached 1.15 percent, banks with $10 billion or more in assets began paying temporary surcharges to bring the reserve ratio up to statutory minimums. Even with the surcharges, about one-third of large banks still pay lower total assessments because of the reduction in regular assessment rates. The FDIC is taking a balanced approach to restoring the health of the DIF as it seeks to reduce the risk that it will need to raise rates unexpectedly to address a future crisis and to help ensure stable and predictable assessments across the board.

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. In the face of such threats, the FDIC needs to continue to disseminate data and analysis on issues and risks affecting the financial services industry to bankers, supervisors, and the public.

As part of its efforts, the FDIC also needs to continue collaborating with others involved in helping to ensure financial stability and protect the DIF. One important means of doing so is through participation with other financial regulators on the Financial Stability Oversight Council, created under the Dodd-Frank Act. This Council was established to provide comprehensive monitoring of stability in the U.S. financial system by identifying and responding to emerging risks to U.S. financial stability and by promoting market discipline.

The FDIC will also be challenged to contribute to global financial stability by continuing its engagement with strategically important foreign jurisdictions and playing a leadership role in international organizations that support robust, effective deposit insurance systems, crisis management and resolution programs, and bank supervision practices around the globe.

## 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. Its Consumer Response Center serves an important function in this regard. Similarly, initiatives like the FDIC's Money Smart and Youth Savings programs go a long way towards educating the public about important consumer and financial matters. Importantly, the FDIC also examines the banks for which it is the primary federal regulator to determine the institutions' compliance with laws and regulations governing consumer protection, fair lending, and community investment. These activities require effective examiner training and regular collaboration with other regulatory agencies.

The Dodd-Frank Act consolidated many of the consumer financial protection authorities previously shared by several federal agencies into the Consumer Financial Protection Bureau (CFPB) and granted the CFPB authority to conduct rulemaking, supervision, and enforcement with respect to federal consumer financial laws; handle consumer complaints and inquiries; promote financial education; research consumer behavior; and monitor financial markets for risks to consumers. The FDIC coordinates with the CFPB on consumer issues of mutual interest and to meet statutory requirements for consultation relating to rulemakings in mortgage lending and other types of consumer financial services and products. The FDIC will need to continue to assess the impact of such rulemakings on supervised institutions, communicate key changes to stakeholders, and train examination staff accordingly.

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. One of the challenges articulated by the FDIC Chairman is to continue to develop and implement targeted strategies to expand access to mainstream financial institutions by populations that are disproportionately likely to be unbanked or underbanked.

The FDIC conducts national surveys of unbanked and underbanked households every 2 years, in conjunction with the Census Bureau, to inform those strategies. The most recent survey, for example, determined that the share of unbanked households in the U.S. dropped in 2015 to 7.0 percent, representing a significant decline from the 7.7 unbanked rate reported in 2013 and the 8.2 unbanked rate in 2011. The survey also revealed a growth pattern in consumer use of mobile and online banking. For the unbanked households, smart phones are often the primary means of managing their accounts. The FDIC is further exploring the economic inclusion potential of mobile financial services.

In addition, the FDIC's Advisory Committee on Economic Inclusion, composed of bankers, community and consumer organizations, and academics, will continue to explore ways of bringing 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.

The FDIC will need to sustain ongoing efforts to carry out required compliance and community reinvestment examinations, coordinate with the other financial regulators and CFPB on regulatory matters involving financial products and services, and pursue and measure the success of economic inclusion initiatives to the benefit of the American public.

## Implementing Workforce Changes and Budget Reductions

The Corporation continues to reassess its current and projected workload along with trends within the banking industry and the broader economy. Based on that review, the FDIC expects a continuation of steady improvements in the global economy, a small number of insured institution failures, gradual reductions in post-failure receivership management workload, and further reductions in the number of 3-, 4-, and 5-rated institutions. While the FDIC will continue to need some temporary and term employees over the next several years to complete the residual workload from the financial crisis, industry trends continue to confirm that there will be a steadily decreasing need for nonpermanent employees over the next several years.

Given those circumstances, the FDIC Board of Directors approved a $2.16 billion FDIC Operating Budget for 2017, 2.4 percent lower than the 2016 budget. In conjunction with its approval of the 2017 budget, the Board also approved an authorized 2017 staffing level of 6,363 positions for 2017, a 2.6 percent decrease from 2016 and 32 percent lower than the peak in 2011. This was the seventh consecutive reduction in the FDIC's annual operating budget.

As conditions improve throughout the industry and the economy, the FDIC will continue its efforts to achieve the appropriate level of resources; at the same time, however, it needs to remain mindful of ever-present risks and other uncertainties in the economy that may prompt the need for additional resources and new skill sets and expertise that may be challenging to obtain. The need for these new skill sets comes at a time when the Corporation is focusing on succession management, in light of a substantial number of FDIC staff, many "baby boomers," who are retiring. In that regard, the FDIC is continuing to work toward integrated workforce development processes as it seeks to bring on the best people to meet its changing needs and priorities, and do so in a timely manner. In all of its hiring efforts, the Corporation needs to ensure fairness and integrity in its processes and hiring practices and decisions. Most recently, the Corporation has emphasized its Workforce Development Initiative as a means of fulfilling the FDIC's future leadership and workforce capability needs. It has also focused on addressing resource needs to address the many challenges in divisions such as OCFI, RMS, and DRR, as previously discussed.

With respect to leadership at the uppermost levels of the Corporation, it is important to note that a vacancy currently exists on the FDIC Board of Directors—Jeremiah Norton left the FDIC in June 2015 and his seat on the Board remains vacant. The current FDIC Chairman's term is set to expire in November 2017, which would leave another position vacant. The FDIC Board has experienced such vacancies in the past and the FDIC IG at the time strongly advocated filling those Board positions. Now, given the myriad financial and economic concerns, emerging risks, Dodd-Frank Act responsibilities, important priorities and challenges facing the FDIC, and the advent of a new Administration, strong and sustained senior leadership is even more essential.

The FDIC has long promoted diversity and inclusion initiatives in the workplace. Section 342 of the Dodd-Frank Act reiterates the importance of standards for assessing diversity policies and practices and developing procedures to ensure the fair inclusion and utilization of women and minorities in the FDIC's contractor workforce. The Dodd-Frank Act also points to the Office of Minority and Women Inclusion as being instrumental in diversity and inclusion initiatives within the FDIC working environment. This office needs to ensure that it has the proper staff, expertise, and organizational structure to successfully carry out its advisory responsibilities to ensure diversity and inclusion throughout the Corporation.

The FDIC needs to sustain its emphasis on fostering employee engagement and morale on the part of all staff in headquarters, regions, and field locations. It looks to the annual Federal Employee Viewpoint Survey to provide a candid assessment of employee views of the FDIC workplace. The Corporation's diversity and inclusion goals and initiatives, Workplace Excellence Program, and Workforce Development Initiative are positive steps that should continue to help create a workplace that promotes diversity and equal opportunity.

Finally, an organization's overall corporate culture is essential to its success and, in July/August 2016, prompted in part by earlier OIG work, the FDIC Board of Directors reaffirmed the Corporation's

Code of Conduct and the six core values that underlie it: integrity, competence, teamwork, effectiveness, accountability, and fairness. The Chairman emphasized that these values apply not only to internal conduct but also externally, as FDIC leadership and staff interact with bankers, consumers, and other members of the public. In further support of these values, the Board prohibits retaliation against an employee who raises concern about conduct that appears to violate laws, rules, or the FDIC's supervisory policy. In that connection, the Chairman also underscored the importance of whistleblower protection in a message to all FDIC staff on the occasion of the U.S. Senate passing Resolution 522 on July 7, 2016, designating July 30, 2016, National Whistleblower Appreciation Day. This Resolution acknowledges and commemorates the contributions of whistleblowers to combat waste, fraud, and violations of law. As noted by the Chairman, the Resolution encouraged executive federal agencies to inform employees and contractors about the legal rights to "blow the whistle" by honest and good faith reporting of misconduct, fraud, misdemeanors, or other crimes to the appropriate authorities.

## Ensuring Effective Enterprise Risk Management Practices

Enterprise risk management is a critical 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 key business processes and corporate success. As evidenced in the challenges discussed above, certain difficult issues may fall within the purview of a single division or office, while many others are cross-cutting within the FDIC, and still others involve coordination with the other financial regulators and other external parties.

The Corporation needs to maintain effective controls, mechanisms, and risk models that can address a wide range of concerns—from specific, everyday risks such as those posed by use of corporate purchase or travel cards and records management activities, for example, to the far broader concerns of the ramifications of an unwanted and harmful cyber attack or the failure of a large bank or systemically important financial institution.

In July 2016, the Office of Management and Budget updated Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. This circular defines management's responsibility for enterprise risk management (ERM) and internal control. It emphasizes the need to coordinate risk management and strong and effective internal control into existing business activities as an integral part of governing and managing an agency. Notwithstanding existing corporate risk management resources and mechanisms in place, the Corporation would be well served to examine and adopt those principles and practices embodied in the circular that make sense for the FDIC and ensure they are institutionalized, as intended by the circular. Doing so can help ensure that the Corporation's risk management processes and systems identify challenges early on, bring them to the attention of corporate leadership, and develop solutions. Given the range, complexity, and importance of many of the Corporation's current endeavors—for example, the personal identification validation project, email and hard copy records management practices, data breach prevention measures, personnel security initiatives, and the like, such an approach could help ensure more effective project management and other controls and strengthen oversight of often costly investments and mission-critical activities.

The Corporation's stakeholders—including the Congress, American people, media, and others—expect effective governance, sound risk management practices, and vigilant regulatory oversight of the financial services industry. The Corporation needs to maintain the trust and confidence that it has instilled over the years. The FDIC Board of Directors, senior management, and individuals at every working level throughout the FDIC need to acknowledge, understand, and take ownership of current and emerging risks to the FDIC mission and be prepared to take necessary steps to mitigate those risks as changes occur and challenging scenarios that can undermine the FDIC's short- and long-term success present themselves. A corporate culture marked by integrity, efficiency, and transparency is essential to that end.

## D. ACRONYMS

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| ACP | Access Control Program |
| AHDP | Affordable Housing Disposition Program |
| AEI | Alliance for Economic Inclusion |
| AFS | Available for Sale |
| AIG | American International Group, Inc. |
| AML | Anti-Money Laundering |
| ASBA | Association of Supervisors of Banks of the Americas |
| ASC | Accounting Standards Codification |
| ASU | Accounting Standards Update |
| BCBS | Basel Committee on Banking Supervision |
| BOE | Bank of England |
| BSA | Bank Secrecy Act |
| Call Report | Consolidated Reports of Condition and Income |
| CAMELS rating scale | **C**apital adequacy; **A**sset quality; **M**anagement quality; **E**arnings; **L**iquidity; **S**ensitivity to market risks |
| CCIWG | Cybersecurity and Critical Infrastructure Working Group |
| CCP | Central Counterparties |
| CDFI | Community Development Financial Institution |
| CDOs | Collateralized Debt Obligations |
| CEO | Chief Executive Officer |
| CEP | Corporate Employee Program |
| CFI | Complex Financial Institution |
| CFO Act | Chief Financial Officers' Act |
| CFPB | Consumer Financial Protection Bureau |
| CFR | Center for Financial Research |
| CFTC | Commodity Futures Trading Commission |
| CIP | Customer Identification Program |
| CISO | Chief Information Security Officer |
| CMG | Crisis Management Group |
| CMP | Civil Money Penalty |
| ComE-IN | Advisory Committee on Economic Inclusion |
| CPI-U | Consumer Price Index for All Urban Consumers |
| CRA | Community Reinvestment Act |
| CSRS | Civil Service Retirement System |
| DCP | Division of Depositor and Consumer Protection |
| DFA | Dodd-Frank Act |
| DHS | Department of Homeland Security |
| DIF | Deposit Insurance Fund |
| DIR | Division of Insurance and Research |
| DIT | Division of Information Technology |
| DOA | Division of Administration |
| DOJ | Department of Justice |
| DRM | Digital Rights Management |
| DRR | Designated Reserve Ratio |
| DRR (FDIC) | Division of Resolution and Receiverships |
| EDIE | Electronic Deposit Insurance Estimator |
| EGRPRA | Economic Growth and Regulatory Paperwork Reduction Act of 1996 |
| ERM | Enterprise Risk Management |
| FAQs | Frequently Asked Questions |
| FASB | Financial Accounting Standards Board |
| FBO | Foreign Bank Organization |
| FDI Act | Federal Deposit Insurance Act |
| FDIC | Federal Deposit Insurance Corporation |
| FEHB | Federal Employees Health Benefits |
| FERS | Federal Employees Retirement System |
| FFB | Federal Financing Bank |
| FFIEC | Federal Financial Institutions Examination Council |
| FFMIA | Federal Financial Management Improvement Act |
| FHFA | Federal Housing Finance Agency |
| FICO | Financing Corporation |
| FIL | Financial Institution Letters |
| FinCEN | Financial Crimes Enforcement Network |
| FIRREA | Financial Institution Reform, Recovery and Enforcement Act of 1989 |
| FIS | Financial Institution Specialist |
| FISMA | Federal Information Security Modernization Act of 2014 |
| FMFIA | Federal Managers' Financial Integrity Act |
| FMSP | Financial Management Scholars Program |
| FRB | Board of Governors of the Federal Reserve System |

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| FRF | FSLIC Resolution Fund |
| FRF-FSLIC | Assets & Liabilities of FSLIC transferred to the FRF Upon the Dissolution of FSLIC |
| FRF-RTC | RTC Assets & Liabilities |
| FSAP | Financial Sector Assessment Program |
| FSB | Financial Stability Board |
| FS-ISAC | Financial Services Information Sharing and Analysis Center |
| FSLIC | Federal Savings and Loan Insurance Corporation |
| FSOC | Financial Stability Oversight Council |
| FSVC | Financial Services Volunteer Corps |
| FTE | Full-time employee |
| GAAP | Generally Accepted Accounting Principles |
| GAO | U.S. Government Accountability Office |
| GECC | General Electric Capital Corporation, Inc. |
| GPRA | Government Performance and Results Act |
| GSA | General Services Administration |
| GSEs | Government Sponsored Entities |
| G-SIFIs | Global SIFIs |
| HSPD | Homeland Security Presidential Directive |
| HVRE | High Volatility Commercial Real Estate |
| IADI | International Association of Deposit Insurers |
| IDI | Insured depository institution |
| IMF | International Monetary Fund |
| InTREx | Information Technology Risk Examination |
| IRS | Internal Revenue Service |
| ISDA | International Swaps and Derivatives Association |
| IT | Information technology |
| ITCIP | Insider Threat and Counterintelligence Program |
| LCR | Liquidity coverage ratio |
| LIDI | Large Insured Depository Institution |
| LLC | Limited Liability Company |
| LMI | Low- or moderate-income |
| LURAs | Land Use Restriction Agreements |
| MDIs | Minority depository institutions |
| MFA | Multifactor Authentication |
| MLA | Military Lending Act of 2006 |
| MOL | Maximum Obligation Limitation |
| MOU | Memorandum of Understanding |
| MRBA | Matters Requiring Board Attention |
| MWOB | Minority- and women-owned business |
| NAFTA | North American Free Trade Agreement |
| NCUA | National Credit Union Administration |
| NIST | National Institute of Standards and Technology |
| NPR | Notice of proposed rulemaking |
| OCC | Office of the Comptroller of the Currency |
| OCFI | Office of Complex Financial Institutions |
| OCRM | Office of Corporate Risk Management |
| O&G | Oil and Gas |
| OIG | Office of Inspector General |
| OLA | Orderly Liquidation Authority |
| OLF | Orderly Liquidation Fund |
| OMB | Office of Management and Budget |
| OMWI | Office of Minority and Women Inclusion |
| OO | Office of the Ombudsman |
| OPM | Office of Personnel Management |
| ORE | Owned Real Estate |
| OTC | Over-the-counter |
| OTS | Office of Thrift Supervision |
| P&A | Purchase and assumption |
| PDG | Policy Development Group |
| PFR | Primary federal regulator |
| PIV | Personal Identity Verification |
| QBP | Quarterly Banking Profile |
| REFCORP | Resolution Funding Corporation |
| ReSG | FSB's Resolution Steering Committee |
| RMS | Division of Risk Management Supervision |
| RTC | Resolution Trust Corporation |
| SBA | Small Business Administration |
| SEC | Securities and Exchange Commission |
| SIFI | Systemically important financial institution |
| SLA | Shared-loss agreement |
| SMS | Systemic Monitoring System |
| SNC Program | Shared National Credit Program |
| SNM | State Nonmember |
| SRAC | Systemic Resolution Advisory Committee |
| SSGNs | Securitizations, and Structured Sale of Guaranteed Notes |

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| TIPS | Treasury Inflation-Protected Securities |
| TSP | Federal Thrift Savings Plan |
| TSP (IT-related) | Technology service providers |
| URSIT | Uniform Rating System for Information Technology |
| U.S. | United States |
| VIEs | Variable Interest Entities |
| WE | Workplace Excellence |
| WIOA | Workforce Innovation Opportunity Act |
| YSP | Youth Savings Program |