



III.

FINANCIAL HIGHLIGHTS

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In its role as insurer of bank and savings association deposits, the FDIC promotes the public's trust in the safety and soundness of insured depository institutions. The following financial highlights address the performance of the Deposit Insurance Fund.

Deposit Insurance Fund Performance

The DIF balance was \$123.1 billion at December 31, 2021, an increase of \$5.2 billion from the year-end 2020 balance. The DIF's comprehensive income totaled \$5.2 billion for 2021 compared to comprehensive income of \$7.5 billion during 2020. The year-over-year decrease in comprehensive income of \$2.3 billion was primarily driven by a decrease in interest and fair value adjustments on U.S. Treasury securities of \$2.4 billion. Assessment revenue decreased nominally.

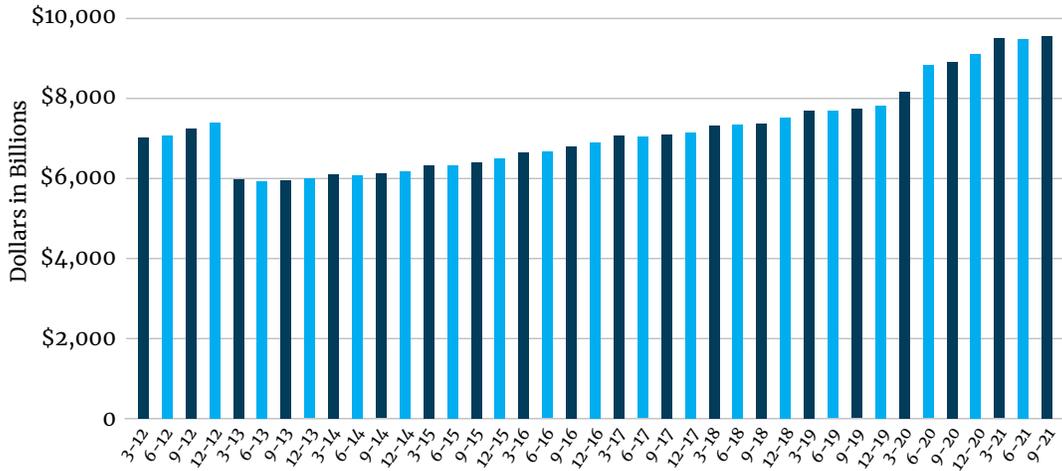
Assessment revenue was \$7.1 billion for both 2021 and 2020. The year-over-year stability was due to a combination of assessment base growth, declining assessment rates, and assessment offsets related to the Paycheck Protection Program and the Money Market Mutual Fund Liquidity Facility.

The DIF's interest revenue on U.S. Treasury securities for 2021 was nearly \$1.0 billion, compared to \$1.7 billion in 2020. The \$730 million year-over-year decrease was despite the \$4.1 billion increase in the investment portfolio, as maturities continue to be reinvested into lower yielding securities.

During 2021, the DIF recognized an unrealized loss on U.S. Treasury securities of \$1.2 billion, down from a \$483 million unrealized gain in 2020. This decrease was primarily due to yields rising, as market participants priced in the withdrawal of economic support from the Federal Reserve and potential rate hikes for 2022.

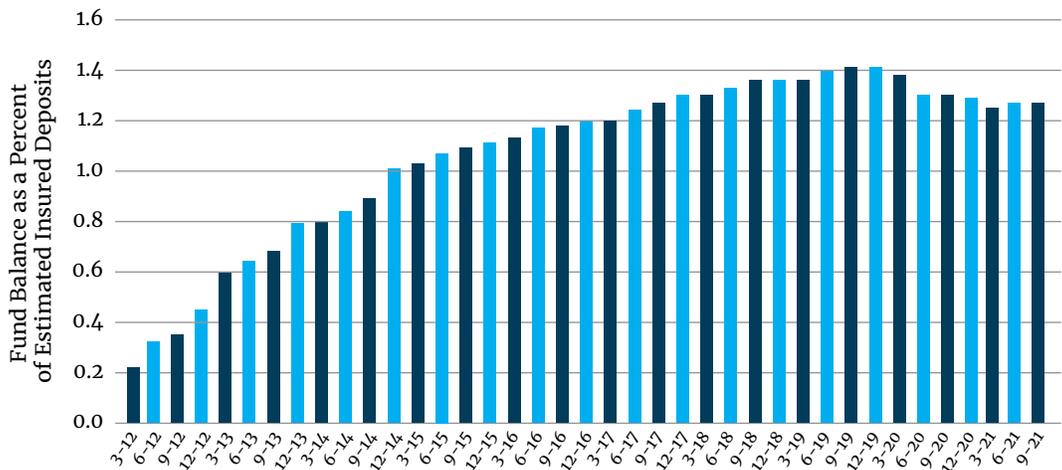
The DIF's cash, cash equivalents, and U.S. Treasury investment portfolio balances increased by \$6.3 billion during 2021 to \$120.1 billion at year-end 2021, from \$113.8 billion at year-end 2020. This increase was primarily due to assessment collections of \$7.3 billion and interest received on U.S. Treasury securities of \$3.9 billion, less operating expenses paid of \$1.8 billion.

ESTIMATED DIF INSURED DEPOSITS



SOURCE: Commercial Bank Call and Thrift Financial Reports.
 Note: Beginning in fourth quarter 2010 through fourth quarter 2012, estimated insured deposits include the entire balance of noninterest-bearing transaction accounts.

DEPOSIT INSURANCE FUND RESERVE RATIOS



FINANCIAL HIGHLIGHTS

Deposit Insurance Fund Selected Statistics			
Dollars in Millions			
	For the years ended December 31		
	2021	2020	2019
Financial Results			
Revenue	\$8,153	\$8,796	\$7,095
Operating Expenses	1,843	1,846	1,796
Insurance and Other Expenses (includes provision for losses)	(137)	(155)	(1,282)
Net Income	6,448	7,105	6,582
Comprehensive Income	5,244	7,550	7,738
Insurance Fund Balance	\$123,141	\$117,897	\$110,347
Fund as a Percentage of Insured Deposits (reserve ratio)	1.27% ¹	1.29%	1.41%
Selected Statistics			
Total DIF-Member Institutions ²	4,914 ¹	5,002	5,177
Problem Institutions	46 ¹	56	51
Total Assets of Problem Institutions	\$50,588 ¹	\$55,830	\$46,190
Institution Failures	0	4	4
Total Assets of Failed Institutions in Year ³	\$0	\$455	\$209
Number of Active Failed Institution Receiverships	191	234	248

¹ As of September 30, 2021.

² Commercial banks and savings institutions. Does not include U.S. insured branches of foreign banks.

³ Total Assets data are based upon the last Call Report filed by the institution prior to failure.