

III. Performance Results Summary

Summary of 2006 Performance Results by Program

The FDIC successfully achieved 27 of the 32 annual performance targets established in its 2006 Annual Performance Plan. Five performance targets related to the resolution of failed institutions were not applicable, because there were no insured institution failures in 2006. There were no instances in which 2006 performance had a material adverse effect on successful achievement of the FDIC's mission or its strategic goals and objectives regarding its major program responsibilities.

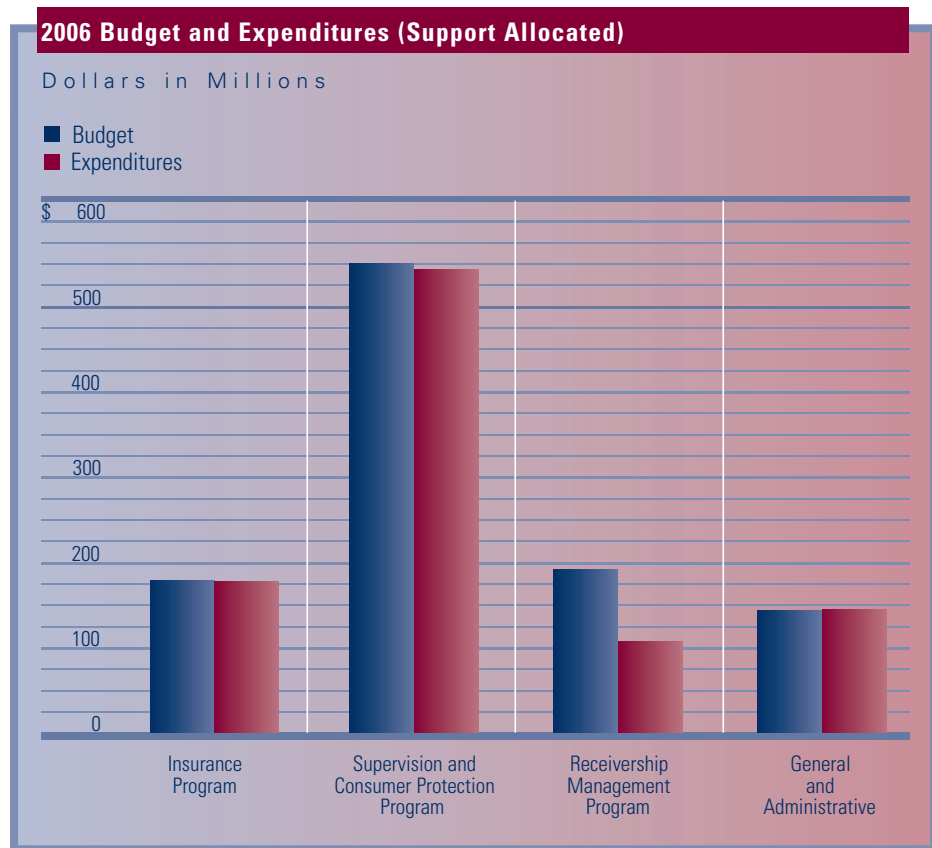
Key accomplishments by program are highlighted in the table on the following page.

Program Area	Performance Results
Insurance	<ul style="list-style-type: none"> • Successfully implemented deposit insurance reform legislation. • Established new deposit insurance assessment rates, effective January 1, 2007, and a target Designated Reserve Ratio of 1.25, in accordance with the provisions of deposit insurance reform legislation. • Implemented new assessment credit and dividend systems, in accordance with the provisions of deposit insurance reform legislation. • Disseminated updated educational information and tools to consumers and bankers on changes in deposit insurance coverage limits. • Completed risk assessments for all large insured depository institutions and followed up on all identified concerns through off-site review and analysis. • Conducted and published analysis on the effects of Hurricanes Katrina and Rita. • Published numerous economic and banking information and analyses, through <i>FDIC Outlook</i>, <i>FYI</i> electronic bulletins, and Center for Financial Research Working Papers. • Completed reviews of the effectiveness of the reserving methodology. • No financial institution failures occurred during 2006.
Supervision and Consumer Protection	<ul style="list-style-type: none"> • Conducted 2,388 safety and soundness examinations, including required follow-up examinations of problem institutions, within prescribed time frames. • Conducted 1,959 compliance and Community Reinvestment Act examinations, including prescribed follow-up examination of problem institutions, within prescribed time frames. • Performed off-site reviews of 925 institutions. • Published Notices of Proposed Rulemaking for Basel II and IA, and continued other analytical and preparatory activities related to the implementation of these new capital regulations. • Completed advanced certification requirements for more than 10 percent of BSA/AML subject-matter experts. • Conducted 370 outreach and technical assistance events for bankers and community groups to promote awareness of community investment opportunities, access to capital, knowledge-sharing between the public and private sectors, and wealth building opportunities for families. • Continued to disseminate the award-winning <i>Money Smart</i> financial education curriculum in multiple languages, adding 157 <i>Money Smart</i> Alliance members; distributing an additional 121,768 copies of the curriculum; and training approximately 207,000 more individuals with the curriculum.
Receivership Management	<ul style="list-style-type: none"> • Terminated 10 of the 65 (15.4 percent) failed financial institution receiverships existing at the beginning of the year. • Secured approval for and began work on a new Claims Administration System (to be implemented in 2008). • No institution reached the 18-month milestone for professional liability claim investigation in 2006.

2006 Budget and Expenditures by Program (Excluding Investments)

The FDIC budget for 2006 totaled \$1.050 billion. Excluding \$146 million for Corporate General and Administrative expenditures, budget amounts were allocated to corporate programs and related goals as follows: \$158 million, or 15 percent, to the Insurance program; \$557 million, or 53 percent, to the Supervision and Consumer Protection program; and \$189 million, or 18 percent, to the Receivership Management program.

Actual expenditures for the year totaled \$973 million. Excluding \$147 million for Corporate General and Administrative expenditures, actual expenditures were allocated to programs as follows: \$166 million, or 17 percent, to the Insurance program; \$548 million, or 56 percent, to the Supervision and Consumer Protection program; and \$112 million, or 12 percent, to the Receivership Management program.



Performance Results by Program and Strategic Goal

2006 Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
1. Respond promptly to all financial institution closings and emerging issues.	Number of business days after institution failure that depositors have access to insured funds either through transfer of deposits to successor insured depository institution or depositor payout.	If the failure occurs on a Friday, the target is one business day.	Not Applicable. No failures in 2006. See pg. 25.
		If a failure occurs on any other day of the week, the target is two business days.	Not Applicable. No failures in 2006. See pg. 25.
	Enhancement of FDIC capabilities to make a deposit insurance determination for a large-bank failure.	Review comments received from the advance notice of proposed rulemaking on Large-Bank Deposit Insurance Determination Modernization, consult with stakeholders, and make a determination on how to proceed.	Achieved. See pgs. 25-26.
2. Identify and address risks to the insurance funds.	Insurance risks posed by large insured depository institutions.	Assess the insurance risks in 100 percent of large insured depository institutions and adopt appropriate strategies.	Achieved. See pg. 37.
	Concerns referred for examination or other action.	Identify and follow up on 100 percent of issues raised through off-site review and analysis.	Achieved. See pg. 37.
3. Disseminate data and analyses on issues and risks affecting the financial services industry to bankers, supervisors, the public and other stakeholders.	Scope and timeliness of information dissemination on identified or potential issues and risks.	Results of research and analyses are disseminated in a timely manner through regular publications, ad hoc reports and other means.	Achieved. See pgs. 15-16.
		Industry outreach activities are undertaken to inform bankers and other stakeholders about current trends, concerns and other available FDIC resources.	Achieved. See pgs. 15-16, 19.

2006 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
4. Maintain and improve the deposit insurance system.	Implementation of deposit insurance reform.	Develop and implement an assessment credit and dividends system and a new deposit insurance pricing system.	Achieved. See pg. 13.
		Implement deposit insurance reform legislation in accordance with statutorily prescribed time frames.	Achieved. See pgs. 12-13.
	Loss reserves.	Enhance the effectiveness of the reserving methodology by applying sophisticated analytical techniques to review variances between projected losses and actual losses, and by adjusting the methodology accordingly.	Achieved. See pg. 37.
	Fund adequacy.	Set assessment rates to maintain the insurance fund reserve ratio between 1.15 and 1.50 percent of estimated insured deposits.	Achieved. See pg. 13.

2006 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
5. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.	Utility of educational tools available to bankers and consumers.	Update <i>Insuring Your Deposits</i> (basic deposit insurance brochure for consumers), <i>Your Insured Deposit</i> (comprehensive deposit insurance brochure), and EDIE (Electronic Deposit Insurance Estimator) on the FDIC Web site to reflect changes resulting from enactment of deposit insurance reform legislation.	Achieved. See pg. 24.
		Develop and make available to the public an updated Spanish language version of EDIE reflecting deposit insurance reform.	Achieved. See pg. 24.
		Develop and make available to the public a Spanish language version of the FDIC's 30-minute video on deposit insurance coverage.	Achieved. See pg. 24.
		Respond to 90 percent of inquiries from consumers and bankers about FDIC deposit insurance coverage within time frames established by policy.	Achieved. See pg. 23.
		Respond to 90 percent of written inquiries within time frames established by policy.	Achieved. See pg. 23.

2006 Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
1. Conduct on-site risk management examinations to assess the overall financial condition, management practices and policies, and compliance with applicable laws and regulations of FDIC-supervised depository institutions.	Percentage of required examinations conducted in accordance with statutory requirements and FDIC policy.	One hundred percent of required risk management examinations (including a review for Bank Secrecy Act (BSA) compliance) are conducted on schedule.	Achieved. See pg. 17.
2. Take prompt and effective supervisory action to address issues identified during the FDIC examination of FDIC-supervised institutions that receive a composite Uniform Financial Institutions Rating of "4" or "5" (problem institutions.) Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.	Percentage of follow-up examinations of problem institutions conducted within required time frames.	One hundred percent of follow-up examinations are conducted within 12 months of completion of the prior examination.	Achieved. See pg. 17.
3. Increase regulatory knowledge to keep abreast of current issues related to money laundering and terrorist financing.	Certification of BSA/AML subject-matter experts.	At least 10 percent of BSA/AML subject-matter experts nationwide are certified under the Association of Certified Anti-Money Laundering Specialists certification program.	Achieved. See pg. 23.
4. More closely align regulatory capital with risk in large or multinational banks.	Continuation of preparatory activities related to the implementation of the new Basel Capital Accord (Basel II).	Publish a Notice of Proposed Rulemaking (NPR). Participate in the continuing analysis of the projected results of the new capital regime.	Achieved. See pg. 14. Achieved. See pg. 14.
5. More closely align regulatory capital with risk in banks not subject to Basel II capital rules.	Development of a revised capital framework proposal for institutions not subject to Basel II.	Develop a Notice of Proposed Rulemaking (NPR) for public issuance.	Achieved. See pg. 14.
6. Ensure that FDIC-supervised institutions that plan to operate under the new Basel Capital Accord are making satisfactory progress toward meeting required qualification standards.	Percentage of on-site examinations or off-site analyses performed.	On-site examinations or off-site analyses are performed for all FDIC-supervised banks that intend to operate under Basel II to ensure that they are effectively working toward meeting required qualification standards.	Achieved. See pg. 14.

2006 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
7. Conduct CRA and compliance examinations in accordance with the FDIC's examination frequency policy.	Percentage of examinations conducted in accordance with required time frames.	One hundred percent of required examinations are conducted within time frames established by FDIC policy.	Achieved. See pg. 17.
8. Take prompt and effective supervisory action to monitor and address problems identified during compliance examinations of FDIC-supervised institutions that receive a "4" or "5" rating for compliance with consumer protection and fair lending laws.	Percentage of follow-up examinations or related activities conducted within required time frames.	One hundred percent of follow-up examinations or related activities are conducted within 12 months from the date of a formal enforcement action to confirm that the institution is in compliance with the enforcement action.	Achieved. See pg. 17.
9. Provide effective outreach and technical assistance on topics related to the CRA, fair lending, and community development.	Number of individuals taking a <i>Money Smart</i> class or using the self-paced curriculum.	200,000 additional individuals are taught using the <i>Money Smart</i> curriculum.	Achieved. See pg. 24.
	Number of outreach activities conducted, including technical assistance activities.	125 technical assistance (examination support) efforts or banker/community outreach activities are conducted related to CRA, fair lending, or community development.	Achieved. See pg. 24.
10. Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Timely responses to written complaints.	Responses are provided to 90 percent of written complaints within time frame established by policy.	Achieved. See pg. 23.

2006 Receivership Management Program Results

Strategic Goal: Recovery to creditors of receivership is achieved.

Annual Performance Goal	Indicator	Target	Results
1. Market failing institutions to all known qualified and interested potential bidders.	List of qualified and interested bidders.	Contact all known qualified and interested bidders.	Not Applicable. No failures in 2006. See pg. 25.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Percentage of failed institution's assets marketed.	Ninety percent of the book value of a failed institution's marketable assets are marketed within 90 days of failure.	Not Applicable. No failures in 2006. See pg. 26.
3. Manage the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Terminate all receiverships within 90 days of the resolution of all impediments.	Achieved. See pg. 26.
4. Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim.	For 80 percent of all claim areas, a decision is made to close or pursue claims within 18 months of the failure date.	Not Applicable. No failures in 2006. See pg. 26.

Prior Years Performance Results

(excerpted from the 2005 Annual Report) Page numbers refer to the 2005 report

2005 Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
1. Respond promptly to all financial institution closings and emerging issues.	Number of business days after institution failure by which depositors will have access to insured funds either through transfer of deposits to successor insured depository institution or depositor payout.	If the failure occurs on a Friday the target is one business day.	Not Applicable. No failures in 2005.
		If the failure occurs on any other day of the week, the target is two business days.	Not Applicable. No failures in 2005.
2. Identify and address risks to the insurance funds.	Insurance risks posed by large insured depository institutions. Concerns referred for examination or other action. Dissemination of data and analyses on issues and risks affecting the banking industry to bankers, supervisors, the public, and other stakeholders.	Assess the insurance risks in 100 percent of large insured depository institutions and adopt appropriate strategies.	Achieved. See pg. 29.
		Identify and follow up on 100 percent of referrals.	Achieved. See pg. 29.
		Results of research and analyses are disseminated in a timely manner through regular publications, ad hoc reports and other means.	Achieved. See pg. 29.
		Industry outreach activities are undertaken to inform bankers and other stakeholders about current trends and concerns and available FDIC resources.	Achieved. See pgs. 10-11.
3. Maintain sufficient and reliable information on insured depository institutions.	Quality and timeliness of bank data.	Implement a modernized Call Reporting process during the second Call Reporting period in 2005.	Not Achieved. See pg. 11.
4. Maintain and improve the deposit insurance system.	Deposit Insurance Reform.	Provide information and analysis to Congressional committees in support of deposit insurance reform legislation.	Achieved. See pgs. 8-9.
		Obtain legislative support for a proposed assessment credit and rebate system and a new deposit insurance pricing system.	Achieved. See pgs. 8-9.

2005 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
<p>4. Maintain and improve the deposit insurance system. (continued)</p>		<p>When deposit insurance reform is enacted, implement legislation in accordance with statutorily prescribed time frames.</p>	<p>Not Applicable. Legislation enacted Feb. 8, 2006.</p>
	<p>Loss Reserves.</p>	<p>Enhance the effectiveness of the reserving methodology by applying sophisticated analytical techniques to review variances between projected losses and actual losses, and by adjusting the methodology accordingly.</p>	<p>Achieved. See pg. 29.</p>
	<p>Fund adequacy.</p>	<p>Set assessment rates to maintain the insurance funds at the designated reserve ratio (DRR), or return them to the DRR if they fall below it, as required by statute.</p>	<p>Achieved. See pg. 37.</p>
		<p>When deposit insurance reform legislation is enacted, promulgate rules and regulations establishing criteria for replenishing the Deposit Insurance Fund when it falls below the low end of the range.</p>	<p>Not Applicable. Legislation enacted Feb. 8, 2006.</p>
		<p>Enhance the working prototype of the integrated fund model for financial risk management.</p>	<p>Achieved. See pg. 29.</p>
<p>5. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.</p>	<p>Utility of educational tools developed for bankers and consumers.</p>	<p>Update the consumer version of the EDIE (Electronic Deposit Insurance Estimator) located on the FDIC's Web site.</p>	<p>Achieved. See pg. 18.</p>

2005 Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
1. Conduct on-site risk management examinations to assess an FDIC-supervised insured depository institution's overall financial condition, management practices and policies, and compliance with applicable laws and regulations.	Percentage of required examinations conducted in accordance with statutory requirements and FDIC policy.	One hundred percent of required safety and soundness examinations (including a review for BSA compliance) are conducted on schedule.	Achieved. See pg. 13.
2. Take prompt and effective supervisory actions to address problems found during the FDIC examination of FDIC-supervised institutions that receive a composite Uniform Financial Institutions Rating of "4" or "5" (problem institutions). Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.	Percentage of follow-up examinations conducted within required time frames.	One hundred percent of follow-up examinations are conducted within 12 months of completion of the prior examination.	Achieved. See pg. 13.
3. Increase industry and regulatory awareness of emerging/high-risk areas.	Number of trained BSA/AML subject-matter experts.	The number of trained BSA/AML subject-matter experts increased to 300.	Achieved. See pg. 15.
	Number of industry outreach sessions on BSA/AML/Counter Financing of Terrorism (CFT) issues.	Advanced training is completed for all BSA/AML subject-matter experts. At least one outreach session per region.	Achieved. See pg. 39. Achieved. See pg. 15.
4. More closely align regulatory capital with risk in large or multinational banks.	Completion of preparatory activities for implementation of the new Basel Capital Accord.	Notice of Proposed Rule-making (NPR) and associated examination guidance for implementing the new Basel Capital Accord are published for comment.	Achieved. See pg. 10.
		Quantitative Impact Study 4 is completed.	Achieved. See pg. 9.

2005 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
5. Ensure that FDIC-supervised institutions that plan to operate under the new Basel Capital Accord are making satisfactory progress toward meeting required qualification standards.	Percentage of on-site examinations or off-site analyses performed.	On-site examinations or off-site analyses are performed for all FDIC-supervised banks that intend to operate under Basel II to ensure that they are effectively working toward meeting required qualification standards.	Achieved. See pg. 9.
6. Provide effective outreach and technical assistance on topics related to the CRA, fair lending, and community development.	Number of <i>Money Smart</i> Alliance members.	200 additional members are added to the <i>Money Smart</i> Alliance.	Achieved. See pg. 38.
	Number of <i>Money Smart</i> curricula distributed.	20,000 additional copies of the <i>Money Smart</i> curricula are distributed.	Achieved. See pg. 38.
		200,000 additional individuals are taught using the <i>Money Smart</i> curricula.	Achieved. See pg. 38.
	Number of outreach activities conducted with technical assistance.	125 technical assistance (examination support) efforts or banker/community outreach activities are conducted related to CRA, fair lending, or community development.	Achieved. See pg. 38.
7. Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Timely responses to written complaints.	Responses are provided to 90 percent of written complaints within time frames established by policy.	Achieved. See pg. 17.
8. Conduct CRA and compliance examinations in accordance with the FDIC's examination frequency policy.	Percentage of examinations conducted within required time frames.	One hundred percent of required examinations are conducted within time frames established by FDIC policy.	Achieved. See pg. 13.
9. Take prompt and effective supervisory action to monitor and address problems identified during compliance examinations of FDIC-supervised institutions that receive a "4" or "5" rating for compliance with consumer protection and fair lending laws.	Percentage of follow-up examinations or related activities conducted within required time frames.	One hundred percent of follow-up examinations or related activities are conducted within 12 months from the date of a formal enforcement action to confirm that the institution is in compliance with the enforcement action.	Achieved. See pg. 39.

2005 Receivership Management Program Results

Strategic Goal: Recovery to creditors of receiverships is achieved.

Annual Performance Goal	Indicator	Target	Results
1. Market failing institutions to all known qualified and interested potential bidders.	List of qualified and interested bidders.	Contact all known qualified and interested bidders.	Not Applicable. No failures in 2005.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Percentage of failed institution's assets marketed.	Ninety percent of book value of a failed institution's marketable assets are marketed within 90 days of failure.	Not Applicable. No failures in 2005.
3. Manage the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Inactivate 75 percent of receiverships managed through the Receivership Oversight Program within three years of the failure date.	Not Achieved. See pg. 40.
4. Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim.	For 80 percent of all claim areas, a decision is made to close or pursue the claim within 18 months after the failure date.	Achieved. See pg. 40.

Prior Years Performance Results

(excerpted from the 2004 Annual Report) Page numbers refer to the 2004 report

2004 Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
1. Respond promptly to all financial institution closings and emerging issues.	Number of business days after institution failure by which depositors will have access to insured funds either through transfer of deposits to successor insured depository institution or depositor payout.	If the failure occurs on a Friday the target is one business day. If the failure occurs on any other day of the week, the target is two business days.	Achieved. See pg. 19. Not Applicable. All failures occurred on a Friday.
2. Identify and address risks to the insurance funds.	Assess risks posed by large insured depository institutions.	Assess risks in 100 percent of large insured depository institutions and adopt appropriate strategies.	Achieved. See pg. 11.
	Identify and follow up on concerns referred for examination or other action (i.e., contact the insured institution or primary supervisor).	Identify and follow up on 100 percent of referrals.	Achieved. See pg. 12.
	Disseminate data and analyses on current issues and risks affecting the banking industry to bankers, supervisors, stakeholders, and the public.	Analyses are included in regular publications or as ad hoc reports on a timely basis. Conduct industry outreach activities aimed at the banking community and industry trade groups to discuss current trends and concerns and to inform bankers about available FDIC resources.	Achieved. See pg. 11. Achieved. See pg. 11.
3. Maintain sufficient and reliable information on insured depository institutions.	Maintain quality and timeliness of bank data.	Implement a modernized Call Reporting process by December 31, 2004.	Not Achieved. See pg. 11.

2004 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
<p>4. Maintain and improve the deposit insurance system.</p>	<p>Pursuit of changes to the deposit insurance system is in accordance with proposals submitted to the Congress.</p>	<p>Provide information and analysis to Congressional committees in support of deposit insurance reform legislation.</p>	<p>Achieved. See pgs. 8-9.</p>
		<p>Develop and obtain the necessary support for a proposed assessment credit and rebate system and a new deposit insurance pricing system.</p>	<p>Achieved. See pgs. 8-9.</p>
		<p>When deposit insurance reform is enacted, implement legislation in accordance with statutorily prescribed time frames.</p>	<p>Not Applicable. Legislation not enacted in 2004.</p>
	<p>Make appropriate changes to the current methodology for projecting losses in failing financial institutions and establishing related loss reserves for the deposit insurance funds.</p>	<p>Review discrepancies between projected failed assets and actual failed assets by applying sophisticated analytical techniques to examine the effectiveness of the loss projection model and adjust the methodology for projecting losses accordingly.</p>	<p>Achieved. See pgs. 8-9.</p>
		<p>Implement enhancements to the reserving process and methodology in accordance with recommendations from a comprehensive 2003 review.</p>	<p>Achieved. See pgs. 8-9.</p>
	<p>Maintain fund adequacy.</p>	<p>Set assessment rates to maintain the insurance funds at the designated reserve ratio, or return them to the designated reserve ratio if they fall below it, as required by statute.</p>	<p>Achieved. See pgs. 8-9.</p>
		<p>If deposit insurance reform legislation becomes law in 2004, promulgate rules and regulations establishing criteria for replenishing the deposit insurance fund when it falls below the low end of the range.</p>	<p>Not Applicable. Legislation not enacted in 2004.</p>

2004 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
4. Maintain and improve the deposit insurance system. (continued)		Develop a working prototype of a new, integrated fund model for financial risk management.	Achieved. See pgs. 8-9.
	Conduct a conference on the "Future of Banking."	Host conference, present findings from the study and obtain feedback from scholars and industry representatives and other interested parties.	Not Achieved. See pg. 28.
	Maintain quality and visibility of the Corporation's banking research activities.	Implement an FDIC Center for Financial Research with enhanced ties to the academic community.	Achieved. See pg. 10.
5. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.	Utility of educational tools developed for bankers and consumers.	Develop a CD-ROM and Internet-based resource for bankers on the deposit insurance rules.	Achieved. See pg. 18.

2004 Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
1. Conduct on-site risk management examinations to assess an FDIC-supervised insured depository institution's overall financial condition, management practices and policies, and compliance with applicable laws and regulations.	Percentage of required examinations in accordance with statutory requirements and FDIC policy.	One hundred percent of required examinations are conducted on time.	Achieved. See pg. 12.
2. Take prompt supervisory actions to address problems found during the FDIC examination of FDIC-supervised institutions identified as problem insured depository institutions. Monitor FDIC-supervised insured depository institutions' compliance with formal and informal enforcement actions.	Follow-up examination of problem banks.	Follow-up examination is conducted within 12 months of completion of the prior examination.	Achieved. See pg. 12.

2004 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
1. Provide effective outreach and technical assistance on topics related to CRA, fair lending, and community development.	<p>Additions to the <i>Money Smart</i> Alliance and the number of <i>Money Smart</i> curriculum provided.</p> <p>Outreach activities and technical assistance.</p>	<p>Add an additional 200 <i>Money Smart</i> Alliance Members.</p> <p>Provide an additional 20,000 copies of <i>Money Smart</i> curriculum.</p> <p>Reach an additional 200,000 individuals.</p> <p>Conduct or participate in 125 technical assistance efforts (examination support) or banker/community outreach activities related to CRA, fair lending, or community development.</p>	<p>Achieved. See pg. 15.</p> <p>Achieved. See pg. 15.</p> <p>Achieved. See pg. 15.</p> <p>Achieved. See pg. 15.</p>
2. Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Timely responses to written complaints.	Ninety percent of written complaints are responded to within time frames established by policy.	Achieved. See pg. 17.
3. Conduct comprehensive and compliance-only examinations in accordance with FDIC examination frequency policy.	Conduct required examinations in accordance with FDIC policy.	One hundred percent of required examinations are conducted within time frames established by FDIC policy.	Achieved. See pg. 12.
4. Take prompt supervisory actions and monitor institutions rated "4" or "5" for compliance to address problems identified during compliance examinations.	Timely follow-up examinations and related activity.	Follow-up examination or related activity is conducted within 12 months from the date of a formal enforcement action to confirm that the institution is in compliance with the enforcement action.	Achieved. See pg. 12.

2004 Receivership Management Program Results

Strategic Goal: Recovery to creditors of receiverships is achieved.

Annual Performance Goal	Indicator	Target	Results
1. Market failing institutions to all known qualified and interested potential bidders.	List of qualified and interested bidders.	Contact all known qualified and interested bidders.	Achieved. See pg. 19.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Percentage of failed institution's assets marketed.	Eighty-five percent of book value of a failed institution's marketable assets are marketed within 90 days of failure.	Achieved. See pg. 19.
3. Manage the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Terminate 75 percent of receiverships managed through the Receivership Oversight Program within three years of the failure date.	Achieved. See pg. 20.
4. Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions and decide as promptly as possible to close or pursue each claim, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim.	For 80 percent of all claim areas, a decision is made to close or pursue the claim within 18 months after the failure date.	Achieved. See pg. 19.

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2003 Insurance Program Results

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
1. Respond promptly to financial institution closings and emerging issues.	Number of business days after institution failure by which depositors will have access to insured funds either through transfer of deposits to successor insured depository institution or depositor payout.	If the failure occurs on a Friday, the target is one business day.	Achieved.
		If the failure occurs on any other day of the week, the target is two business days.	Achieved.
2. Identify and address risks to the insurance funds.	Assess risks posed by large insured depository institutions.	Assess risks in 100 percent of large insured depository institutions and adopt appropriate strategies.	Achieved.
	Identify and follow up on concerns referred for examination or other action (i.e., contact the insured institutions or primary supervisor).	Identify and follow up on 100 percent of referrals.	Achieved.
	Disseminate data and analyses on current issues and risks affecting the banking industry to bankers, supervisors, stakeholders, and the public.	Analyses are included in regular publications or as ad hoc reports on a timely basis.	Achieved.
		Conduct industry outreach aimed at the banking community and industry trade groups to discuss current trends and concerns and to inform bankers about available FDIC resources.	Achieved.

2003 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
<p>3. Maintain sufficient and reliable information on insured depository institutions.</p>	<p>Maintain and improve the Research Information System (RIS), which serves as the foundation of most analysis and statistical reporting for the FDIC.</p>	<p>Update and expand data availability in RIS.</p>	<p>Achieved.</p>
	<p>Develop a more efficient approach to bank data collection and management.</p>	<p>Determine Call Report Modernization system development approach; prepare migration plan for the implementation of data editing, storage and distribution facility for Call Report data; complete reconciliation of bank structure databases; and implement standard business rules and data definitions for Call Report information.</p>	<p>Achieved.</p>
<p>4. Maintain and improve the deposit insurance system.</p>	<p>Continue to pursue changes in the deposit insurance system in accordance with proposals submitted to Congress in 2002.</p>	<p>Work with Congress to develop and pass a reform package.</p>	<p>Not Achieved. See pgs. 12-13.</p>
		<p>Develop final pricing recommendations and implementation plans for inclusion in a notice-and-comment rulemaking during 2003.</p>	<p>Achieved.</p>
		<p>If deposit insurance reform is passed, implement legislation in a timely manner.</p>	<p>Not Applicable.</p>
	<p>Continue to identify and review possible modifications to the Risk-Related Premium System (RRPS).</p>	<p>Develop and analyze baseline data of implemented modification results.</p> <p>Assess improvements to the objective screens for the RRPS that identify financial institutions engaging in excessive risk taking, such as certain types of credit, market, and operational risks.</p>	<p>Achieved.</p>

2003 Insurance Program Results (continued)

Strategic Goal: Insured depositors are protected from loss without recourse to taxpayer funding.

Annual Performance Goal	Indicator	Target	Results
<p>4. Maintain and improve the deposit insurance system. (continued)</p>	<p>Make appropriate changes to the current methodology for projecting losses in failing financial institutions and establishing related loss reserves for the deposit insurance funds.</p>	<p>Review discrepancies between projected failed assets and actual failed assets by applying sophisticated analytical techniques to examine the effectiveness of the loss projection model and adjust the methodology or projecting losses accordingly.</p>	<p>Achieved.</p>
	<p>Maintain fund adequacy.</p>	<p>Perform comprehensive review of all aspects of the reserving process and methodology and implement enhancements as necessary.</p>	<p>Achieved.</p>
	<p>Conduct a study on the "Future of Banking."</p>	<p>Set assessment rates to maintain the insurance funds at or above the designated reserve ratio, or to return them to the designated reserve ratio if they fall below it, as required by statute. If deposit insurance reform legislation becomes law in 2003, promulgate rules and regulations establishing criteria for replenishing the deposit insurance fund when it falls below the low end of the range.</p>	<p>Achieved.</p>
	<p>Enhance FDIC's ties to the academic community and upgrade and provide greater visibility to the Corporation's research activities.</p>	<p>Determine the implications of major trends for the evolution of the industry, development of regulatory policy and management of the deposit insurance funds.</p>	<p>Achieved.</p>
<p>5. Provide educational information to insured depository institutions and their customers to help them understand the rules for determining the amount of insurance coverage on deposit accounts.</p>	<p>Enhance the existing Electronic Deposit Insurance Estimator (EDIE) Banker version.</p>	<p>Issue a new version of the EDIE (Banker version) that accommodates corporate and organization accounts as well as any changes to the deposit insurance rules that may be adopted.</p>	<p>Achieved.</p>

2003 Supervision and Consumer Protection Program Results

Strategic Goal: FDIC-supervised institutions are safe and sound.

Annual Performance Goal	Indicator	Target	Results
1. Conduct on-site safety and soundness examinations to assess an FDIC-supervised insured depository institution's overall financial condition, management practices and policies, and compliance with applicable regulations.	Conduct required examinations in accordance with statute and FDIC policy.	One hundred percent of required examinations are conducted on time.	Achieved.
2. Take prompt supervisory actions to address problems found during the FDIC examination of FDIC-supervised institutions identified as problem insured depository institutions. Monitor FDIC-supervised insured depository institution's compliance with formal and informal enforcement actions.	The number of months between last examination of a problem bank and follow-up examination.	Follow-up examination conducted within 12 months of completing the prior examination.	Achieved.

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
1. Provide effective outreach and technical assistance on topics related to CRA, fair lending, and community development.	Additions to the <i>Money Smart</i> Alliance and the number of <i>Money Smart</i> curricula provided.	By December 31, 2003, cumulative totals of 400 <i>Money Smart</i> Alliance members and 40,000 <i>Money Smart</i> curricula provided.	Achieved.
	Outreach activities and technical assistance.	Conduct or participate in 125 <i>Money Smart</i> events, technical assistance efforts (examination support), or banker/community outreach activities related to CRA, fair lending, or community development.	Achieved.
2. Effectively meet the statutory mandate to investigate and respond to consumer complaints about FDIC-supervised financial institutions.	Timely responses to written complaints.	Ninety percent of written complaints are responded to within time frames established by policy.	Achieved.
3. Conduct comprehensive and compliance-only examinations in accordance with FDIC examination frequency policy.	Conduct required examinations in accordance with FDIC policy.	One hundred percent of required examinations are conducted within time frames established by FDIC policy.	Achieved.

2003 Supervision and Consumer Protection Program Results (continued)

Strategic Goal: Consumers' rights are protected and FDIC-supervised institutions invest in their communities.

Annual Performance Goal	Indicator	Target	Results
4. Take prompt supervisory actions and monitor all institutions rated "4" or "5" for compliance to address problems identified during compliance examinations.	Timely follow-up examination and related activity confirm whether the institution is in compliance with the enforcement action.	A follow-up examination or related activity is conducted within 12 months from the date of a formal enforcement action.	Achieved.

2003 Receivership Management Program Results

Strategic Goal: Recovery to creditors of receiverships is achieved.

Annual Performance Goal	Indicator	Target	Results
1. Market failing institutions to all known qualified and interested potential bidders.	List of qualified and interested bidders.	Contact all known qualified and interested bidders.	Achieved.
2. Value, manage, and market assets of failed institutions and their subsidiaries in a timely manner to maximize net return.	Failed institutions' assets marketed.	Eighty-five percent of book value of a failed institution's marketable assets are marketed within 90 days of failure.	Achieved.
3. Manage the receivership estate and its subsidiaries toward an orderly termination.	Timely termination of new receiverships.	Terminate 75 percent of receiverships managed through the Receivership Oversight Program within three years of the failure date.	Not Achieved. See pg. 19.
4. Conduct investigations into all potential professional liability claim areas in all failed insured depository institutions, and decide to close or pursue each claim as promptly as possible, considering the size and complexity of the institution.	Percentage of investigated claim areas for which a decision has been made to close or pursue the claim within 18 months after the failure date.	For 80 percent of all claim areas, a decision is made to close or pursue the claim.	Achieved.

Program Evaluation

The Corporation's 2006 Annual Performance Plan indicated that the FDIC would pursue the following Program Evaluation agenda in 2006:

During 2006, considerable corporate resources will be devoted to implementing both program changes necessitated by Deposit Insurance Reform and the several changes in the automated systems supporting related activities. In addition, OERM (the Office of Enterprise Risk Management) will lead or participate in program evaluation activities in such areas as: risk management oversight on the development of new automated systems supporting our major programs; determining the continuing effectiveness of program areas that experienced significant downsizing in 2005; continuing implementation of balanced scorecards throughout the Corporation; and continuing our participation in performance management and monitoring efforts at the division/office level.

As expected, the implementation of deposit insurance reform became the central focus of OERM's program evaluation efforts throughout 2006. In order to comply with the requirements of the Federal Deposit Insurance Reform Act of 2005 and the related Federal Deposit Insurance Reform Conforming Amendments Act of 2005, the FDIC had to analyze current business processes and operations in several program areas and to implement major changes in these programs by the end of the year. OERM program evaluation staff provided significant support in the documentation and analysis of current business processes.

In conjunction with the implementation of these program changes, the legislation also required the FDIC and the Government Accountability Office (GAO) to conduct a series of specific studies and targeted reviews/audits. Most significantly, the GAO was required to conduct an evaluation of the FDIC's overall structure and mission, with particular emphasis on the Corporation's frameworks for corporate governance, human capital management and risk management. This comprehensive, nine-month review encompassed all major FDIC programs and included operations at headquarters, regional and field offices. The review resulted in only two relatively minor recommendations, thus providing FDIC management with additional independent affirmation of the effectiveness of its existing corporate programs. The FDIC will complete its three studies in early 2007, covering "Accounting for Loss Contingencies: The FDIC's Policies and Practices 1992-2004," "An Evaluation of Further Possible Changes to the Deposit Insurance System," and "An Evaluation of the Denominator of the Reserve Ratio." The studies are scheduled to be delivered to Congress by February 15, 2007.

Independent internal control staff in key divisions also continued to carry out traditional program and operational evaluations in 2006. These included continuing reviews of the Division of Supervision and Consumer Protection's regional and field office operations to ensure consistency and integrity of the FDIC's examination programs; and a review of payment and other controls in the Division of Resolutions and Receiverships to ensure the continued effectiveness and control of operations in the wake of the significant staff reductions made in 2005. OERM also continued its review of the Office of Diversity and Economic Opportunity to identify ways to improve the accuracy and timeliness of reporting.