



**2009**  
**ANNUAL**  
**REPORT**



**Federal Deposit Insurance Corporation**  
**550 17th Street, NW Washington, DC 20429**

**Office of the Chairman**

June 30, 2010

Dear Sir/Madam,

In accordance with:

- the provisions of section 17(a) of the Federal Deposit Insurance Act,
- the Chief Financial Officers Act of 1990, Public Law 101-576,
- the Government Performance and Results Act of 1993,
- the provisions of Section 5 (as amended) of the Inspector General Act of 1978, and
- the Reports Consolidation Act of 2000,

The Federal Deposit Insurance Corporation (FDIC) is pleased to submit its *2009 Annual Report* (also referred to as the *Performance and Accountability Report*), which includes the audited financial statements of the Deposit Insurance Fund (DIF) and the Federal Savings and Loan Insurance Corporation Resolution Fund.

In accordance with the Reports Consolidation Act of 2000, the FDIC completed an assessment of the reliability of the performance data contained in this report. No material inadequacies were found and the data are considered to be complete and reliable.

Based on internal management evaluations, and in conjunction with the results of independent financial statement audits, the FDIC can provide reasonable assurance that the objectives of Section 2 (internal controls) and Section 4 (financial management systems) of the Federal Managers' Financial Integrity Act of 1982 have been achieved, except for a material weakness in internal controls related to estimating losses to the DIF from resolution transactions involving loss-share agreements, which was identified by the U.S. Government Accountability Office (GAO). GAO also identified information technology issues that aggregated to a significant deficiency. During the fourth quarter of 2009 and in early 2010, we increased resources in these areas and instituted improvements in our control environment which, in conjunction with additional control enhancements to be completed in the second quarter of 2010, will significantly reduce the risks outlined in GAO's audit report. We are committed to maintaining effective internal controls corporate-wide in 2010.

Sincerely,

**Sheila C. Bair**  
Chairman

\_\_\_\_\_  
The President of the United States  
The President of the United States Senate  
The Speaker of the United States House of Representatives

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