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# III.

## **Financial Highlights**

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In its role as deposit insurer of financial institutions, the FDIC promotes the safety and soundness of IDIs. The following financial highlights address the performance of the Deposit Insurance Fund.

## **DEPOSIT INSURANCE FUND PERFORMANCE**

The DIF balance ended the year at \$72.6 billion, an increase of \$9.8 billion from \$62.8 billion at year-end 2014. The DIF's comprehensive income totaled \$9.8 billion for 2015 compared to comprehensive income of \$15.6 billion during 2014. This \$5.8 billion year-over-year decrease was primarily due to a \$6.0 billion lower negative provision for insurance losses, partially offset by a \$191 million increase in assessment revenue and a \$141 million increase in interest revenue.

The provision for insurance losses was negative \$2.3 billion for 2015, compared to negative \$8.3 billion for 2014. The negative provision for 2015 primarily resulted from a decrease of \$2.2 billion in the estimated losses for institutions that failed in current and prior years, which was primarily attributable to (1) unanticipated recoveries of \$1.0 billion in litigation settlements, professional liability claims, and tax refunds by the receiverships; (2) a \$1.4 billion decrease in the receiverships' shared-loss liability; (3) an adjustment of \$501 million for lower-than-anticipated loss estimates at time of failure for all current year failures; and (4) a \$715 million increase in receivership legal and representation and

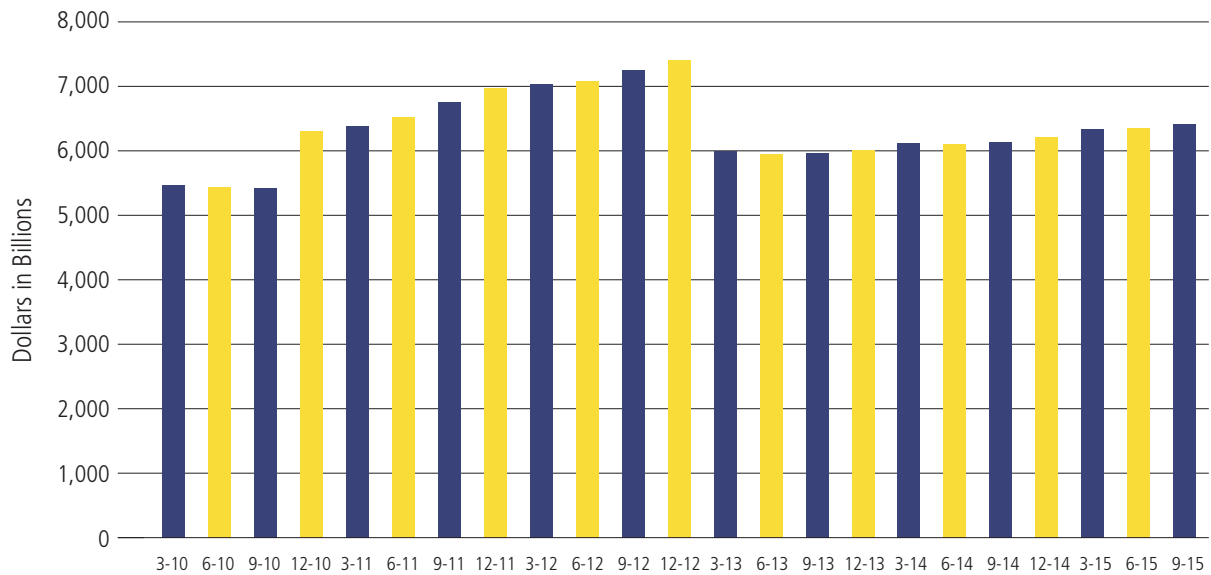
warranty liabilities and projected future receivership expenses. For the receiverships' shared-loss liability, in 2015, covered asset balances decreased by \$23.1 billion as a result of loan amortizations and pay-downs, as well as the expiration of 113 commercial shared-loss agreements and the early termination of 66 shared-loss agreements. Actual losses on this portion of covered assets were less than estimated at year-end 2014. The composition of the remaining covered asset portfolio primarily consists of performing single family assets, which have historically experienced significantly lower losses than commercial assets.

Assessment revenue was \$8.8 billion for 2015, as compared to \$8.7 billion for 2014. The combination of declining assessment rates and increasing assessment base resulted in the modest increase in assessment revenue of \$191 million.

The DIF's interest revenue on U.S. Treasury investments for 2015 was \$423 million compared to interest revenue of \$282 million in 2014. This \$141 million year-over-year increase reflects not only a larger investment portfolio balance, but also new, higher-yielding investments. The DIF's cash and U.S. Treasury investment portfolio balance was \$63.4 billion at year-end 2015, an increase of \$11.7 billion from the year-end 2014 balance of \$51.7 billion that was primarily due to assessment collections of \$8.7 billion and recoveries from resolutions of \$6.3 billion, less resolution disbursements of \$2.3 billion and operating expenses paid of \$1.6 billion.



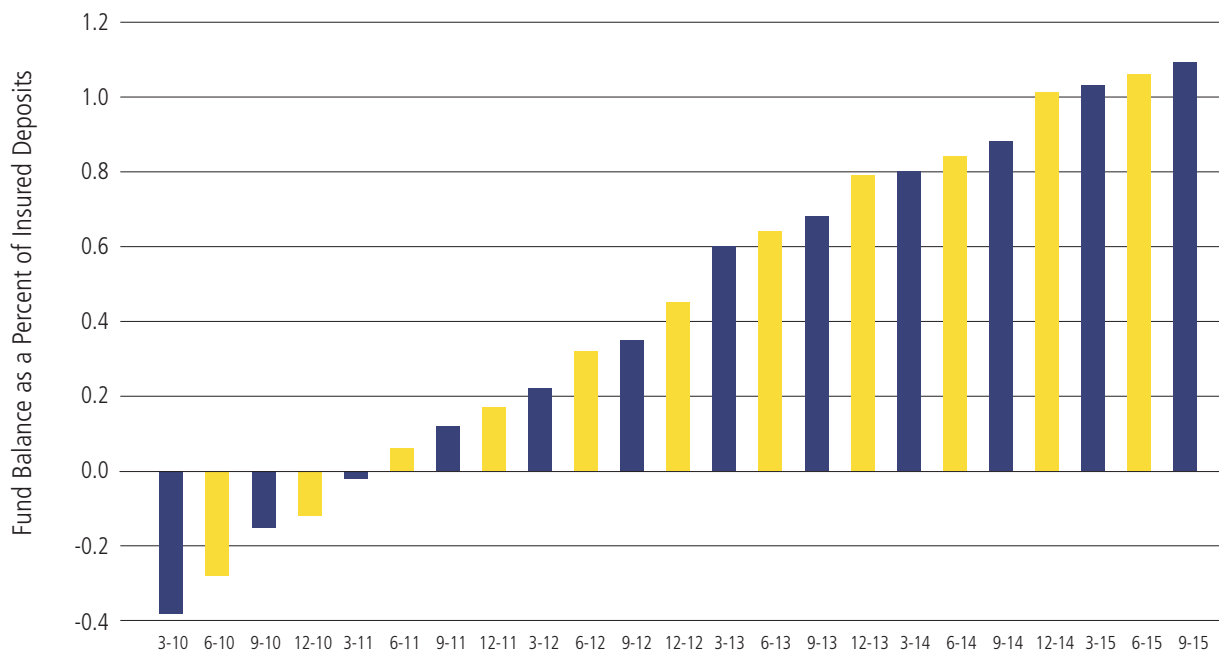
### ESTIMATED DIF INSURED DEPOSITS



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



**DEPOSIT INSURANCE FUND SELECTED STATISTICS**  
Dollars in Millions

	For the years ended December 31		
	2015	2014	2013
<b>Financial Results</b>			
Revenue	\$9,304	\$8,965	\$10,459
Operating Expenses	1,687	1,664	1,609
Insurance and Other Expenses (includes provision for losses)	(2,240)	(8,299)	(5,655)
Net Income	9,857	15,600	14,505
Comprehensive Income	9,820	15,589	14,233
Insurance Fund Balance	\$72,600	\$62,780	\$47,191
Fund as a Percentage of Insured Deposits (reserve ratio)	1.09% <sup>3</sup>	1.01%	0.79%
<b>Selected Statistics</b>			
Total DIF-Member Institutions <sup>1</sup>	6,270 <sup>3</sup>	6,509	6,812
Problem Institutions	203 <sup>3</sup>	291	467
Total Assets of Problem Institutions	\$51,068 <sup>3</sup>	\$86,712	\$152,687
Institution Failures	8	18	24
Total Assets of Failed Institutions in Year <sup>2</sup>	\$6,706	\$2,914	\$6,044
Number of Active Failed Institution Receiverships	446	481	479

<sup>1</sup> Commercial banks and savings institutions. Does not include U.S. insured branches of foreign banks.

<sup>2</sup> Total Assets data are based upon the last Call Report filed by the institution prior to failure.

<sup>3</sup> As of September 30, 2015.