Appendix A – Key Statistics

Selected Statistics

Dollars in millions	2005	2004	2003
	For the years ended December 31		
Bank Insurance Fund			
Financial Results			
Revenue	**$ 1,783**	$ 1,675	$ 1,626
Operating Expenses	**846**	821	805
Insurance and other expenses	**(135)**	(263)	(921)
Net Income	**1,072**	1,117	1,742
Comprehensive Income	**680**	1,004	1,732
Insurance Fund Balance	**$ 35,467**	$ 34,787	$ 33,782
Fund as a Percentage of Insured Deposits	**1.25%**▼	1.30%	1.32%
Selected Statistics			
Total BIF-Member Institutions•	**7,748** ▼	7,839	7,995
Problem Institutions	**58** ▼	69	102
Total Assets of Problem Institutions	**$ 18,714** ▼	$ 27,161	$ 28,812
Institution Failures	**0**	3	3
Total Assets of Current Year Failed Institutions	**$ 0**	$ 151	$ 1,097
Number of Active Failed Institution Receiverships	**24**	31	31
Savings Association Insurance Fund			
Financial Results			
Revenue	**$ 637**	$ 564	$ 547
Operating Expenses	**120**	120	130
Insurance and other expenses	**(22)**	(72)	(83)
Net Income	**539**	516	500
Comprehensive Income	**409**	480	493
Insurance Fund Balance	**$ 13,130**	$ 12,720	$ 12,240
Fund as a Percentage of Insured Deposits	**1.30%**▼	1.34%	1.37%
Selected Statistics			
Total SAIF-Member Institutions■	**1,108** ▼	1,136	1,186
Problem Institutions	**10** ▼	11	14
Total Assets of Problem Institutions	**$ 2,151** ▼	$ 1,089	$ 1,105
Institution Failures	**0**	1	0
Total Assets of Current Year Failed Institutions	**$ 0**	$ 15	$ 0
Number of Active Failed Institution Receiverships	**3**	3	2

▼ As of September 30, 2005.

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

■ Savings institutions and commercial banks.

Number and Deposits of BIF-Insured Banks Closed Because of Financial Difficulties, 1934 through 2005[1]

Dollars in Thousands

Year	Number of Insured Banks: Total	Number of Insured Banks: Without Disbursements by FDIC	Number of Insured Banks: With Disbursements by FDIC	Deposits of Insured Banks: Total	Deposits of Insured Banks: Without Disbursements by FDIC	Deposits of Insured Banks: With Disbursements by FDIC	Assets
Total	**2,116**	**19**	**2,097**	**$ 217,856,719**	**$ 4,298,814**	**$ 213,557,905**	**$ 408,937,918**
2005	**0**	**–**	**0**	**0**	**–**	**0**	**0**
2004	3	–	3	132,880	–	132,880	150,519,500
2003	3	–	3	903,504	–	903,504	1,096,724
2002	10	–	10	2,124,501	–	2,124,501	2,507,565
2001	3	–	3	49,926	–	49,926	54,470
2000	6	–	6	311,950	–	311,950	378,088
1999	7	–	7	1,268,151	–	1,268,151	1,423,819
1998	3	–	3	335,076	–	335,076	370,400
1997	1	–	1	26,800	–	26,800	25,921
1996	5	–	5	168,228	–	168,228	182,502
1995	6	–	6	632,700	–	632,700	753,024
1994	13	1	12	1,236,488	–	1,236,488	1,392,140
1993	41	–	41	3,132,177	–	3,132,177	3,539,373
1992	120	10	110	41,150,898	4,257,667	36,893,231	44,197,009
1991	124	–	124	53,751,763	–	53,751,763	63,119,870
1990	168	–	168	14,473,300	–	14,473,300	15,660,800
1989	206	–	206	24,090,551	–	24,090,551	29,168,596
1988	200	–	200	24,931,302	–	24,931,302	35,697,789
1987	184	–	184	6,281,500	–	6,281,500	6,850,700
1986	138	–	138	6,471,100	–	6,471,100	6,991,600
1985	120	–	120	8,059,441	–	8,059,441	8,741,268
1984	79	–	79	2,883,162	–	2,883,162	3,276,411
1983	48	–	48	5,441,608	–	5,441,608	7,026,923
1982	42	–	42	9,908,379	–	9,908,379	11,632,415
1981	10	–	10	3,826,022	–	3,826,022	4,859,060
1980	10	–	10	216,300	–	216,300	236,164
1979	10	–	10	110,696	–	110,696	132,988
1978	7	–	7	854,154	–	854,154	994,035
1977	6	–	6	205,208	–	205,208	232,612
1976	16	–	16	864,859	–	864,859	1,039,293
1975	13	–	13	339,574	–	339,574	419, 950
1974	4	–	4	1,575,832	–	1,575,832	3,822,596
1973	6	–	6	971,296	–	971,296	1,309,675
1972	1	–	1	20,480	–	20,480	22,054
1971	6	–	6	132,058	–	132,058	196,520
1970	7	–	7	54,806	–	54,806	62,147
1969	9	–	9	40,134	–	40,134	43,572
1968	3	–	3	22,524	–	22,524	25,154
1967	4	–	4	10,878	–	10,878	11,993
1966	7	–	7	103,523	–	103,523	120,647
1965	5	–	5	43,861	–	43,861	58,750
1964	7	–	7	23,438	–	23,438	25,849
1963	2	–	2	23,444	–	23,444	26,179
1962	1	1	0	3,011	3,011	0	N/A
1961	5	–	5	8,936	–	8,936	9,820
1960	1	–	1	6,930	–	6,930	7,506
1959	3	–	3	2,593	–	2,593	2,858
1958	4	–	4	8,240	–	8,240	8,905
1957	2	1	1	11,247	10,084	1,163	1,253
1956	2	–	2	11,330	–	11,330	12,914
1955	5	–	5	11,953	–	11,953	11,985
1954	2	–	2	998	–	998	1,138
1953	4	2	2	44,711	26,449	18,262	18,811
1952	3	–	3	3,170	–	3,170	2,388
1951	2	–	2	3,408	–	3,408	3,050
1950	4	–	4	5,513	–	5,513	4,005
1949	5	1	4	6,665	1,190	5,475	4,886
1948	3	–	3	10,674	–	10,674	10,360
1947	5	–	5	7,040	–	7,040	6,798
1946	1	–	1	347	–	347	351
1945	1	–	1	5,695	–	5,695	6,392
1944	2	–	2	1,915	–	1,915	2,098
1943	5	–	5	12,525	–	12,525	14,058
1942	20	–	20	19,185	–	19,185	22,254
1941	15	–	15	29,717	–	29,717	34,804
1940	43	–	43	142,430	–	142,430	161,898
1939	60	–	60	157,772	–	157,772	181,514
1938	74	–	74	59,684	–	59,684	69,513
1937	77	2	75	33,677	328	33,349	40,370
1936	69	–	69	27,508	–	27,508	31,941
1935	26	1	25	13,405	85	13,320	17,242
1934	9	–	9	1,968	–	1,968	2,661

[1] Does not include institutions that received FDIC assistance and were not closed. Also does not include institutions insured by the Savings Association Insurance Fund (SAIF), which was established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Recoveries and Losses by the Bank Insurance Fund on Disbursements for the Protection of Depositors, 1934 through 2005

Dollars in Thousands

	All Cases[1]					Deposit Payoff Cases[2]				
Year	Number of Banks	Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses	Number of Banks	Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses
Total	**2,227**	**112,571,316**	**74,095,625**	**323,892**	**34,976,152**	**608**	**15,929,270**	**11,180,391**	**114,936**	**4,633,943**
2005	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2004	3	132,781	127,791	0	4,990	0	0	0	0	0
2003	3	883,772	681,532	124,507	77,733	0	0	0	0	0
2002	10	2,030,455	1,470,428	116,506	443,521	5	1,585,058	1,169,657	114,936	300,465
2001	3	48,631	42,839	0	5,792	0	0	0	0	0
2000	6	268,730	237,913	0	30,817	0	0	0	0	0
1999	7	1,244,448	560,175	51,149	633,124	0	0	0	0	0
1998	3	286,678	43,487	17,282	225,909	0	0	0	0	0
1997	1	25,546	20,520	0	5,026	0	0	0	0	0
1996	5	169,387	130,723	0	38,664	0	0	0	0	0
1995	6	609,043	524,571	0	84,472	0	0	0	0	0
1994	13	1,224,769	1,045,718	0	179,051	0	0	0	0	0
1993	41	3,146,456	2,500,256	1,603	644,597	5	261,361	162,749	0	98,612
1992	122	14,175,372	10,506,348	989	492,388	25	1,893,324	1,401,186	0	492,138
1991	127	21,196,493	15,187,471	11,856	5,997,166	21	1,251,676	784,002	0	467,674
1990	169	10,817,419	8,034,946	0	2,782,473	20	2,183,400	1,641,564	0	541,836
1989	207	11,445,829	5,248,247	0	6,197,582	32	2,116,556	1,262,140	0	854,416
1988	280	12,163,006	5,244,866	0	6,918,140	36	1,252,160	822,612	0	429,548
1987	203	5,037,871	3,015,215	0	2,022,656	51	2,103,792	1,401,000	0	702,792
1986	145	4,790,969	3,015,252	0	1,775,717	40	1,155,981	739,659	0	416,322
1985	120	2,920,687	1,913,452	0	1,007,235	29	523,789	411,175	0	112,614
1984	80	7,696,215	6,056,061	0	1,640,154	16	791,838	699,483	0	92,355
1983	48	3,807,082	2,400,044	0	1,407,038	9	148,423	122,484	0	25,939
1982	42	2,275,150	1,106,579	0	1,168,571	7	277,240	206,247	0	70,993
1981	10	888,999	107,221	0	781,778	2	35,736	34,598	0	1,138
1980	11	152,355	121,675	0	30,680	3	13,732	11,427	0	2,305
1979	10	90,489	74,372	0	16,117	3	9,936	9,003	0	933
1978	7	548,568	512,927	0	35,641	1	817	613	0	204
1977	6	26,650	20,654	0	5,996	0	0	0	0	0
1976	17	599,397	561,532	0	37,865	3	11,416	9,660	0	1,756
1975	13	332,046	292,431	0	39,615	3	25,918	25,849	0	69
1974	5	2,403,277	2,259,633	0	143,644	0	0	0	0	0
1973	6	435,238	368,852	0	66,386	3	16,771	16,771	0	0
1972	2	16,189	14,501	0	1,688	1	16,189	14,501	0	1,688
1971	7	171,646	171,430	0	216	5	53,767	53,574	0	193
1970	7	51,566	51,294	0	272	4	29,265	28,993	0	272
1969	9	42,072	41,910	0	162	4	7,596	7,513	0	83
1968	3	6,476	6,464	0	12	0	0	0	0	0
1967	4	8,097	7,087	0	1,010	4	8,097	7,087	0	1,010
1966	7	10,020	9,541	0	479	1	735	735	0	0
1965	5	11,479	10,816	0	663	3	10,908	10,391	0	517
1964	7	13,712	12,171	0	1,541	7	13,712	12,171	0	1,541
1963	2	19,172	18,886	0	286	2	19,172	18,886	0	286
1962	0	0	0	0	0	0	0	0	0	0
1961	5	6,201	4,700	0	1,501	5	6,201	4,700	0	1,501
1960	1	4,765	4,765	0	0	1	4,765	4,765	0	0
1959	3	1,835	1,738	0	97	3	1,835	1,738	0	97
1958	4	3,051	3,023	0	28	3	2,796	2,768	0	28
1957	1	1,031	1,031	0	0	1	1,031	1,031	0	0
1956	2	3,499	3,286	0	213	1	2,795	2,582	0	213
1955	5	7,315	7,085	0	230	4	4,438	4,208	0	230
1954	2	1,029	771	0	258	0	0	0	0	0
1953	2	5,359	5,359	0	0	0	0	0	0	0
1952	3	1,525	733	0	792	0	0	0	0	0
1951	2	1,986	1,986	0	0	0	0	0	0	0
1950	4	4,404	3,019	0	1,385	0	0	0	0	0
1949	4	2,685	2,316	0	369	0	0	0	0	0
1948	3	3,150	2,509	0	641	0	0	0	0	0
1947	5	2,038	1,979	0	59	0	0	0	0	0
1946	1	274	274	0	0	0	0	0	0	0
1945	1	1,845	1,845	0	0	0	0	0	0	0
1944	2	1,532	1,492	0	40	1	404	364	0	40
1943	5	7,230	7,107	0	123	4	5,500	5,377	0	123
1942	20	11,684	10,996	0	688	6	1,612	1,320	0	292
1941	15	25,061	24,470	0	591	8	12,278	12,065	0	213
1940	43	87,899	84,103	0	3,796	19	4,895	4,313	0	582
1939	60	81,828	74,676	0	7,152	32	26,196	20,399	0	5,797
1938	74	34,394	31,969	0	2,425	50	9,092	7,908	0	1,184
1937	75	20,204	16,532	0	3,672	50	12,365	9,718	0	2,647
1936	69	15,206	12,873	0	2,333	42	7,735	6,397	0	1,338
1935	25	9,108	6,423	0	2,685	24	6,026	4,274	0	1,752
1934	9	941	734	0	207	9	941	734	0	207

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Recoveries and Losses by the Bank Insurance Fund on Disbursements for the Protection of Depositors, 1934 through 2005 (continued)

Dollars in Thousands

	Deposit Assumption Cases					Assistance Transactions[1]				
Year	Number of Banks	Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses	Number of Banks	Disbursements	Recoveries	Estimated Additional Recoveries	Estimated Losses
Total	**1,478**	**85,011,690**	**56,715,359**	**208,956**	**28,087,375**	**141**	**11,630,356**	**6,199,875**	**0**	**5,430,481**
2005	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2004	3	132,781	127,791	0	4,990	0	0	0	0	0
2003	3	883,772	681,532	124,507	77,733	0	0	0	0	0
2002	5	445,397	300,771	1,570	143,056	0	0	0	0	0
2001	3	48,631	42,839	0	5,792	0	0	0	0	0
2000	6	268,730	237,913	0	30,817	0	0	0	0	0
1999	7	1,244,448	560,175	51,149	633,124	0	0	0	0	0
1998	3	286,678	43,487	17,282	225,909	0	0	0	0	0
1997	1	25,546	20,520	0	5,026	0	0	0	0	0
1996	5	169,387	130,723	0	38,664	0	0	0	0	0
1995	6	609,043	524,571	0	84,472	0	0	0	0	0
1994	13	1,224,769	1,045,718	0	179,051	0	0	0	0	0
1993	36	2,885,095	2,337,507	1,603	545,985	0	0	0	0	0
1992	95	12,280,562	9,103,926	989	3,175,647	2	1,486	1,236	0	250
1991	103	19,938,700	14,400,376	11,856	5,526,468	3	6,117	3,093	0	3,024
1990	148	8,629,084	6,390,785	0	2,238,299	1	4,935	2,597	0	2,338
1989	174	9,326,725	3,985,855	0	5,340,870	1	2,548	252	0	2,296
1988	164	9,180,495	4,232,545	0	4,947,950	80	1,730,351	189,709	0	1,540,642
1987	133	2,773,202	1,613,502	0	1,159,700	19	160,877	713	0	160,164
1986	98	3,476,140	2,209,924	0	1,266,216	7	158,848	65,669	0	93,179
1985	87	1,631,166	1,095,601	0	535,565	4	765,732	406,676	0	359,056
1984	62	1,373,198	941,674	0	431,524	2	5,531,179	4,414,904	0	1,116,275
1983	35	2,893,969	1,850,553	0	1,043,416	4	764,690	427,007	0	337,683
1982	25	268,372	213,578	0	54,794	10	1,729,538	686,754	0	1,042,784
1981	5	79,208	71,358	0	7,850	3	774,055	1,265	0	772,790
1980	7	138,623	110,248	0	28,375	1	0	0	0	0
1979	7	80,553	65,369	0	15,184	0	0	0	0	0
1978	6	547,751	512,314	0	35,437	0	0	0	0	0
1977	6	26,650	20,654	0	5,996	0	0	0	0	0
1976	13	587,981	551,872	0	36,109	1	0	0	0	0
1975	10	306,128	266,582	0	39,546	0	0	0	0	0
1974	4	2,403,277	2,259,633	0	143,644	1	0	0	0	0
1973	3	418,467	352,081	0	66,386	0	0	0	0	0
1972	0	0	0	0	0	1	0	0	0	0
1971	1	117,879	117,856	0	23	1	0	0	0	0
1970	3	22,301	22,301	0	0	0	0	0	0	0
1969	5	34,476	34,397	0	79	0	0	0	0	0
1968	3	6,476	6,464	0	12	0	0	0	0	0
1967	0	0	0	0	0	0	0	0	0	0
1966	6	9,285	8,806	0	479	0	0	0	0	0
1965	2	571	425	0	146	0	0	0	0	0
1964	0	0	0	0	0	0	0	0	0	0
1963	0	0	0	0	0	0	0	0	0	0
1962	0	0	0	0	0	0	0	0	0	0
1961	0	0	0	0	0	0	0	0	0	0
1960	0	0	0	0	0	0	0	0	0	0
1959	0	0	0	0	0	0	0	0	0	0
1958	1	255	255	0	0	0	0	0	0	0
1957	0	0	0	0	0	0	0	0	0	0
1956	1	704	704	0	0	0	0	0	0	0
1955	1	2,877	2,877	0	0	0	0	0	0	0
1954	2	1,029	771	0	258	0	0	0	0	0
1953	2	5,359	5,359	0	0	0	0	0	0	0
1952	3	1,525	733	0	792	0	0	0	0	0
1951	2	1,986	1,986	0	0	0	0	0	0	0
1950	4	4,404	3,019	0	1,385	0	0	0	0	0
1949	4	2,685	2,316	0	369	0	0	0	0	0
1948	3	3,150	2,509	0	641	0	0	0	0	0
1947	5	2,038	1,979	0	59	0	0	0	0	0
1946	1	274	274	0	0	0	0	0	0	0
1945	1	1,845	1,845	0	0	0	0	0	0	0
1944	1	1,128	1,128	0	0	0	0	0	0	0
1943	1	1,730	1,730	0	0	0	0	0	0	0
1942	14	10,072	9,676	0	396	0	0	0	0	0
1941	7	12,783	12,405	0	378	0	0	0	0	0
1940	24	83,004	79,790	0	3,214	0	0	0	0	0
1939	28	55,632	54,277	0	1,355	0	0	0	0	0
1938	24	25,302	24,061	0	1,241	0	0	0	0	0
1937	25	7,839	6,814	0	1,025	0	0	0	0	0
1936	27	7,471	6,476	0	995	0	0	0	0	0
1935	1	3,082	2,149	0	933	0	0	0	0	0
1934	0	0	0	0	0	0	0	0	0	0

[1] Totals do not include dollar amounts for the five open bank assistance transactions between 1971 and 1980. Excludes eight transactions prior to 1962 that required no disbursements. Also, disbursements, recoveries, and estimated additional recoveries do not include working capital advances to and repayments by receiverships.

[2] Includes insured deposit transfer cases.

Note: Beginning with the 1997 Annual Report the number of banks in the Assistance Transactions column for 1988 was changed from 21 to 80 and the number of banks in the All Cases column was changed from 221 to 280 to reflect that one assistance transaction encompassed 60 institutions. Also, certain 1982, 1983, 1989 and 1992 resolutions previously reported in either the Deposit Payoff or Deposit Assumption categories were reclassified.

Income and Expenses, Bank Insurance Fund, from Beginning of Operations, September 11, 1933, through December 31, 2005

Dollars in Millions

	Income					Expenses and Losses				
Year	Total	Assessment Income	Assessment Credits	Investment and Other Sources	Effective Assessment Rate[1]	Total	Provision for Losses	Administrative and Operating Expenses[2]	Interest and Other Insur. Expenses	Net Income/ (Loss)
Total	**$ 90,588.0**	**$ 53,572.7**	**$ 6,709.1**	**$ 43,724.4**		**$ 55,419.0**	**$ 35,772.9**	**$ 12,633.6**	**$ 7,018.5**	**$ 35,169.0**
2005	**1,783.5**	**52.6**	**0.0**	**1,730.9**	**0.0022%**	**711.5**	**(138.2)**	**846.2**	**3.5**	**1,072.0**
2004	1,675.4	95.3	0.0	1,580.1	0.0022%	558.6	(281.4)	821.3	18.7	1,116.8
2003	1,626.0	80.2	0.0	1,545.8	0.0020%	(115.7)	(928.5)	805.5	7.3	1,741.7
2002	1,795.9	84.0	0.0	1,711.9	0.0022%	750.6	(87.0)	821.1	16.5	1,045.3
2001	1,996.7	47.8	0.0	1,948.9	0.0014%	2,559.4	1,756.3	785.9	17.2	(562.7)
2000	1,905.9	45.1	0.0	1,860.8	0.0014%	645.2	(153.0)	772.9	25.3	1,260.7
1999	1,815.6	33.3	0.0	1,782.3	0.0011%	1,922.0	1,168.7	730.4	22.9	(106.4)
1998	2,000.3	21.7	0.0	1,978.6	0.0008%	691.5	(37.7)	697.6	31.6	1,308.8
1997	1,615.6	24.7	0.0	1,590.9	0.0008%	177.3	(503.7)	605.2	75.8	1,438.3
1996	1,655.3	72.7	0.0	1,582.6	0.0024%	254.6	(325.2)	505.3	74.5	1,400.7
1995	4,089.1	2,906.9	0.0	1,182.2	0.1240%	483.2	(33.2)	470.6	45.8	3,605.9
1994	6,467.0	5,590.6	0.0	876.4	0.2360%	(2,259.1)	(2,873.4)	423,2	191.1	8,726.1
1993	6,430.8	5,784.3	0.0	646.5	0.2440%	(6,791.4)	(7,677.4)	388.5	497.5	13,222.2
1992	6,301.5	5,587.8	0.0	713.7	0.2300%	(625.8)	(2,259.7)	570.8[3]	1,063.1	6,927.3
1991	5,790.0	5,160.5	0.0	629.5	0.2125%	16,862.3	15,476.2	284.1	1,102.0	(11,072.3)
1990	3,838.3	2,855.3	0.0	983.0	0.1200%	13,003.3	12,133.1	219.6	650.6	(9,165.0)
1989	3,494.6	1,885.0	0.0	1609.6	0.0833%	4,346.2	3,811.3	213.9	321.0	(851.6)
1988	3,347.7	1,773.0	0.0	1,574.7	0.0833%	7,588.4	6,298.3	223.9	1,066.2	(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	48.5
1986	3,260.1	1,516.9	0.0	1,743.2	0.0833%	2,963.7	2,827.7	180.3	(44.3)	296.4
1985	3,385.4	1,433.4	0.0	1,952.0	0.0833%	1,957.9	1,569.0	179.2	209.7	1,427.5
1984	3,099.5	1,321.5	0.0	1,778.0	0.0800%	1,999.2	1,633.4	151.2	214.6	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	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	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	1,226.6
1980	1,310.4	951.9	521.1	879.6	0.0370%	83.6	(38.1)	118.2	3.5	1,226.8
1979	1,090.4	881.0	524.6	734.0	0.0333%	93.7	(17.2)	106.8	4.1	996.7
1978	952.1	810.1	443.1	585.1	0.0385%	148.9	36.5	103.3	9.1	803.2
1977	837.8	731.3	411.9	518.4	0.0370%	113.6	20.8	89.3	3.5	724.2
1976	764.9	676.1	379.6	468.4	0.0370%	212.3	28.0	180.4[4]	3.9	552.6
1975	689.3	641.3	362.4	410.4	0.0357%	97.5	27.6	67.7	2.2	591.8
1974	668.1	587.4	285.4	366.1	0.0435%	159.2	97.9	59.2	2.1	508.9
1973	561.0	529.4	283.4	315.0	0.0385%	108.2	52.5	54.4	1.3	452.8
1972	467.0	468.8	280.3	278.5	0.0333%	59.7	10.1	49.6	6.0[5]	407.3
1971	415.3	417.2	241.4	239.5	0.0345%	60.3	13.4	46.9	0.0	355.0
1970	382.7	369.3	210.0	223.4	0.0357%	46.0	3.8	42.2	0.0	336.7
1969	335.8	364.2	220.2	191.8	0.0333%	34.5	1.0	33.5	0.0	301.3
1968	295.0	334.5	202.1	162.6	0.0333%	29.1	0.1	29.0	0.0	265.9
1967	263.0	303.1	182.4	142.3	0.0333%	27.3	2.9	24.4	0.0	235.7
1966	241.0	284.3	172.6	129.3	0.0323%	19.9	0.1	19.8	0.0	221.1
1965	214.6	260.5	158.3	112.4	0.0323%	22.9	5.2	17.7	0.0	191.7
1964	197.1	238.2	145.2	104.1	0.0323%	18.4	2.9	15.5	0.0	178.7
1963	181.9	220.6	136.4	97.7	0.0313%	15.1	0.7	14.4	0.0	166.8
1962	161.1	203.4	126.9	84.6	0.0313%	13.8	0.1	13.7	0.0	147.3

continued on next page

Income and Expenses, Bank Insurance Fund, from Beginning of Operations, September 11, 1933, through December 31, 2005 (continued)

Dollars in Millions

	Income					Expenses and Losses				
Year	Total	Assessment Income	Assessment Credits	Investment and Other Sources	Effective Assessment Rate[1]	Total	Provision for Losses	Administrative and Operating Expenses[2]	Interest and Other Insur. Expenses	Net Income/ (Loss)
Total	**$ 90,588.0**	**$ 53,572.7**	**$ 6,709.1**	**$ 43,724.4**		**$ 55,419.0**	**$ 35,772.9**	**$ 12,633.6**	**$ 7,018.5**	**$ 35,169.0**
1961	147.3	188.9	115.5	73.9	0.0323%	14.8	1.6	13.2	0.0	132.5
1960	144.6	180.4	100.8	65.0	0.0370%	12.5	0.1	12.4	0.0	132.1
1959	136.5	178.2	99.6	57.9	0.0370%	12.1	0.2	11.9	0.0	124.4
1958	126.8	166.8	93.0	53.0	0.0370%	11.6	0.0	11.6	0.0	115.2
1957	117.3	159.3	90.2	48.2	0.0357%	9.7	0.1	9.6	0.0	107.6
1956	111.9	155.5	87.3	43.7	0.0370%	9.4	0.3	9.1	0.0	102.5
1955	105.8	151.5	85.4	39.7	0.0370%	9.0	0.3	8.7	0.0	96.8
1954	99.7	144.2	81.8	37.3	0.0357%	7.8	0.1	7.7	0.0	91.9
1953	94.2	138.7	78.5	34.0	0.0357%	7.3	0.1	7.2	0.0	86.9
1952	88.6	131.0	73.7	31.3	0.0370%	7.8	0.8	7.0	0.0	80.8
1951	83.5	124.3	70.0	29.2	0.0370%	6.6	0.0	6.6	0.0	76.9
1950	84.8	122.9	68.7	30.6	0.0370%	7.8	1.4	6.4	0.0	77.0
1949	151.1	122.7	0.0	28.4	0.0833%	6.4	0.3	6.1	0.0	144.7
1948	145.6	119.3	0.0	26.3	0.0833%	7.0	0.7	6.3 [6]	0.0	138.6
1947	157.5	114.4	0.0	43.1	0.0833%	9.9	0.1	9.8	0.0	147.6
1946	130.7	107.0	0.0	23.7	0.0833%	10.0	0.1	9.9	0.0	120.7
1945	121.0	93.7	0.0	27.3	0.0833%	9.4	0.1	9.3	0.0	111.6
1944	99.3	80.9	0.0	18.4	0.0833%	9.3	0.1	9.2	0.0	90.0
1943	86.6	70.0	0.0	16.6	0.0833%	9.8	0.2	9.6	0.0	76.8
1942	69.1	56.5	0.0	12.6	0.0833%	10.1	0.5	9.6	0.0	59.0
1941	62.0	51.4	0.0	10.6	0.0833%	10.1	0.6	9.5	0.0	51.9
1940	55.9	46.2	0.0	9.7	0.0833%	12.9	3.5	9.4	0.0	43.0
1939	51.2	40.7	0.0	10.5	0.0833%	16.4	7.2	9.2	0.0	34.8
1938	47.7	38.3	0.0	9.4	0.0833%	11.3	2.5	8.8	0.0	36.4
1937	48.2	38.8	0.0	9.4	0.0833%	12.2	3.7	8.5	0.0	36.0
1936	43.8	35.6	0.0	8.2	0.0833%	10.9	2.6	8.3	0.0	32.9
1935	20.8	11.5	0.0	9.3	0.0833%	11.3	2.8	8.5	0.0	9.5
1933/4	7.0	0.0	0.0	7.0	N/A	10.0	0.2	9.8	0.0	(3.0)

1 The effective rates from 1950 through 1984 vary 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 vary because the FDIC exercised new authority to increase assessments above the statutory rate when needed. Beginning in 1993, the effective rate is based on a risk-related premium system under which institutions pay 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%. As a result, the assessment rate was reduced to 4.4 cents per $100 of insured deposits and assessment premiums totaling $1.5 billion were refunded in September 1995.

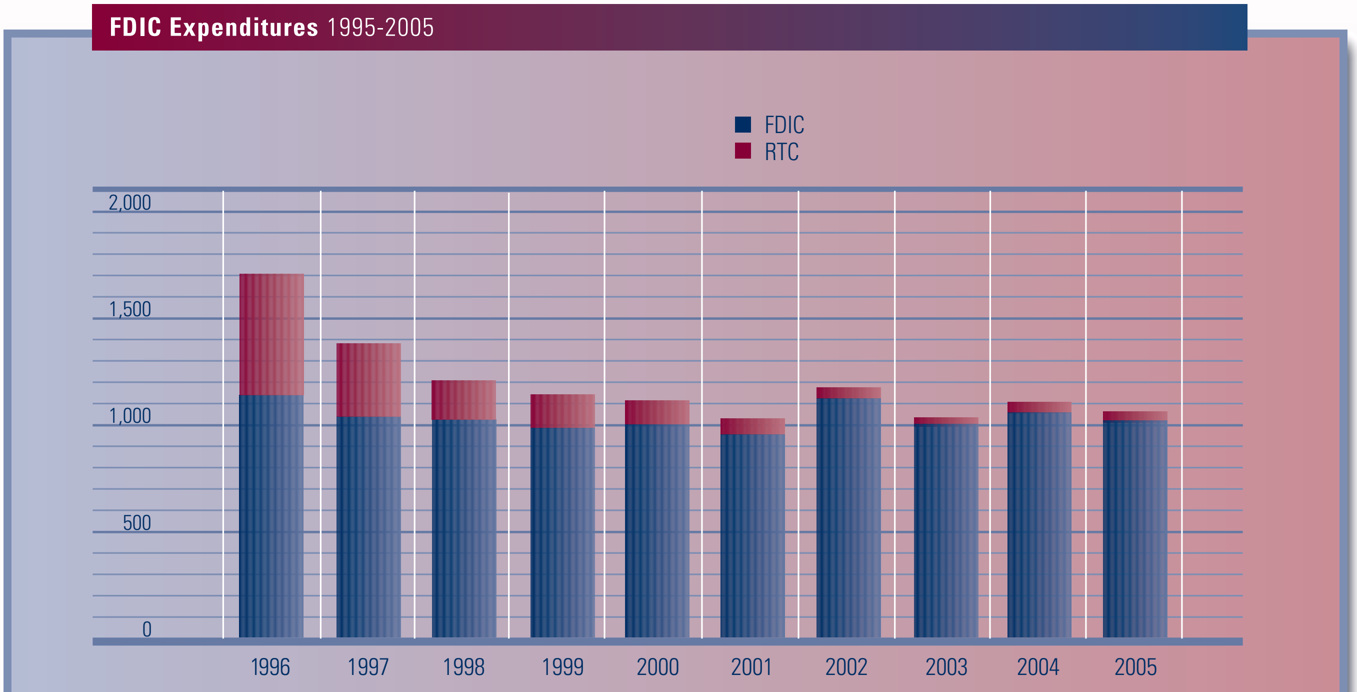
2 These expenses, which are presented as operating expenses in the Statements of Income and Fund Balance, pertain to the FDIC in its corporate capacity only and **do not** include costs that are charged to the failed bank receiverships that are managed by the FDIC. The receivership expenses are presented as part of the "Receivables from Bank Resolutions, net" line on the Balance Sheets. The narrative and graph presented in the "Corporate Planning and Budget" section of this report (next page) show 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.

4 Includes $105.6 million net loss on government securities.

5 This amount represents interest and other insurance expenses from 1933 to 1972.

6 Includes the aggregate amount of $80.6 million of interest paid on Capital Stock between 1933 and 1948.



Note:
Resolution Trust Corporation (RTC) expenditures became the responsibility of the FDIC on January 1, 1996.

The FDIC's Strategic Plan and Annual Performance Plan provide the basis for annual planning and budgeting for needed resources. The 2005 aggregate budget (for corporate, receivership and investment spending) was $1.18 billion, while actual expenditures for the year were $1.05 billion, about $60 million less than 2004 expenditures.

Over the past ten years, the FDIC's expenditures have varied in response to workload. During the past decade, expenditures generally declined due to decreasing resolution and receivership activity, although they temporarily increased in 1996 in conjunction with the absorption of the Resolution Trust Corporation (RTC) and its residual operations and workload. Total expenditures increased in 2002 due to an increase in receivership-related expenses.

The largest component of FDIC spending is for costs associated with staffing. Staffing decreased by just over 11 percent in 2005, from 5,078 employees at the beginning of the year to 4,514 at the end of the year.

Estimated Insured Deposits and the Bank Insurance Fund, December 31,1934, through September 30, 2005[1]

		Deposits in Insured Banks ($ millions)				Insurance Fund as a Percentage of	
Year[2]	Insurance Coverage	Total Domestic Deposits	Estimated Insured Deposits[3]	Percentage of Insured Deposits	Deposit Insurance Fund	Total Domestic Deposits	Estimated Insured Deposits
2005	**$ 100,000**	**$ 4,782,354**	**$ 2,825,366**	**59.1**	**$ 35,334.4**	**0.74**	**1.25**
2004	100,000	4,530,207	2,672,397	59.0	34,786.6	0.77	1.30
2003	100,000	4,139,287	2,554,624	61.7	33,782.2	0.82	1.32
2002	100,000	3,867,096	2,527,948	65.4	32,050.3	0.83	1.27
2001	100,000	3,584,610	2,408,878	67.2	30,438.8	0.85	1.26
2000	100,000	3,326,745	2,301,604	69.2	30,975.2	0.93	1.35
1999	100,000	3,038,385	2,157,536	71.0	29,414.2	0.97	1.36
1998	100,000	2,996,396	2,141,268	71.5	29,612.3	0.99	1.38
1997	100,000	2,785,990	2,055,874	73.8	28,292.5	1.02	1.38
1996	100,000	2,642,107	2,007,447	76.0	26,854.4	1.02	1.34
1995	100,000	2,575,966	1,952,543	75.8	25,453.7	0.99	1.30
1994	100,000	2,463,813	1,896,060	77.0	21,847.8	0.89	1.15
1993	100,000	2,493,636	1,906,885	76.5	13,121.6	0.53	0.69
1992	100,000	2,512,278	1.945,623	77.4	(100.6)	(0.00)	(0.01)
1991	100,000	2,520,074	1,957,722	77.7	(7,027.9)	(0.28)	(0.36)
1990	100,000	2,540,930	1,929,612	75.9	4,044.5	0.16	0.21
1989	100,000	2,465,922	1,873,837	76.0	13,209.5	0.54	0.70
1988	100,000	2,330,768	1,750,259	75.1	14,061.1	0.60	0.80
1987	100,000	2,201,549	1,658,802	75.3	18,301.8	0.83	1.10
1986	100,000	2,167,596	1,634,302	75.4	18,253.3	0.84	1.12
1985	100,000	1,974,512	1,503,393	76.1	17,956.9	0.91	1.19
1984	100,000	1,806,520	1,389,874	76.9	16,529.4	0.92	1.19
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	62.5	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	60.2	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
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	42.4	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[4]	5,000	40,060	18,075	45.1	291.7	0.73	1.61

1 For 2005, the numbers are as of September 30, and prior years reflect December 31.

2 Starting in 1990, deposits in insured banks exclude those deposits held by Bank Insurance Fund members that are insured by the Savings Association Insurance Fund and include those deposits held by Savings Association Insurance Fund members that are insured by the Bank Insurance Fund.

3 Estimated insured deposits reflect deposit information as reported in the fourth quarter *FDIC Quarterly Banking Profile*. Before 1991, insured deposits were estimated using percentages determined from the June 30 *Call Reports*.

4 Initial coverage was $2,500 from January 1 to June 30, 1934.

Income and Expenses, Savings Association Insurance Fund, by Year, from Beginning of Operations, August 9, 1989, through December 31, 2005

Dollars in Thousands

	Income				Expenses and Losses					
Year	Total	Assessment Income	Investment and Other Sources	Effective Assessment Rate	Total	Provision for Losses	Interest and Other Insurance Expenses	Administrative and Operating Expenses	Funding Transfer from the FSLIC Resolut. Fund	Net Income/ (Loss)
Total	**$ 14,543,505**	**$ 8,659,789**	**$ 5,883,716**		**$ 1,661,638**	**$ 374,377**	**$ 30,990**	**$ 1,256,271**	**$ 139,498**	**$ 13,021,365**
2005	**636,989**	**8,315**	**628,674**	**0.001%**	**97,852**	**(21,988)**	**372**	**119,468**	**0**	**539,137**
2004	564,777	8,891	555,886	0.001%	48,326	(72,385)	713	119,998	0	516,451
2003	547,260	14,594	532,666	0.001%	47,200	(82,489)	105	129,584	0	500,060
2002	588,821	23,783	565,038	0.003%	(31,380)	(156,494)	751	124,363	0	620,201
2001	733,121	35,402	697,719	0.004%	564,083	443,103	19,389	101,591	0	169,038
2000	664,080	19,237	644,843	0.002%	300,018	180,805	8,293	110,920	0	364,062
1999	600,995	15,116	585,879	0.002%	124,156	30,648	626	92,882	0	476,839
1998	583,859	15,352	568,507	0.002%	116,629	31,992	9	84,628	0	467,230
1997	549,912	13,914	535,998	0.004%	69,986	(1,879)	0	71,865	0	479,926
1996	5,501,684	5,221,560	280,124	0.204%	(28,890)	(91,636)	128	62,618	0	5,530,574
1995	1,139,916	970,027	169,889	0.234%	(281,216)	(321,000)	0	39,784	0	1,421,132
1994	1,215,289	1,132,102	83,187	0.244%	434,303	414,000	0	20,303	0	780,986
1993	923,516	897,692	25,824	0.250%	46,814	16,531	0	30,283	0	876,702
1992	178,643	172,079	6,564	0.230%	28,982	(14,945)	(5)	43,932	35,446	185,107
1991	96,446	93,530	2,916	0.230%	63,085	20,114	609	42,362	42,362	75,723
1990	18,195	18,195	0	0.208%	56,088	0	0	56,088	56,088	18,195
1989	2	0	2	0.208%	5,602	0	0	5,602	5,602	2

Estimated Insured Deposits and the Savings Association Insurance Fund, December 31, 1989, through September 30, 2005[1]

		Deposits in Insured Institutions ($ Millions)				Insurance Fund as a Percentage of	
Year[2]	Insurance Coverage	Total Domestic Deposits	Estimated Insured Deposits[3]	Percentage of Insured Deposits	Deposit Insurance Fund	Total Domestic Deposits	Estimated Insured Deposits
2005	**$ 100,000**	**$ 1,254,070**	**$ 1,005,554**	**80.2**	**$ 13,038.8**	**1.04**	**1.30**
2004	100,000	1,156,473	951,316	82.3	12,720.2	1.10	1.34
2003	100,000	1,042,729	896,493	86.0	12,240.1	1.17	1.37
2002	100,000	990,231	860,351	86.9	11,746.7	1.19	1.37
2001	100,000	897,278	801,849	89.4	10,935.0	1.22	1.36
2000	100,000	822,610	752,756	91.5	10,758.6	1.31	1.43
1999	100,000	764,359	711,345	93.1	10,280.7	1.35	1.45
1998	100,000	751,413	708,959	94.4	9,839.8	1.31	1.39
1997	100,000	721,503	690,132	95.7	9,368.3	1.30	1.36
1996	100,000	708,749	683,090	96.4	8,888.4	1.25	1.30
1995	100,000	742,547	711,017	95.8	3,357.8	0.45	0.47
1994	100,000	720,823	692,626	96.1	1,936.7	0.27	0.28
1993	100,000	726,473	695,158	95.7	1,155.7	0.16	0.17
1992	100,000	760,902	729,458	95.9	279.0	0.04	0.04
1991	100,000	810,664	776,351	95.8	93.9	0.01	0.01
1990	100,000	874,738	830,028	94.9	18.2	0.00	0.00
1989	100,000	948,144	882,920	93.1	0.0	0.00	0.00

1 For 2005, the numbers are as of September 30, and prior years reflect December 31.

2 Starting in 1990, deposits in insured institutions exclude those deposits held by Savings Association Insurance Fund members that are insured by the Bank Insurance Fund and include those deposits held by Bank Insurance Fund members that are insured by the Savings Association Insurance Fund.

3 Estimated insured deposits reflect deposit information as reported in the fourth quarter *FDIC Quarterly Banking Profile*. Before 1991, insured deposits were estimated using percentages determined from the June 30 Call Reports.

Number, Assets, Deposits, Losses, and Loss to Funds of Insured Thrifts Taken Over or Closed Because of Financial Difficulties, 1989 through 2005[1]

Dollars in Thousands

Year[2]	Total	Assets	Deposits	Estimated Receivership Loss[3]	Loss to Funds[4]
Total	**754**	**397,387,643**	**320,186,773**	**75,471,820**	**82,009,786**
2005	**0**	**0**	**0**	**0**	**0**
2004	1	15,346	13,005	0	0
2003	0	0	0	0	0
2002	1	50,246	50,542	973	973
2001	1	2,179,783	1,670,802	338,694	338,694
2000	1	29,530	28,583	1,322	1,322
1999	1	62,956	63,427	1,195	1,194
1998	0	0	0	0	0
1997	0	0	0	0	0
1996	1	32,576	32,745	21,921	21,921
1995	2	423,819	414,692	28,192	27,750
1994	2	136,815	127,508	11,472	14,599
1993	10	7,178,794	5,708,253	267,595	65,212
1992	59	44,196,946	34,773,224	3,237,913	3,772,356
1991	144	78,898,804	65,173,122	8,635,366	9,086,672
1990	213	129,662,398	98,963,961	16,064,160	19,257,844
1989[5]	318	134,519,630	113,166,909	46,863,017	49,421,249

1 Prior to 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 FRF's books. The Savings Association Insurance Fund (SAIF) became responsible for all thrifts closed after June 30, 1995; there have been only six such failures. Additionally, SAIF was appointed receiver of one thrift (Heartland FSLA) on October 8, 1993, because, at that time, RTC's authority to resolve FSLIC-insured thrifts had not yet been extended by the RTC Completion Act.

2 Year is the year of failure, not the year of resolution.

3 The estimated losses represent the projected loss at the fund level from receiverships for unreimbursed subrogated claims of the FRF/SAIF and unpaid advances to receiverships from the FRF.

4 The Loss to Funds represents the total resolution cost of the failed thrifts in the SAIF and FRF-RTC funds, which 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, in addition to the estimated losses for receiverships.

5 Total for 1989 excludes nine failures of the former FSLIC.

FDIC Actions on Financial Institutions Applications 2003-2005

	2005	2004	2003
Deposit Insurance	**219**	176	141
Approved	**219**	176	140
Denied	**0**	0	1
New Branches	**1,575**	1,447	1,227
Approved	**1,575**	1,447	1,227
Denied	**0**	0	0
Mergers	**286**	311	304
Approved	**286**	311	304
Denied	**0**	0	0
Requests for Consent to Serve•	**170**	301	369
Approved	**170**	301	368
Section 19	**13**	13	13
Section 32	**157**	288	355
Denied	**0**	0	1
Section 19	**0**	0	0
Section 32	**0**	0	1
Notices of Change in Control	**9**	18	30
Letters of Intent Not to Disapprove	**9**	18	30
Disapproved	**0**	0	0
Brokered Deposit Waivers	**40**	32	28
Approved	**40**	32	28
Denied	**0**	0	0
Savings Association Activities▪	**59**	70	56
Approved	**59**	70	56
Denied	**0**	0	0
State Bank Activities/Investments▾	**18**	27	19
Approved	**18**	27	19
Denied	**0**	0	0
Conversions of Mutual Institutions	**11**	12	7
Non-Objection	**11**	12	7
Objection	**0**	0	0

• 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 also 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.

▪ Amendments to Part 303 of the FDIC Rules and Regulations changed FDIC oversight responsibility in October 1998. In 1998, Part 303 changed the Delegations of Authority to act upon applications.

▾ Section 24 of the FDI Act, in general, precludes 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.

Compliance, Enforcement and Other Related Legal Actions 2003-2005

	2005	2004	2003
Total Number of Actions Initiated by the FDIC	**192**	217	174
Termination of Insurance			
Involuntary Termination			
Sec. 8a For Violations, Unsafe/Unsound Practices or Condition	**0**	0	0
Voluntary Termination			
Sec.8a By Order Upon Request	**0**	0	0
Sec.8p No Deposits	**2**	2	5
Sec.8q Deposits Assumed	**11**	38	12
Sec. 8b Cease-and-Desist Actions			
Notices of Charges Issued	**0**	0	2
Consent Orders	**20**	28	33
Sec. 8e Removal/Prohibition of Director or Officer			
Notices of Intention to Remove/Prohibit	**2**	3	4
Consent Orders	**73**	58	31
Sec. 8g Suspension/Removal When Charged With Crime	**0**	1	0
Civil Money Penalties Issued			
Sec.7a Call Report Penalties	**0**	0	0
Sec.8i Civil Money Penalties	**69**	68	55
Sec. 10c Orders of Investigation	**15**	15	20
Sec. 19 Denials of Service After Criminal Conviction	**0**	1	0
Sec. 32 Notices Disapproving Officer/Director's Request for Review	**0**	0	1
Truth-in-Lending Act Reimbursement Actions			
Denials of Requests for Relief	**0**	0	0
Grants of Relief	**0**	0	0
Banks Making Reimbursement•	**78**	73	96
Suspicious Activity Reports (Open and closed institutions)•	**102,080**	83,453	62,179
Other Actions Not Listed	**0**	3	11

•These actions do not constitute the initiation of a formal enforcement action and, therefore, are not included in the total number of actions initiated.

FDIC Board of Directors
Acting Chairman Martin J. Gruenberg (seated),
John C. Dugan, Thomas J. Curry, and John M. Reich (standing, left to right)


James Kegley

Martin J. Gruenberg

Martin J. Gruenberg was sworn in as Vice Chairman of the FDIC Board of Directors on August 22, 2005. He became Acting Chairman of the FDIC on November 15, 2005, upon the resignation of Chairman Donald Powell.

Mr. Gruenberg joined the Board after broad congressional experience in the financial services and regulatory areas. He had been Senior Counsel to Senator Paul S. Sarbanes (D-MD) since 1995 while the Senator was alternately Committee Chairman and Ranking Member on the U.S. Senate Committee on Banking, Housing, and Urban Affairs. Mr. Gruenberg advised the Senator on all issues of domestic and international financial regulation, monetary policy and trade. Mr. Gruenberg also served as Counsel to Senator Sarbanes from 1993 to 1994, advising him on all issues under the jurisdiction of the Banking Committee, and as Staff Director of the Banking Committee's Subcommittee on International Finance and Monetary Policy from 1987 to 1992. Mr. Gruenberg's congressional experience with finance and banking issues dates back to 1979.

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.

Donald E. Powell

Donald E. Powell served as the 18th Chairman of the FDIC from August 29, 2001, until his resignation on November 15, 2005. Prior to being named the 18th Chairman of the FDIC, Mr. Powell – a life-long Texan – was President and CEO of The First National Bank of Amarillo, where he started his banking career in 1971.

In addition to his professional experience as a banker, Mr. Powell served on numerous boards at universities, civic associations, hospitals and charities. Mr. Powell has served as the Chairman of the Board of Regents of the Texas A&M University System, which has more than 90,000 students, the Chairman of the Amarillo Chamber of Commerce, and on the Advisory Board of the George Bush School of Government and Public Service.

He received his B.S. in economics from West Texas State University and is a graduate of The Southwestern Graduate School of Banking at Southern Methodist University.

Thomas J. Curry

Mr. Curry took office as a member of the FDIC Board of Directors on January 12, 2004. Previously, he had served five Massachusetts Governors as the Commonwealth's Commissioner of Banks, from 1995 to 2003. He served as Acting Commissioner from 1994 to 1995, and as First Deputy Commissioner from 1987 to 1994.

Mr. Curry is Chairman of the Neighborhood Reinvestment Corporation. Mr. Curry was also Chairman of the Conference of State Bank Supervisors from 2000 to 2001, and a member of the State Liaison Committee of the Federal Financial Institutions Examination Council from 1996 to 2003.

Mr. Curry joined the Commonwealth's Division of Banks in 1986. He entered state government in 1982 as an attorney with the Massachusetts Secretary of State's Office.

Mr. Curry 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.

John C. Dugan

Mr. Dugan was sworn in as the 29th Comptroller of the Currency on August 4, 2005. As Comptroller, Mr. Dugan serves as an ex-officio member of the FDIC Board.

Prior to his appointment as Comptroller, Mr. Dugan was a partner at the law firm of Covington & Burling, where he chaired the firm's Financial Institutions Group, specializing in banking and financial institution regulation. He also served as outside counsel to the ABA Securities Association.

He served at the Department of Treasury from 1989 to 1993 and was appointed assistant secretary for domestic finance in 1992. In 1991, he oversaw a comprehensive study of the banking industry that formed the basis for the financial modernization legislation proposed by the administration of the first President Bush. From 1985 to 1989, Mr. Dugan was minority counsel and minority general counsel for the U.S. Senate Committee on Banking, Housing, and Urban Affairs.

Among his professional and volunteer activities before becoming Comptroller, he served as a director of Minbanc, a charitable organization whose mission is to enhance professional and educational opportunities for minorities in the banking industry. He is also a member of the American Bar Association's committee on banking law, the Federal Bar Association's Section of Financial Institutions and the Economy, and the District of Columbia Bar Association's Section of Corporations, Finance, and Securities Laws.

A graduate of the University of Michigan in 1977 with an A.B. in English literature, Mr. Dugan also earned his J.D. from Harvard Law School in 1981.

Julie L. Williams

Ms. Williams served as Acting Comptroller of the Currency, and a member of the FDIC Board of Directors from October 14, 2004 until the confirmation of Mr. John C. Dugan as Comptroller of the Currency on August 4, 2005. Ms. Williams has been First Senior Deputy Comptroller since 1999 and also Chief Counsel of the Office of the Comptroller of the Currency (OCC) since 1994. She was also Acting Comptroller from April to December 1998.

As Chief Counsel, Ms. Williams was responsible for all of the OCC's legal activities and also supervised the Licensing Department and the Community Affairs Department. Ms. Williams served as a member of the OCC's Executive Committee. She has led the Executive Committee in providing policy and strategic direction to the agency.

Ms. Williams is a graduate of Goddard College, Vermont, and graduated first in her class at Antioch School of Law, Washington, DC. She is the author of numerous articles on banking, securities and financial institutions law.

John M. Reich

John M. Reich was sworn in as Director of the Office of Thrift Supervision (OTS) on August 9, 2005. In this capacity, Mr. Reich, who formerly served as Vice Chairman of the FDIC Board of Directors, will continue to serve as an FDIC Board member.

Mr. Reich served as Vice Chairman of the FDIC Board of Directors from November 2002 until his appointment as Director of OTS. He has been a member of the FDIC Board since January 2001. He also served as Acting Chairman of the FDIC from July to August 2001.

Prior to coming to Washington, DC, Mr. Reich spent 23 years as a community banker in Illinois and Florida, including 10 years as President and CEO of the National Bank of Sarasota, in Sarasota, Florida.

Mr. Reich also served 12 years on the staff of U.S. Senator Connie Mack (R-FL), before joining the FDIC. From 1998 through 2000, he was Senator Mack's Chief of Staff, directing and overseeing all of the Senator's offices and committee activities, including those at the Senate Banking Committee.

Mr. Reich's community service includes serving as Chairman of the Board of Trustees of a public hospital facility in Ft. Myers, FL, and as Chairman of the Board of Directors of the Sarasota Family YMCA. He has also served as a Board member for a number of civic organizations, and was active for many years in youth baseball programs.

Mr. Reich holds a B.S. degree from Southern Illinois University and an M.B.A. from the University of South Florida. He is also a graduate of Louisiana State University's School of Banking of the South.

James E. Gilleran

Mr. Gilleran became Director of the Office of Thrift Supervision (OTS) on December 7, 2001. As OTS Director, Mr. Gilleran was an ex-officio member of the FDIC Board until his resignation on April 29, 2005.

Mr. Gilleran was Chairman and CEO of the Bank of San Francisco from October 1994 until December 2000. From 1989 to 1994, he was the California State Banking Superintendent. He served as Chairman of the Conference of State Bank Supervisors (CSBS) from 1993 to 1994, and was a member of the CSBS's Bankers Advisory Council until 2000.

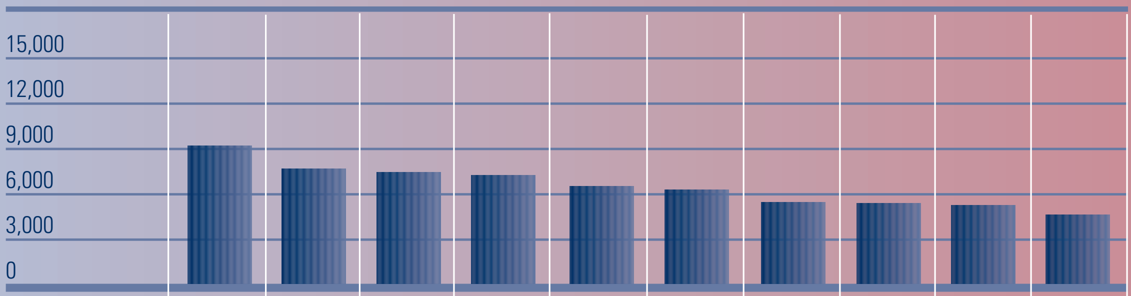
Mr. Gilleran is a certified public accountant and a member of the American Institute of CPAs. He graduated from Pace University in 1955, and received his law degree from Northwestern California University in 1996.

FDIC Organization Chart/Officials

as of December 31, 2005

- **Board of Directors**
  - **Martin J. Gruenberg** (acting)
  - **Thomas J. Curry**
  - **John M. Reich**
  - **John C. Dugan**
- **Office of the Chairman** — **Martin J. Gruenberg**, Acting Chairman
- **Vice Chairman** — **Martin J. Gruenberg**
- **Special Advisor to the Chairman** — **George E. French**
- **Deputy to the Acting Chairman** — **Sandra L. Thompson**
  - **Office of Public Affairs** — **D.J.Nordquist**, Director/Deputy Chief of Staff
  - **Office of Legislative Affairs** — **Alice C. Goodman**, Director
- **Office of Inspector General** — **Patricia M. Black**, Acting Inspector General
- **Chief Information Officer / Chief Privacy Officer** — **Michael E. Bartell**
- **Deputy to the Chairman and Chief Financial Officer** — **Steven O. App**
  - **Division of Finance** — **Frederick S. Selby**, Director
  - **Office of Enterprise Risk Management** — **James H. Angel, Jr.**, Director
- **Deputy to the Chairman and Chief Operating Officer** — **John F. Bovenzi**
  - **Division of Supervision and Consumer Protection** — **Christopher J. Spoth**, Acting Director
  - **Division of Insurance and Research** — **Arthur J. Murton**, Director
  - **Division of Information Technology** — **Michael E. Bartell**, Director
  - **Division of Resolutions and Receiverships** — **Mitchell L. Glassman**, Director
  - **Office of Diversity and Economic Opportunity** — **D. Michael Collins**, Director
  - **Division of Administration** — **Arleas Upton Kea**, Director
  - **Office of the Ombudsman** — **Cottrell L. Webster**, Ombudsman
  - **Corporate University** — **David C. Cooke**, Chief, Learning Officer
- **General Counsel** — **William F. Kroener, III**
  - **Legal Division** — **William F. Kroener, III**, General Counsel

Staffing Trends 1996-2005



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
FDIC Staffing	**9,151**	**7,793**	**7,359**	**7,266**	**6,452**	**6,167**	**5,430**	**5,311**	**5,078**	**4,514**

Note:
All staffing totals reflect year-end balances.

Number of Officials and Employees of the FDIC 2004-2005 (year-end)

	Total		Washington		Regional/Field	
	2005	2004	2005	2004	2005	2004
Executive Offices•	37	42	37	42	0	0
Division of Supervision and Consumer Protection	2,541	2,604	198	179	2,343	2,425
Division of Resolutions and Receiverships	235	504	61	99	174	405
Legal Division	433	488	274	303	159	185
Division of Finance	175	195	175	195	0	0
Division of Information Technology▾	270	386	209	324	61	62
Division of Insurance and Research	178	191	146	157	32	34
Division of Administration	349	415	232	274	117	141
Office of Inspector General	127	157	95	111	32	46
Office of Diversity and Economic Opportunity	31	34	31	34	0	0
Office of the Ombudsman	12	18	10	15	2	3
Office of Enterprise Risk Management▪	11	12	11	12	0	0
Corporate University	115	32	37	32	78	0
Total	4,514	5,078	1,516	1,777	2,998	3,301

• Includes the Offices of the Chairman, Vice Chairman, Director (Appointive), Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Legislative Affairs, and Public Affairs.

▾ Division of Information Resources Management was renamed to Division of Information Technology on September 4, 2005.

▪ Office of Internal Control Management was renamed to Office of Enterprise Risk Management on April 2, 2004.

Home Page on the Internet

www.fdic.gov

A wide range of banking, consumer and financial information is available on the FDIC's Internet home page. This includes the FDIC's Electronic Deposit Insurance Estimator (EDIE), which estimates an individual's deposit insurance coverage; the Institution Directory – financial profiles of FDIC-insured institutions; Community Reinvestment Act evaluations and ratings for institutions supervised by the FDIC; Call Reports – banks' 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

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 in concert 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 makes referrals to other federal and state agencies as needed. Hours of operation are 8:00 a.m. to 8:00 p.m. Eastern Time. Information is also available in Spanish. Recorded information about deposit insurance and other topics is available 24 hours a day at the same telephone number.

Public Information Center
3503 Fairfax Drive
Room E-1002
Arlington, VA 22226

Phone: 877-275-3342 (877-ASK FDIC), or 703-562-2200

Fax: 703-562-2296

E-mail: publicinfo@fdic.gov

FDIC publications, press releases, speeches and Congressional testimony, directives to financial institutions, policy manuals and other documents are available on request or by subscription through the Public Information Center. These documents include the *Quarterly Banking Profile, FDIC Consumer News* and a variety of deposit insurance and consumer pamphlets.

Office of the Ombudsman
3503 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 responds to inquiries about the FDIC in a fair, impartial and timely manner. It researches questions and complaints from bankers and the public. The Office also recommends ways to improve FDIC operations, regulations and customer service.

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Utah
Washington
Wyoming

In keeping with the Reports Consolidation Act, the OIG has identified the following management and performance challenges facing the Corporation.• Each of the challenges we have identified is marked by one or more of the following characteristics:

1. It is important to the achievement of the FDIC mission and the strength of the nation's financial system.
2. It involves significant resources, expenditures or fiduciary responsibility.
3. It directly impacts consumers of financial services.

The following challenges reflect the OIG's view of the Corporation's overall program and operational responsibilities; industry, economic and technological trends; areas of congressional interest; relevant laws and regulations; the Chairman's priorities and corresponding corporate performance and Government Performance and Results Act goals; and the ongoing activities to address the issues involved.

- Assessing and Mitigating Risks to the Insurance Funds
- Ensuring Institution Safety and Soundness Through Effective Examinations, Enforcement and Follow-Up
- Contributing to Public Confidence in Insured Depository Institutions
- Protecting and Educating Consumers and Ensuring Compliance
- Being Ready for Potential Institution Failures
- Managing and Protecting Financial, Human, Information Technology and Procurement Resources

Assessing and Mitigating Risks to the Insurance Funds

As of the end of the third quarter of 2005, the FDIC insured $3.830 trillion in deposits in 8,856 institutions. According to FDIC projections, if the current trend of industry consolidation continues, the banks the FDIC directly supervises will likely represent a smaller and smaller portion of the financial exposure it faces as deposit insurer. Also, another potential risk has become apparent as a result of recent natural disasters–multiple bank failures in a geographic region. Given these circumstances, the Corporation faces several challenges:

Assessing Risks in Large Banks
To effectively fulfill its fundamental responsibilities as deposit insurer, the Corporation must ensure its large-bank program provides ready access to the information it needs to effectively identify and assess risks that large institutions, including those it does not supervise, pose to the insurance funds. Effectively communicating and coordinating with the other primary federal banking regulators is central to the Corporation's ability to meet this

• Under the Reports Consolidation Act, the OIG is required to identify the most significant management and performance challenges facing the Corporation and provide its assessment to the Corporation for inclusion in its annual performance and accountability report (annual report). The OIG conducts this assessment yearly and identifies a number of specific areas of challenge facing the Corporation at the time.

challenge. Moreover, given the inherent complexity of these large institutions, the FDIC must have or develop the capability to assess the risks associated with these institutions, which are different from those found in smaller banks. As the FDIC and other regulators are evaluating policy options to ensure that large institutions and the industry as a whole maintain adequate capital and reserves under Basel II, the FDIC must ensure that its staff has the necessary information and expertise to understand and evaluate the adequacy of the largest institutions' capital models. The possibility of a large bank failure, however remote, looms as a significant challenge confronting the FDIC.

Monitoring Risks from Recent Natural Disasters
The FDIC and the other primary federal regulators have long emphasized the importance of disaster recovery and business continuity planning at insured depository institutions. While the focus of September 11 was on terrorist attacks and related disruption of commercial activities, recent natural disasters have added a new dimension to the risks associated with major regional crises. While initial indications from the FDIC are that the banking industry has initially fared well through the latest natural disasters, considerable risk remains over the long term to affected institutions and, in turn, the insurance funds. For example, the impact, if any, of relaxing examination and other regulatory requirements will likely not be plainly visible for many months.

Preparing for Deposit Insurance Reform
The FDIC has been working with the Congress over the past several years on a comprehensive deposit insurance reform package. If enacted, the FDIC will be faced with managing the funds under the current system while transitioning under tight time constraints to a new fund structure and premium system. Implementation of operational changes may result from deposit insurance reform.

Ensuring Institution Safety and Soundness through Effective Examinations, Enforcement and Follow-up

Supervision is a cornerstone of the FDIC's efforts to ensure stability and public confidence in the nation's financial system. As of September 30, 2005, the FDIC was the primary federal regulator for more than 5,250 institutions. The FDIC performs safety and soundness, Bank Secrecy Act (BSA), information technology, trust and other types of examinations of FDIC-supervised insured depository institutions. The Corporation's system of supervisory controls must identify and effectively address financial institution activities that are unsafe, unsound, illegal or improper before the activities cause a drain on the insurance funds. Specific challenges related to this core FDIC mission include:

Maintaining an Effective Examination and Supervision Program
The FDIC has adopted a more risk-focused approach to examinations to minimize regulatory burden and better direct its resources to those areas that carry the greatest potential risk. The FDIC must continue to monitor the effectiveness of its risk-focused procedures and any related resource reductions to ensure that this approach does not compromise examination quality or results. The FDIC must also ensure that financial institutions have adequate corporate governance structures relative to the bank's size, complexity and risk profile to prevent financial losses and maintain confidence in those entrusted with operating the institutions. The FDIC's follow-up processes must be effective to ensure institutions are promptly complying with supervisory actions that arise as a result of the FDIC's examination process.

Supervising Industrial Loan Companies

The FDIC is the primary federal regulator for a number of industrial loan companies (ILCs), which are insured depository institutions owned by organizations that, as bank holding companies, are subject to a different supervisory regimen when compared to other bank holding companies. The ILC industry includes large, complex financial institutions. The FDIC must establish and maintain effective controls in its processes for granting insurance to, supervising and examining ILCs and their parent companies, particularly in cases where consolidated supervision is not provided by another federal regulator.

Contributing to Public Confidence in Insured Depository Institutions

Guarding Against Financial Crimes in Insured Institutions

All financial institutions are at risk of being used to facilitate or being victimized by criminal activities including money laundering and terrorist financing. Such activities serve to undermine public confidence in the institutions. The Corporation is faced with developing and implementing programs to minimize the extent to which the institutions it supervises are involved in or victims of financial crimes and other abuse. The challenge is to facilitate the effective implementation of regulatory reporting requirements without imposing any undue regulatory burden. Examiners must also be alert to the possibility of fraudulent activity in financial institutions, which is inherently difficult because fraud is both purposeful and hard to detect.

Part of the FDIC's overall responsibility and authority to examine banks for safety and soundness is the responsibility for examining state-chartered non-member financial institutions for compliance with the Bank Secrecy Act. The BSA requires financial institutions to keep records and file reports on certain financial transactions. FDIC-supervised institutions are required to establish and maintain procedures designed to assure and monitor compliance with the BSA’s requirements. An institution's level of risk for potential money laundering determines the necessary scope of the BSA examination. In its role as supervisor, the FDIC also analyzes data security threats, occurrences of bank security breaches, and incidents of electronic crime that involve financial institutions. Misuse and misappropriation of personal information are emerging as major developments in financial crime. Despite generally strong controls and practices by financial institutions, methods for stealing personal data and committing fraud with that data are continuously evolving. The FDIC must continue its work in assuring the security of customer data against such criminal activity to help maintain the public's trust in the banking system.

Protecting and Educating Consumers and Ensuring Compliance

The FDIC protects consumers through its oversight of a variety of statutory and regulatory requirements aimed at safeguarding consumers from unfair and unscrupulous banking practices. Through community outreach efforts and technical assistance, the FDIC encourages lenders to work with members of their local communities in meeting the communities' credit needs. Specific challenges include:

Protecting Consumer Privacy
The FDIC implements regulations and conducts regularly scheduled examinations to verify that institutions comply with laws designed to protect personal information, which serve to guard against the growing threat of identity theft. The FDIC evaluates the adequacy of financial institutions' programs for securing customer data and may pursue informal or formal supervisory action if it finds a deficiency.

Educating the Public and Handling Complaints
The FDIC has made it a priority to impart financial education to the millions of Americans who lack basic financial skills. The Corporation's challenge is to join with its regulatory counterparts to effectively implement programs that help integrate into the financial system the large number of households that are isolated from the opportunity to establish credit, own a home, and build a better future for their families.

Regulating Lending Practices
The FDIC's programs of supervision and education can help prevent abusive lending practices that target the financially illiterate or disadvantaged. The FDIC must evaluate laws and implement regulations to find ways to curb these lending practices, while ensuring continued access to credit for the widest range of qualified customers and protection against the abuse of vulnerable individuals. The challenge is to balance the need for regulation with avoiding inappropriate or undue interference in legitimate business activities.

Ensuring Compliance with Laws and Regulations
The FDIC is responsible for evaluating financial institution compliance with consumer protection laws and regulations. Such laws include, for example, the Community Reinvestment Act, Home Mortgage Disclosure Act, and Fair Credit Reporting Act. In June 2003, the FDIC revised its compliance examination program. Compliance examinations now combine a risk-based examination process with an in-depth evaluation of an institution's compliance management system, resulting in a top-down, risk-focused approach to examinations. The Corporation's challenge is to ensure that the new approach makes the examination process more effective and efficient and reduces the examination burden on banks.

Being Ready for Potential Institution Failures

The FDIC is responsible for the resolution of failed banks or savings associations. The Corporation is required by law to protect taxpayers by prudently managing the Bank Insurance Fund and the Savings Association Insurance Fund and to protect insured depositors by using the assets of the funds to pay insured deposits at the time of the institution failure. The trend toward fewer failures over the past few years changes the nature of the challenge for the FDIC. Planning for failing and failed institutions, including large or multiple bank failures, needs to be evaluated, revisited and tested for adequacy in light of FDIC downsizing activities and corresponding loss of institutional knowledge and expertise. Catastrophic events such as the multiple hurricanes that occurred during the past year underscore the need for the Corporation's readiness to respond.

Managing and Protecting Financial, Human, Information Technology and Procurement Resources

The FDIC must effectively manage and utilize a number of critical strategic resources in order to carry out its mission successfully, particularly its financial, human, information technology (IT) and procurement resources. The FDIC has emphasized its stewardship responsibilities in its strategic planning process. A number of key management activities pose governance challenges to corporate executives and managers, as discussed below:

Financial Resource and Capital Investment Management
The FDIC's operating expenses are largely paid from the insurance funds, and consistent with good corporate governance principles, the Corporation must continuously seek to improve its operational efficiency. Because 65 percent of the FDIC's budget costs are personnel-related, a challenge to the Corporation is to ensure that budgeted resources are properly aligned with workload. With respect to capital investments, effective planning and management of IT and non-IT capital investments are mandated by Congress and by the Office of Management and Budget for most federal agencies. Although many of these laws and executive orders are not legally binding on the FDIC, the Corporation recognizes that they constitute best practices and has adopted them in whole, or in part. The underlying challenge is to carry out approved investment projects on time and within budget, while realizing anticipated benefits.

Human Capital Management
In the last several years, the FDIC has undergone significant restructuring and downsizing in response to changes in the industry, technological advances, and business process improvements and, as with many government agencies, the FDIC anticipates a high level of retirement in the next five years. Amidst such change, the Corporation must seek to maintain employee morale and positive employee-management relationships. To that end, the FDIC formulated a human capital strategy to guide the FDIC through the rest of this decade. A key part of its human capital strategy is the Corporate Employee Program designed to help create a more adaptable permanent workforce and that reflects a more collaborative and corporate approach to meeting critical mission functions. The challenge now is implementing its strategy and monitoring the success of related human capital initiatives and programs. Additionally, developing new leaders and engaging in succession planning pose a challenge. Finally, in an age of identity theft risks, the FDIC needs to maintain effective controls to protect personal employee-related information that the Corporation possesses. The appointment of a Chief Privacy Officer and implementation of a privacy program are positive steps toward addressing that challenge.

Information Technology Management
The FDIC seeks to maximize its IT resources to improve the efficiency and effectiveness of its operational processes. The Corporation's IT transformation initiative targets three broad areas of challenge:

- Governance and process improvements that focus on making strategic alignment a requirement for all IT work.
- Technical improvements to continue to replace/upgrade critical components of the IT infrastructure.
- Organizational changes to better align IT resources with workload, flatten the organizational structure, and improve communication with customers.

To address these broad challenges, the FDIC is embracing a capability maturity model to improve long-term business performance; employing a new system-development life cycle methodology to minimize risk, provide more predictable results, and deliver high-quality systems on time and within budget; and continuing to enhance its Enterprise Architecture (EA) program by identifying duplicative resources/investments and opportunities for internal and external collaboration to promote operational improvements and cost-effective solutions to business requirements.

The establishment of an integrated and streamlined e-government infrastructure is a key component of the Corporation's target EA. In this regard, the Corporation has initiated a number of major projects designed to improve internal operations, communications and service to members of the public, business and other government entities. The challenge is to ensure that such projects are consistent with e-government principles and implementing guidance from the Office of Management and Budget, most recently guidance that is related to the use of earned value management.

Security Management – IT and Physical

The FDIC recognizes that a robust information security program requires an ongoing commitment by the organization. The OIG's 2005 Federal Information Security Management Act evaluation results showed that the Corporation had established and implemented controls in all of the management control areas assessed that provided either limited or reasonable assurance of adequate security over its information resources. Still, attention was needed in certain areas such as information security risk management, oversight of contractors with access to sensitive data and systems, and implementation of an enterprise security architecture.

Additionally, following Y2K and in light of terrorist-related disruptions and, more recently, adverse impacts of natural disasters, the importance of corporate disaster recovery and business continuity planning has been underscored and elevated to an enterprise-wide level. Such planning involves more than the recovery of the technology; it involves the recovery of the entire business. The FDIC must be sure that its Emergency Preparedness Program provides for the safety and physical security of its personnel and ensures that its critical business functions remain operational during any emergency.

Procurement Management

With corporate downsizing has come, in many instances, increased reliance on contracted services and potential increased exposure to risk if contracts are not managed properly. Processes and related controls for identifying needed goods and services, acquiring them, and monitoring contractors after the contract award must be in place and work effectively. Many employees with contracting expertise have left the Corporation and contract management responsibilities have shifted. Also, a number of new contracting vehicles and approaches are being implemented. For example, the Corporation combined approximately 40 IT-related contracts into one contract with multiple vendors for a total program value of $555 million over ten years. Also, for the first time, it is using a large technical infrastructure contract through the General Services Administration (GSA) valued at over $300 million. Along with the expected benefits of these contracts come challenges. The Corporation has not previously outsourced a procurement process to GSA, and both new contracts are performance-based, requiring different oversight mechanisms and strategies than the time and materials contracts that the Corporation has historically used.

Enterprise Risk Management

As an integral part of its stewardship of the insurance funds, the FDIC has established a risk management and internal control program. The Corporation has committed to adopting an Enterprise Risk Management approach to identifying and analyzing risks on an integrated, corporate-wide basis. Revised OMB Circular A-123, which became effective for fiscal year 2006, requires a strengthened process for conducting management's assessment of the effectiveness of internal control over financial reporting. The Circular also emphasizes the need for agencies to integrate and coordinate internal control assessments with other internal control-related activities, and ensure that an appropriate balance exists between the strength of controls and the relative risk associated with particular programs and operations.

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