

# III.



## FINANCIAL HIGHLIGHTS

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

## **DEPOSIT INSURANCE FUND PERFORMANCE**

The DIF balance was \$110.3 billion at December 31, 2019, an increase of \$7.7 billion from the year-end 2018 balance of \$102.6 billion. The DIF's comprehensive income totaled \$7.7 billion for 2019 compared to comprehensive income of \$9.9 billion during 2018. The \$2.2 billion year-over-year decrease was primarily due to a \$4.6 billion decrease in assessment revenue partially offset by a \$1.8 billion increase in interest and unrealized gains on U.S. Treasury securities.

Assessment revenue was \$4.9 billion for 2019, compared to \$9.5 billion for 2018. The \$4.6 billion year-over-year decrease was primarily due to the cessation of the surcharge assessment on large institutions effective October 1, 2018, as a result of the reserve ratio exceeding the required minimum of 1.35 percent as of September 30, 2018. In addition, assessment revenue was reduced in 2019 for actual and expected small bank assessment credit usage of \$704 million.

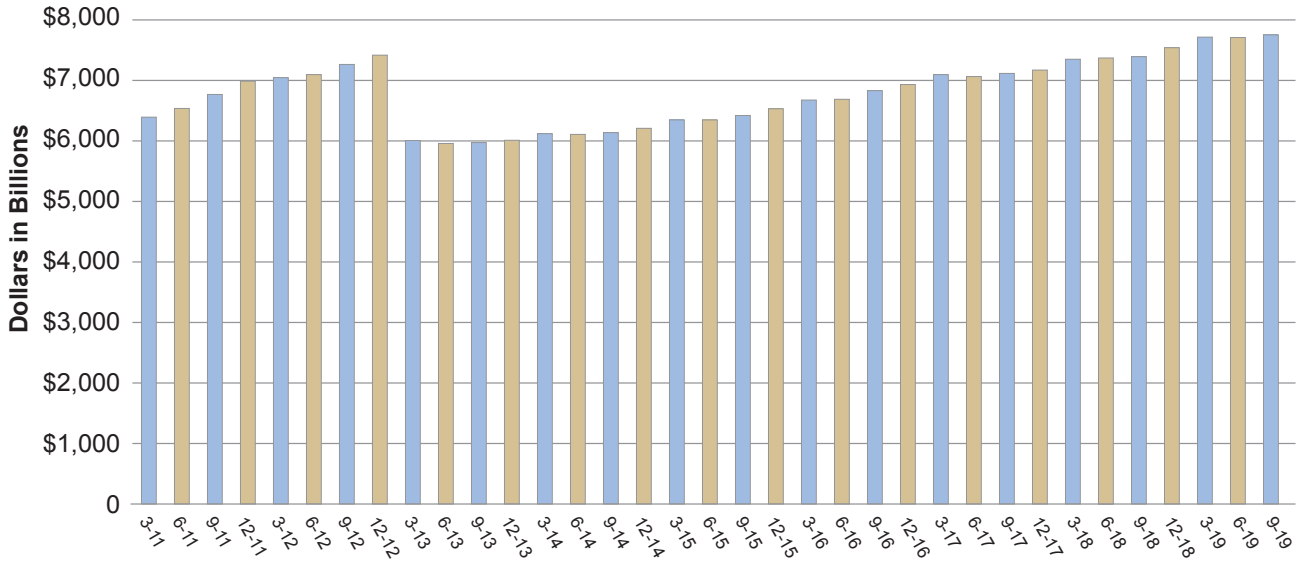
The DIF's interest revenue on U.S. Treasury securities for 2019 was \$2.1 billion, compared to \$1.6 billion in 2018. The \$484 million year-over-year increase resulted primarily from a steady growth in the investment portfolio balance.

In addition, the DIF recognized an unrealized gain on U.S. Treasury securities of \$1.2 billion, up from a \$136 million unrealized loss in 2018. The unrealized gain in 2019 was the result of yields declining across all maturity sectors of the Treasury yield curve, resulting in increases in the securities' market values relative to their book values.

The provision for insurance losses was a negative \$1.3 billion for 2019, compared to negative \$563 million for 2018. The negative provision for 2019 primarily resulted from a decrease to the estimated losses for prior year failures, attributable to: (1) a decrease in receivership shared-loss liability cost estimates of \$575 million primarily due to lower-than-anticipated losses on covered assets, reductions in shared-loss cost estimates from expirations and early terminations of shared-loss agreements during the year, and higher true-up recoveries (projected to be received at expiration if actual losses at expiration are lower than originally estimated); (2) \$465 million of unanticipated recoveries received by receiverships from litigation settlements and professional liability claims; and (3) a \$118 million reduction in future receivership expense estimates.

The DIF's cash, cash equivalents, and U.S. Treasury investment portfolio balances increased by \$7.6 billion during 2019 to \$106.1 billion at year-end 2019, from \$98.5 billion at year-end 2018. This increase was primarily due to assessment collections of \$5.1 billion, interest received on U.S. Treasury securities of \$2.0 billion, and recoveries from resolutions of \$1.7 billion, less operating expenses paid of \$1.7 billion.

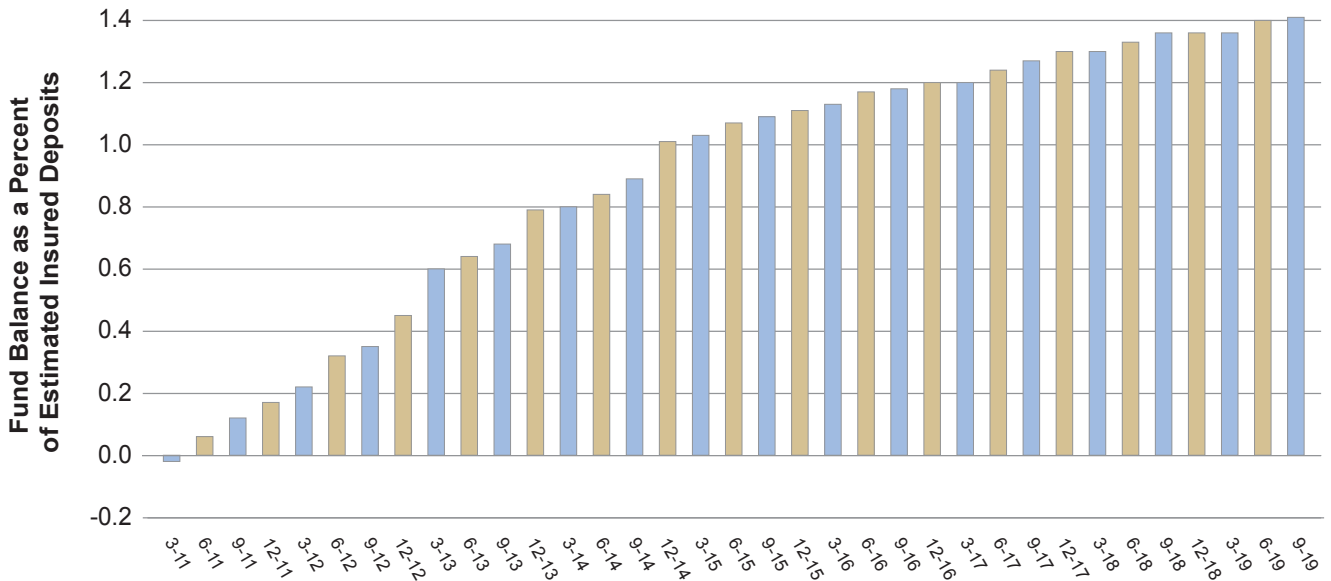
**ESTIMATED DIF INSURED DEPOSITS**



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

	2019	2018	2017
<b>Financial Results</b>			
Revenue	\$7,095	\$11,171	\$11,664
Operating Expenses	1,796	1,765	1,739
Insurance and Other Expenses (includes provision for losses)	(1,282)	(560)	(181)
Net Income	6,582	9,966	10,105
Comprehensive Income	7,738	9,861	9,586
Insurance Fund Balance	\$110,347	\$102,609	\$92,747
Fund as a Percentage of Insured Deposits (reserve ratio)	1.41% <sup>1</sup>	1.36%	1.30%
<b>Selected Statistics</b>			
Total DIF-Member Institutions <sup>2</sup>	5,256 <sup>1</sup>	5,406	5,670
Problem Institutions	55 <sup>1</sup>	60	95
Total Assets of Problem Institutions	\$48,779 <sup>1</sup>	\$48,489	\$13,939
Institution Failures	4	0	8
Total Assets of Failed Institutions in Year <sup>3</sup>	\$209	\$0	\$5,082
Number of Active Failed Institution Receiverships	248	272	338

<sup>1</sup> As of September 30, 2019.<sup>2</sup> Commercial banks and savings institutions. Does not include U.S. insured branches of foreign banks.<sup>3</sup> Total Assets data are based upon the last Call Report filed by the institution prior to failure.