

III.

FINANCIAL HIGHLIGHTS



In its role as insurer of bank and savings association deposits, the FDIC promotes the public's trust in 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 was \$117.9 billion at December 31, 2020, an increase of \$7.5 billion from the year-end 2019 balance. The DIF's comprehensive income totaled \$7.5 billion for 2020 compared to comprehensive income of \$7.7 billion during 2019. While assessment revenue increased year-over-year by \$2.2 billion, this was fully offset by a year-over-year reduction in the negative provision for insurance losses of \$1.1 billion and a decrease in interest and unrealized gains on U.S. Treasury securities of \$1.2 billion.

Assessment revenue was \$7.1 billion for 2020, compared to \$4.9 billion for 2019. The \$2.2 billion year-over-year increase was primarily due to the combination of assessment base growth, higher assessment rates, and the wind-down of small bank assessment credit usage.

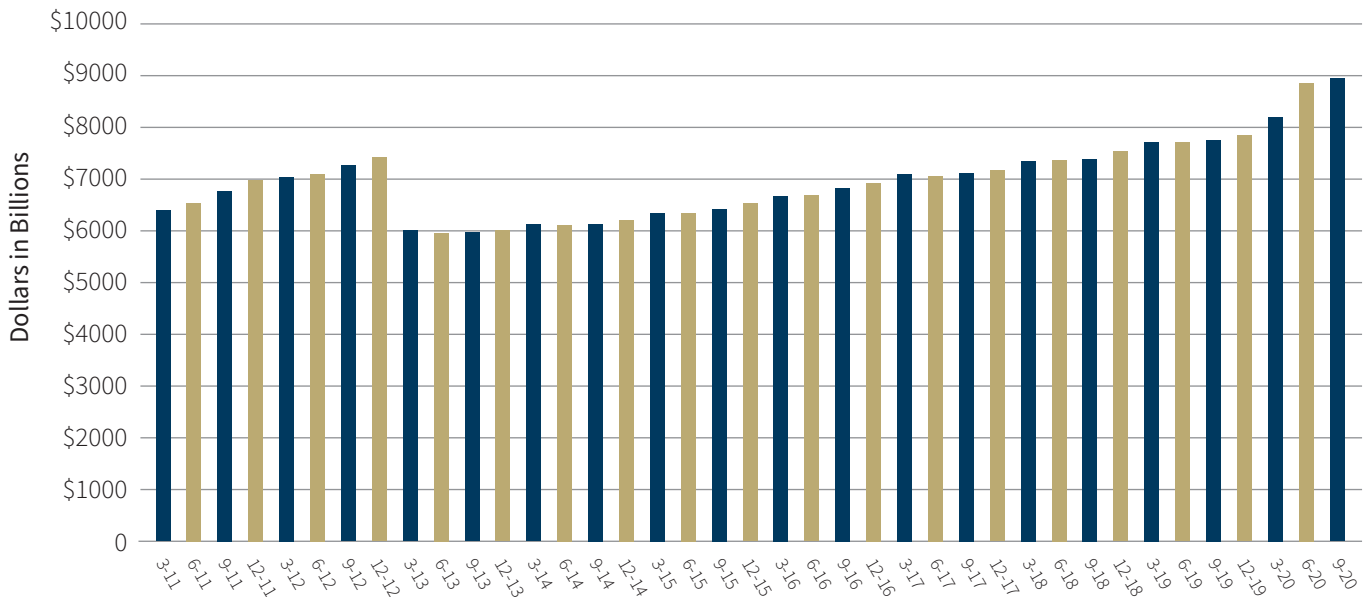
The DIF's interest revenue on U.S. Treasury securities for 2020 was \$1.7 billion, compared to \$2.1 billion in 2019. The \$0.4 billion year-over-year decrease resulted from record low yields even though the investment portfolio was \$10.4 billion larger at year-end 2020 than year-end 2019.

The provision for insurance losses was a negative \$157 million for 2020, compared to negative \$1.3 billion for 2019. The negative provision of \$157 million in 2020 reflected adjustments to loss estimates for prior year failures largely as a result of unanticipated recoveries from professional liability claims and litigation settlements by receiverships, as well as reductions to receivership future liquidation expense estimates. The provision balance for 2019 reflected much larger decreases in loss estimates for prior year bank failures primarily arising from shared-loss liability reductions as well as unanticipated recoveries from litigation settlements and professional liability claims by receiverships.

During 2020, the DIF recognized an unrealized gain on U.S. Treasury securities of \$483 million, down from a \$1.2 billion unrealized gain in 2019. This decline is due to the fact that a significant portion of the securities in the portfolio with unrealized gains matured during 2020 (or will do so in the first quarter of 2021). As each U.S. Treasury security reaches or nears its maturity, the market value approaches the par value, and the unrealized gain reduces to zero.

The DIF's cash, cash equivalents, and U.S. Treasury investment portfolio balances increased by \$7.7 billion during 2020 to \$113.8 billion at year-end 2020, from \$106.1 billion at year-end 2019. This increase was primarily due to assessment collections of \$6.4 billion, interest received on U.S. Treasury securities of \$3.7 billion, and recoveries from resolutions of \$1.4 billion, less operating expenses paid of \$1.7 billion.

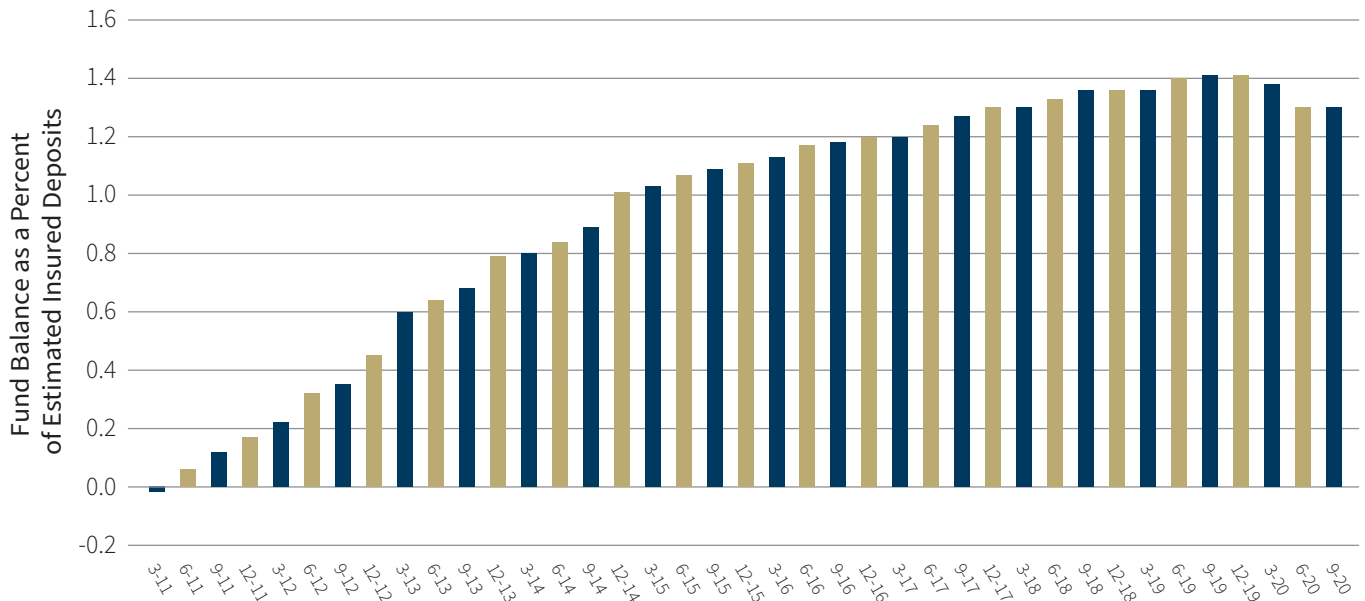
ESTIMATED DIF INSURED DEPOSITS



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

	2020	2019	2018
Financial Results			
Revenue	\$8,796	\$7,095	\$11,171
Operating Expenses	1,846	1,796	1,765
Insurance and Other Expenses (includes provision for losses)	(155)	(1,282)	(560)
Net Income	7,105	6,582	9,966
Comprehensive Income	7,550	7,738	9,861
Insurance Fund Balance	\$117,897	\$110,347	\$102,609
Fund as a Percentage of Insured Deposits (reserve ratio)	1.30% ¹	1.41%	1.36%
Selected Statistics			
Total DIF-Member Institutions ²	5,033 ¹	5,177	5,406
Problem Institutions	56 ¹	51	60
Total Assets of Problem Institutions	\$53,884 ¹	\$46,190	\$48,489
Institution Failures	4	4	0
Total Assets of Failed Institutions in Year ³	\$455	\$209	\$0
Number of Active Failed Institution Receiverships	234	248	272

¹ As of September 30, 2020.

² Commercial banks and savings institutions. Does not include U.S. insured branches of foreign banks.

³ Total Assets data are based upon the last Call Report filed by the institution prior to failure.