**FDIC** *Federal Deposit Insurance Corporation*

*Deputy to the Chairman and Chief Financial Officer*

November 22, 2022

MEMORANDUM TO: The Board of Directors

FROM: Bret D. Edwards
Deputy to the Chairman
and Chief Financial Officer

SUBJECT: Third Quarter 2022 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended September 30, 2022.

## Executive Summary

- During the third quarter of 2022, the Deposit Insurance Fund (DIF) balance rose to a record $125.5 billion as of September 30, 2022, up $1.0 billion from the June 30, 2022 balance of $124.5 billion. The quarterly increase was primarily due to assessment revenue of $2.1 billion partially offset by an unrealized loss on U.S. Treasury (UST) securities of $1.1 billion.

- The reserve ratio was unchanged at 1.26 percent, as insured deposits grew 0.1 percent.

- There were no FDIC-insured financial institution failures during the third quarter of 2022; the last failure occurred on October 23, 2020.

- Through September 30, 2022, overall FDIC Operating Budget expenditures were below the year-to-date budget by about $224.9 million, or 14 percent. This included underspending of $205.3 million (13 percent) in the Ongoing Operations budget component and $16.3 million (45 percent) in the Receivership Funding budget component. It is unlikely that the unspent budget authority in either budget component will be used by the end of the year. During the third quarter of 2022, the CFO approved two budget adjustments and a net increase of 163 authorized positions (62 permanent and 101 non-permanent).

**I. <u>Financial Results</u>** (See pages 8 – 9 for detailed data and charts.)

**Deposit Insurance Fund**

- For the nine months ending September 30, 2022, the DIF's comprehensive income totaled $2.3 billion compared to $4.0 billion for the same period last year, a decrease of $1.7 billion. While assessment revenue increased year-over-year by $1.1 billion, this was more than offset by a $2.6 billion increase in the unrealized loss on UST securities.

- During the first nine months of 2022, the DIF incurred a $3.3 billion unrealized loss on its portfolio of UST securities due to yields rising across all investable maturity sectors of the Treasury yield curve.

**Assessments**

- During September, the DIF recognized assessment revenue of $2.1 billion for the estimate of third quarter 2022 insurance coverage. Additionally, the DIF recognized a $44 million adjustment for higher-than-estimated collections for the second quarter 2022 insurance coverage, which increased assessment revenue.

- On September 30, 2022, the FDIC collected $2.0 billion in DIF assessments for second quarter 2022 insurance coverage.

**II. <u>Investment Results</u>** (See pages 10 –11 for detailed data and charts.)

**DIF Investment Portfolio**

- On September 30, 2022, the total liquidity (also total market value) of the DIF investment portfolio stood at $123.05 billion, up $1.03 billion from its June 30, 2022, balance of $122.02 billion. During the quarter, interest revenue, receivership dividends, and deposit insurance assessment collections exceeded resolution-related outlays and operating expenses.

- On September 30, 2022, the DIF investment portfolio's yield was 1.351 percent, up 53 basis points from its 0.821 percent yield on June 30, 2022. The new Treasury securities purchased during the third quarter of the year had higher yields than securities purchased in the previous quarter.

- In accordance with the approved third quarter 2022 DIF portfolio investment strategy, staff purchased 18 conventional Treasury securities with a total par value of $23.00 billion, a weighted average yield of 3.358 percent, and a weighted average maturity of 2.07 years.

**III. <u>Budget Results</u>** (See pages 12 – 13 for detailed data.)

### Approved Budget Modifications

The 2022 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2022 FDIC Operating Budget. The following budget reallocations were approved during the third quarter by the CFO in accordance with the authority delegated by the Board of Directors:

- In July, the CFO approved adjustments to the 2022 Ongoing Operations budgets of several divisions and offices, as follows:

    - A transfer of $1,054 from the Office of Minority and Women Inclusion (OMWI) to Division of Administration (DOA) to support the re-alignment of the Reasonable Accommodations program from OMWI to DOA.

    - A transfer of $4.1 million from the FDIC Tech Lab (FDITECH) budget to the Division of Information Technology (DIT) to support the re-alignment of FDITECH into DIT.

At the end of the third quarter, the balances in the Corporate Unassigned contingency reserve for the Ongoing Operations and Receivership Funding budget components remained unchanged at $36.7 million and $21.2 million, respectively.

**Approved Staffing Modifications**

The 2022 Budget Resolution delegated to the CFO the authority to modify approved 2022 staffing authorizations for divisions and offices, as long as those modifications did not increase the total approved 2022 FDIC Operating Budget. The CFO approved the following modifications to staffing authorizations during the third quarter, in accordance with the authority delegated by the Board of Directors:

- In July, the CFO approved the following adjustments to the 2022 staffing authorizations of the organizations reporting to the Chief Information Officer:

    - A transfer of one permanent authorized position from DIT to the Office of the Chief Information Security Officer (OCISO) to enhance the Information Systems Security Management (ISSM) program in OCISO. As a result, DIT's staffing authorization decreased from 322 to 321 positions, and OCISO's staffing authorization increased from 53 to 54 positions.

    - A transfer of 12 permanent authorized positions from FDITECH to DIT to reflect the previously-approved re-alignment of FDITECH into DIT. This increased DIT's 2022 staffing authorization from 321 to 333 positions and eliminated the separate staffing authorization for FDITECH.

- In August, the CFO approved the following adjustments to the 2022 staffing authorizations as a result of the mid-year budget and staffing reviews conducted by divisions and offices:

    - An increase of 25 permanent positions and 101 non-permanent position in RMS. This included seven permanent positions to establish a new Emerging Technology Section; seven permanent positions to establish a new Climate Financial Risk Section; eight permanent positions to add examination staffing for large and complex banks in the Continuous Examination Program; two permanent management information specialist (MIS) positions in the regional offices; one permanent administrative specialist position in the Washington office; and one non-permanent assistant regional director position in the New York Region. In addition, 100 non-permanent examination positions were authorized to permit RMS to begin recruiting and filling positions that are projected to be needed to meet its statutory 2023 examination responsibilities. As a result, RMS's 2022 total staffing authorization increased from 2,434 to 2,560 positions (2,429 permanent, 131 non-permanent).

- An increase of 14 permanent positions in DCP, including four permanent positions to address increases in the volume and complexity of Headquarters consultations on examination issues referred by the regional offices, eight positions to provide analytical support for compliance examinations and increased staffing for the consumer financial research program in conjunction with its transfer from the Division of Insurance and Research (DIR), and two administrative and resource management support positions. As a result, DCP's 2022 total staffing authorization increased from 795 to 809 positions (798 permanent, 11 non-permanent).

- An increase of 13 permanent positions in the Division of Complex Institution Supervision and Resolution (CISR). This included four positions to provide specific expertise on central counterparties (CCPs) and nine positions to begin implementation of a substantially expanded organizational structure for resolution planning (with additional positions to be requested in the 2023 FDIC Operating Budget). As a result, CISR's 2022 total staffing authorization increased from 328 to 341 positions (338 permanent, 3 non-permanent).

- An increase of seven permanent positions in Corporate University (CU) including two permanent managerial positions to reduce current supervisory spans of control and five permanent positions to replace employees on temporary rotational details with CU staff servicing multiple divisions and offices. As a result, CU's 2022 total staffing authorization increased from 67 to 74 permanent positions.

- An increase of three permanent positions in DOA to enhance contract administration staffing in the Acquisition Services Branch in response to recent GAO and OIG audit findings relating to contract oversight. As a result, DOA's 2022 total staffing authorization increased from 406 to 409 positions (408 permanent, 1 non-permanent).

- Several internal adjustments that resulted in no net change to the current staffing authorization of 28 positions for the Executive Offices.

- In August, the CFO also approved the realignment of authorized positions to reflect the transfer of functions among divisions and offices:

  - The transfer of five permanent position from DIR to DCP in conjunction with the transfer of the consumer financial research function from DIR to DCP. As a result, DIR's total staffing authorization decreased to 219 positions and DCP's total staffing authorization increased to 814 positions.

  - The transfer of one permanent position from OMWI to DOA to re-align the Reasonable Accommodation (RA) program from OMWI to DOA. As a result, OMWI's staffing authorization decreased from 32 to 31, and DOA's staffing authorization increased from 409 to 410 positions.

Subsequent to these third quarter adjustments, the FDIC's authorized 2022 staffing totaled 6,090 (5,932 permanent and 158 non-permanent), a net increase of 163 positions (62 permanent, 101 non-permanent).

## Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the quarter ending September 30, 2022, are defined as those that either (1) exceeded the YTD budget for a major expense category or division/office by more than $1 million and represented more than two percent of the major expense category or total division/office budget; or (2) were under the YTD budget for a major expense category or division/office by more than $7 million and represented more than seven percent of the major expense category or total division/office budget.

### Significant Spending Variances by Major Expense Category

Ongoing Operations

Overall spending for Ongoing Operations totaled $205.3 million, or 13 percent, below budget through the third quarter of 2022. There were significant spending variances in five major expense categories:

- Salaries and Compensation spending was under budget by $76.1 million, or seven percent, due to the continued high number of vacancies in budgeted positions across the FDIC.

- Outside Services-Personnel spending was under budget by $38.7 million, or 16 percent. The variance was largely attributable to underspending in five divisions:

    - DIT underspent its YTD budget by $16.0 million. This reflected underspending for continuing operations attributable to cost reductions in the infrastructure services area and delays in the onboarding of contractors as well as delayed project starts for planned new initiatives.

    - DOA underspent its YTD budget by $7.1 million, largely due to reductions in on-site service levels in conjunction with expanded telework, reduced contract spending for human resources functions and initiatives, and delays in planned contract spending to support crisis readiness planning and facilities modernization.

    - CISR underspent its YTD budget by $3.4 million, largely due to delays in awarding contracts for human resources management, franchise marketing support, and communications advisory services.

    - The Legal Division (Legal) underspent its YTD budget by $3.3 million, mostly due to lower-than-anticipated litigation expenses resulting from delays in court proceedings that were outside of the FDIC's control. Legal anticipates litigation activity will return to projected levels in 2023.

    - The Division of Resolutions and Receiverships (DRR) underspent its YTD budget by $2.3 million due to delays in awarding contracts for advisory services, IT security and privacy support, and an asset and portfolio management platform. Delays were also encountered in completing security reviews required to obtain a required Authority to Operate from the Chief Information Officer for contracts for crypto asset assistance, an ORE oil and gas auctioneering platform, and imaging and indexing vendors.

- Travel spending was under budget by $36.5 million, or 80 percent, due to underspending in all organizations as a result of pandemic-related travel restrictions that extended to September 2022. The Travel budget was based on an assumption that the FDIC would return to normal travel beginning in the second quarter of 2022.

- Buildings and Leased Space spending was under budget by $32.0 million, or 28 percent, primarily due to delays in planned Field Office Modernization projects, slower-than-anticipated progress on Headquarters and San Francisco Regional Office capital improvement projects, and delays in implementing the Headquarters space consolidation strategy.

- Equipment spending was under budget by $14.0 million, or 13 percent, mostly due to contracting and supply chain issues in DIT, delays in purchasing furniture and equipment for planned field office modernization projects, and delays in the development of the Virtual Onboarding Platform in DOA.

Receivership Funding

The Receivership Funding component of the 2022 FDIC Operating Budget includes funding for expenses that are incurred in conjunction with institution failures and the management and disposition of the assets and liabilities of the ensuing receiverships, except for salary and benefits expenses for permanent employees assigned to the receivership management function and other expenses required to ensure readiness without regard to whether failures occur.

Overall spending for the Receivership Funding budget component totaled $16.3 million, or 45 percent, below budget through the third quarter in 2022. There was a significant spending variance in the Outside Services – Personnel expense category of $14.3 million, or 44 percent. The variance was largely attributable to underspending in DRR and DIT due to lower-than-budgeted bank failure activity and reduced expenses in Legal resulting from litigation delays and cost savings realized from handling matters in-house to reduce the use of outside counsel.

Office of the Inspector General

There were no significant spending variances through the third quarter of the 2022 Office of Inspector General (OIG) budget component.

**Significant Spending Variances by Division/Office**[1]

There were seven organizations with significant spending variances through the end of third quarter:

- DOA underspent its YTD budget by $53.9 million, or 20 percent, including $31.8 million for Buildings and Leased Space, $7.1 million for Outside Services-Personnel, and $5.5 million for Equipment for the reasons stated above; and $7.0 million for Salaries and Compensation due to unfilled vacancies in budgeted positions.

- The Division of Risk Management Supervision (RMS) underspent its YTD budget by $49.3 million, or 11 percent, primarily attributable to underspending of $24.1 million for Salaries and Compensation due to higher-than-anticipated vacancies in budgeted positions and $23.8 million for Travel due to pandemic-related travel restrictions.

- DIT underspent its YTD budget by $35.9 million, or 13 percent, primarily attributable to underspending in the Ongoing Operations budget component. This included $16.0 million for Outside Services - Personnel and $7.8

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[1]Information on division/office variances reflects variances in the FDIC Operating Budget and does not include variances related to approved multi-year investment projects.

million for Equipment for the reasons stated above; and $3.6 million for Outside Services - Other due to lower-than-projected spending on cell phones and delays in the transition of voice communications to new technology. DIT also underspent its Outside Services-Personnel budget in the Receivership Funding budget component by $3.5 million due to lower-than-projected bank failure activity.

- DCP underspent its YTD budget by $17.4 million, or 12 percent, primarily attributable to underspending of $9.3 million for Salaries and Compensation due to higher-than-anticipated vacancies in budgeted positions and $6.6 million for Travel due to pandemic-related travel restrictions.

- DRR underspent its YTD budget by $16.4 million, or 17 percent, including $8 million in its Ongoing Operations budget and $8.4 million in its Receivership Funding budget. The underspending in the Ongoing Operations budget component included $4.7 million for Salaries and Compensation due to vacancies in budgeted positions, $2.3 million for Outside Services-Personnel due to delays in awarding several contracts and starting various projects; and $900,000 for Travel due to pandemic-related travel restrictions. The underspending in the Receivership Funding budget component included $6.9 million for Outside Services-Personnel, $780,000 for Other Expenses, and $208,000 for Travel, all due to lower–than-budgeted bank failure activity.

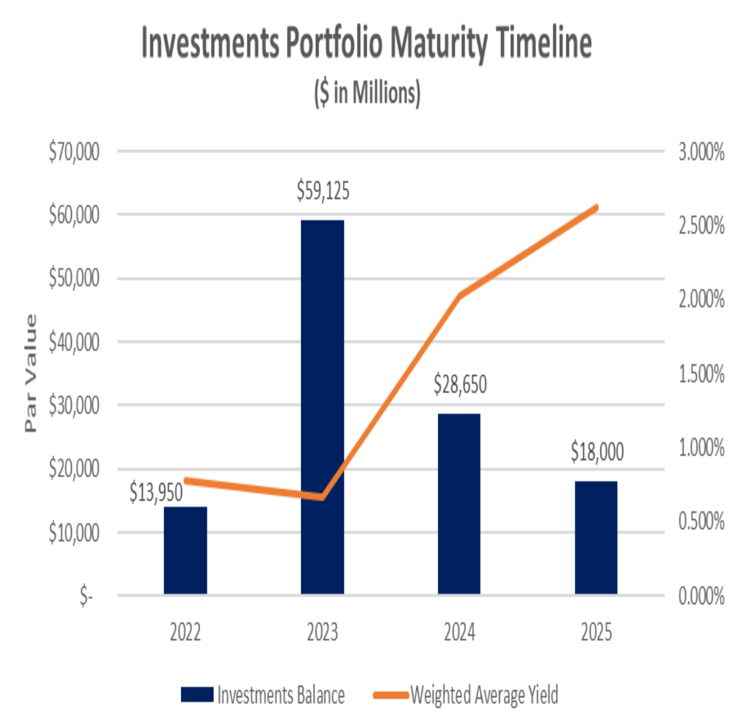
- Legal underspent its YTD budget by $13.3 million, or 11 percent, including $9.6 million in its Ongoing Operations budget and $3.7 million in its Receivership Funding budget. The underspending in the Ongoing Operations budget component included $5.5 million for Salaries and Compensation due to higher-than-anticipated vacancies in budgeted positions and $3.3 million for Outside Services-Personnel due to lower-than-anticipated litigation expenses resulting from delays in court proceedings. The spending variance in the Receivership Funding budget component was primarily due to underspending of $3.7 million for Outside Services-Personnel for the same reason.

- CISR underspent its YTD budget by $12.4 million, or 16 percent, primarily due to the underspending of $7.5 million in its Salaries and Compensation budget due to higher-than-projected vacancies in budgeted positions, $3.4 million in the Outside Services-Personnel budgeted due to delays in planned contract awards, and $1.4 million in the Travel budget due to pandemic-related travel restrictions.

## Fund Financial Results

*($ in Millions)*

| Balance Sheet | Deposit Insurance Fund | | | | |
|---|---|---|---|---|---|
| | | | Quarterly | | Year-Over-Year |
| | Sep-22 | Jun-22 | Change | Sep-21 | Change |
| Cash and cash equivalents | $ 5,767 | $ 6,694 | $ (927) | $ 3,944 | $ 1,823 |
| Investment in U.S. Treasury securities | 116,572 | 114,574 | 1,998 | 114,705 | 1,867 |
| Assessments receivable | 2,101 | 1,968 | 133 | 1,676 | 425 |
| Interest receivable on investments and other assets, net | 745 | 792 | (47) | 998 | (253) |
| Receivables from resolutions, net | 590 | 733 | (143) | 903 | (313) |
| Property and equipment, net | 355 | 348 | 7 | 323 | 32 |
| Operating lease right-of-use assets | 98 | 73 | 25 | 93 | 5 |
| **Total Assets** | $ 126,228 | $ 125,182 | $ 1,046 | $ 122,642 | $ 3,586 |
| Accounts payable and other liabilities | 259 | 249 | 10 | 260 | (1) |
| Operating lease liabilities | 114 | 77 | 37 | 99 | 15 |
| Postretirement benefit liability | 332 | 332 | 0 | 336 | (4) |
| Contingent liability for anticipated failures | 65 | 66 | (1) | 12 | 53 |
| Contingent liability for litigation losses | 1 | 0 | 1 | 0 | 1 |
| **Total Liabilities** | $ 771 | $ 724 | $ 47 | $ 707 | $ 64 |
| FYI: Unrealized gain (loss) on U.S. Treasury securities, net | (3,459) | (2,382) | (1,077) | 387 | (3,846) |
| FYI: Unrealized postretirement benefit (loss) gain | (83) | (83) | 0 | (98) | 15 |
| **Fund Balance** | $ 125,457 | $ 124,458 | $ 999 | $ 121,935 | $ 3,522 |



Excludes Overnight investments

The Federal Reserve's rate hike cycle, beginning in March of 2022, resulted in yields rising quickly, elevating unrealized losses within the investment portfolio. With another rate hike expected in December, and perhaps more for 2023, market participants are expecting the yield curve to continue seeing upward pressure. Over 60% of the portfolio is expected to mature by the end of 2023, and these securities will pull-to-par as the maturity dates approach. With a weighted average yield of 0.776% for the remainder of the 2022 maturities and 0.667% for the 2023 maturities, the reinvestment into significantly higher yielding securities will rapidly push the weighted average yield of the entire portfolio higher.

# Fund Financial Results - continued

*($ in Millions)*

| Income Statement (year-to-date) | Deposit Insurance Fund Sep-22 | Jun-22 | Quarterly Change | Sep-21 | Year-Over-Year Change |
|---|---|---|---|---|---|
| Assessments | $ 6,169 | $ 4,024 | $ 2,145 | $ 5,113 | $ 1,056 |
| Interest on U.S. Treasury securities | 748 | 416 | 332 | 756 | (8) |
| Return of unclaimed insured deposits | 38 | 32 | 6 | 60 | (22) |
| Other revenue | 6 | 5 | 1 | 13 | (7) |
| **Total Revenue** | $ 6,961 | $ 4,477 | $ 2,484 | $ 5,942 | $ 1,019 |
| Operating expenses | 1,368 | 912 | 456 | 1,368 | 0 |
| Provision for insurance losses | (35) | 14 | (49) | (152) | 117 |
| Insurance and other expenses | 2 | 1 | 1 | 5 | (3) |
| **Total Expenses and Losses** | $ 1,335 | $ 927 | $ 408 | $ 1,221 | $ 114 |
| **Net Income** | $ 5,626 | $ 3,550 | $ 2,076 | $ 4,721 | $ 905 |
| Unrealized gain (loss) on U.S. Treasury securities, net | (3,310) | (2,233) | (1,077) | (683) | (2,627) |
| Unrealized postretirement benefit gain (loss) | 0 | 0 | 0 | 0 | 0 |
| **Comprehensive Income** | $ 2,316 | $ 1,317 | $ 999 | $ 4,038 | $ (1,722) |

| Selected Financial Data | FSLIC Resolution Fund Sep-22 | Jun-22 | Quarterly Change | Sep-21 | Year-Over-Year Change |
|---|---|---|---|---|---|
| Cash and cash equivalents | $ 914 | $ 909 | 5 | $ 908 | $ 6 |
| Accumulated deficit | (124,555) | (124,560) | 5 | (124,562) | 7 |
| Total resolution equity | 914 | 909 | 5 | 908 | 6 |
| Total revenue | 7 | 2 | 5 | 0 | 7 |
| Operating expenses | 0 | 0 | 0 | 0 | 0 |
| Losses related to thrift resolutions | 0 | 0 | 0 | 0 | 0 |
| Net Income (Loss) | 7 | 2 | 5 | $ 0 | 7 |

## Receivership Selected Statistics September 2022 vs. September 2021

| | DIF | | | FRF | | | ALL FUNDS | | |
|---|---|---|---|---|---|---|---|---|---|
| *($ in millions)* | Sep-22 | Sep-21 | *Change* | Sep-22 | Sep-21 | *Change* | Sep-22 | Sep-21 | *Change* |
| Total Receiverships | 156 | 206 | (50) | 0 | 0 | 0 | 156 | 206 | (50) |
| Assets in Liquidation | $ 48 | $ 204 | $ (156) | $ 0 | $ 0 | $ 0 | $ 48 | $ 204 | $ (156) |
| YTD Collections | $ 133 | $ 212 | $ (79) | $ 0 | $ 1 | $ (1) | $ 133 | $ 213 | $ (80) |
| YTD Dividend/Other | $ 417 | $ 564 | $ (147) | $ 0 | $ 0 | $ 0 | $ 417 | $ 564 | $ (147) |


The lease liability increased significantly in the 3rd quarter of 2022 as compared to the 2nd quarter. The majority of the increase was due to new leases for the Atlanta and Dallas Regional Offices, $16 million and $25 million, respectively.

| Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions) | | | |
|---|---|---|---|
| | 9/30/22 | 6/30/22 | Change |
| Par Value | $125,471 | $122,284 | $3,187 |
| Amortized Cost | $125,777 | $123,615 | $2,162 |
| Total Market Value (including accrued interest) | $123,054 | $122,016 | $1,038 |
| Primary Reserve [1] | $123,054 | $122,016 | $1,038 |
| Primary Reserve % of Total Portfolio | 100.0% | 100.0% | 0.0% |
| Yield-to-Maturity | 1.351% | 0.821% | 0.530% |
| Weighted Average Maturity (in years) | 1.14 | 1.03 | 0.11 |
| Effective Duration (in years) | | | |
| Total Portfolio | 1.09 | 1.00 | 0.09 |
| Available-for-Sale Securities [2] | 1.15 | 1.06 | 0.09 |

[1] Primary Reserve is the total market value (including accrued interest) of overnight investments, all available-for-sale securities, and held-to-maturity securities maturing within three months.

[2] Excludes any overnight investments.

| Summary of Other Corporate Investment Portfolios (Dollar Values in Millions) | | | |
|---|---|---|---|
| | 9/30/22 | 6/30/22 | Change |
| *FRF-FSLIC* | | | |
| Book Value [4] | $888 | $883 | $5 |
| Yield-to-Maturity | 2.72% | 1.08% | 1.64% |
| Weighted Average Maturity | overnight | overnight | no change |

[4] Due to the current short-term nature of this portfolio, its respective Par, Book, and Market Values are identical for reporting purposes.

| National Liquidation Fund (NLF) Investment Portfolio Summary (Dollar Values in Millions) | | | |
|---|---|---|---|
| | 9/30/22 | 6/30/22 | Change |
| Book Value [5] | $1,013 | $1,293 | ($280) |
| Effective Annual Yield | 2.51% | 1.48% | 1.03% |
| Weighted Average Maturity (in days) | 45 | 58 | (13) |

[5] Due to the short-term nature of the NLF portfolio, its Book and Market Values are identical for reporting purposes.

# Investment Strategies

| | |
|---|---|
| **DEPOSIT INSURANCE FUND** | **Strategy for the 3rd Quarter 2022** |
| | Invest up to $28 billion (par value) in AFS securities with maturities between December 31, 2022 and July 1, 2027. |
| | **Strategy Changes for the 4th Quarter 2022** |
| | Invest up to $23 billion (par value) in AFS securities with maturities between March 31, 2023 and October 1, 2027. |
| **NATIONAL LIQUIDATION FUND** | **Strategy for the 3rd Quarter 2022** |
| | Maintain an overnight deposit target floor balance within a range of $10 million to $100 million.<br>Strategically invest the remaining funds in the zero- to 12-month maturity sector. |
| | **Strategy Changes for the 4th Quarter 2022** |
| | Maintain a minimum of $200 million in the Government MMMFs and a maximum of $600 million in Agency Discount Notes |

| Executive Summary of 2022 Budget and Expenditures by Budget Component and Major Expense Category Through September 30, 2022 (Dollars in Thousands) | | | | | |
|---|---|---|---|---|---|
| **Major Expense Category** | **Annual Budget** | **YTD Budget** | **YTD Expenditures** | **% of YTD Budget Used** | **YTD Variance** |
| **FDIC Operating Budget** | | | | | |
| ***Ongoing Operations*** | | | | | |
| Salaries & Compensation | 1,382,125 | 1,027,441 | 951,332 | 93% | (76,109) |
| Outside Services - Personnel | 371,563 | 239,834 | 201,090 | 84% | (38,744) |
| Travel | 64,101 | 45,563 | 9,091 | 20% | (36,472) |
| Buildings | 147,412 | 114,528 | 82,525 | 72% | (32,003) |
| Equipment | 142,392 | 105,080 | 91,062 | 87% | (14,018) |
| Outside Services - Other | 18,135 | 13,973 | 9,249 | 66% | (4,724) |
| Other Expenses | 14,636 | 11,274 | 8,005 | 71% | (3,269) |
| **Total Ongoing Operations *** | **2,140,363** | **1,557,694** | **1,352,354** | **87%** | **(205,340)** |
| ***Receivership Funding*** | | | | | |
| Salaries & Compensation | 543 | 408 | 4 | 1% | (403) |
| Outside Services - Personnel | 70,419 | 32,459 | 18,123 | 56% | (14,336) |
| Travel | 448 | 338 | 63 | 19% | (275) |
| Buildings | 177 | 133 | 57 | 43% | (76) |
| Equipment | 2,174 | 1,695 | 1,322 | 78% | (372) |
| Outside Services - Other | 181 | 130 | 74 | 57% | (56) |
| Other Expenses | 1,057 | 793 | 8 | 1% | (785) |
| **Total Receivership Funding *** | **75,000** | **35,956** | **19,652** | **55%** | **(16,304)** |
| ***Office of Inspector General*** | | | | | |
| Salaries & Compensation | 38,447 | 28,627 | 28,222 | 99% | (405) |
| Outside Services - Personnel | 3,541 | 2,655 | 1,192 | 45% | (1,464) |
| Travel | 1,420 | 1,065 | 684 | 64% | (381) |
| Buildings | 0 | 0 | 0 | 0% | 0 |
| Equipment | 2,807 | 2,313 | 1,486 | 64% | (827) |
| Outside Services - Other | 5 | 4 | 1 | 13% | (3) |
| Other Expenses | 757 | 568 | 426 | 75% | (142) |
| **Total Office of Inspector General *** | **46,976** | **35,232** | **32,010** | **91%** | **(3,223)** |
| | | | | | |
| **Total FDIC Operating Budget *** | **2,262,339** | **1,628,882** | **1,404,016** | **86%** | **(224,866)** |

* Totals may not foot due to rounding.

## Executive Summary of 2022 Budget and Expenditures by Division/Office Through September 30, 2022 (Dollars in Thousands)

| Division/Office | Annual Budget | YTD Budget | YTD Expenditures | % of YTD Budget Used | YTD Variance |
|---|---|---|---|---|---|
| ***FDIC Operating Budget*** | | | | | |
| Risk Management Supervision | $ 584,069 | $ 433,604 | $ 384,338 | 89% | $ (49,266) |
| Information Technology | 388,614 | 283,957 | 248,016 | 87% | (35,941) |
| Administration | 360,601 | 271,372 | 217,463 | 80% | (53,909) |
| Depositor & Consumer Protection | 187,339 | 140,303 | 122,894 | 88% | (17,409) |
| Legal | 163,765 | 116,988 | 103,683 | 89% | (13,305) |
| Resolutions & Receiverships | 132,310 | 98,839 | 82,393 | 83% | (16,446) |
| Complex Institution Supervision & Resolution | 104,849 | 77,113 | 64,686 | 84% | (12,427) |
| Insurance & Research | 64,615 | 48,055 | 42,252 | 88% | (5,803) |
| Inspector General | 46,976 | 35,232 | 32,010 | 91% | (3,222) |
| Chief Information Security Officer | 49,007 | 33,914 | 31,637 | 93% | (2,277) |
| Executive Support [1] | 37,327 | 27,093 | 22,906 | 85% | (4,187) |
| Finance | 38,267 | 28,153 | 24,916 | 89% | (3,237) |
| Corporate University | 25,283 | 18,904 | 15,526 | 82% | (3,378) |
| Executive Offices [2] | 12,940 | 9,174 | 6,715 | 73% | (2,459) |
| Risk Management & Internal Controls | 8,447 | 6,181 | 4,580 | 74% | (1,601) |
| Corporate Unassigned [3] | 57,930 | 0 | 0 | 0% | 0 |
| **Total FDIC Operating Budget [4]** | **$ 2,262,339** | **$ 1,628,882** | **$ 1,404,016** | **86%** | **$ (224,866)** |

1) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, and Financial Institution Adjudication.
2) Executive Offices include the offices of the Chairman, Vice Chairman, Independent Director, Deputy to the Chairman and Chief Operating Officer, Deputy to the Chairman and Chief Financial Officer, Deputy to the Chairman for Policy, Deputy to the Chairman for External Affairs, Deputy to the Chairman for Financial Stability, and Chief Information Officer/Chief Privacy Officer.
3) This includes a $36.7 million contingency reserve in the Ongoing Operations budget component and a $21.2 million contingency reserve in the Receivership Funding budget component to meet unanticipated budget requirements that may arise during the year.
4) Totals may not foot due to rounding.