FDIC Federal Deposit Insurance Corporation

Deputy to the Chairman and Chief Financial Officer

September 1, 2022

MEMORANDUM TO: The Board of Directors

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

SUBJECT: Second Quarter 2022 CFO Report to the Board

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

Executive Summary

- During the second quarter of 2022, the Deposit Insurance Fund (DIF) balance increased to $124.4 billion as of June 30, 2022, up $1.4 billion from the March 31, 2022 balance of $123.0 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 $547 million.

- With the increase in the DIF balance, the reserve ratio rose three basis points to 1.26 percent, as insured deposits fell 0.7 percent.

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

- Through June 30, 2022, overall FDIC Operating Budget expenditures were below the year-to-date budget by about $124.6 million, or 12 percent. This variance was primarily the result of underspending of $110.7 million in Ongoing Operations. This included: $47.7 million in Salaries and Compensation due to unfilled vacancies in budgeted positions; $22.4 million in Travel due to pandemic-related FDIC travel restrictions; $18.7 million in Outside Services-Personnel due to the delay or deferral of planned IT and facilities projects, delays in the award of contracts for resolution readiness and support, and lower-than-budgeted spending for outside counsel litigation support; and $14.4 million in Buildings and Leased Space due to delays in planned construction projects and reduced expenses for facilities-related services during the pandemic.

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

Deposit Insurance Fund

- For the six months ending June 30, 2022, the DIF's comprehensive income totaled $1.3 billion compared to $2.7 billion for the same period last year, a decrease of $1.4 billion. While assessment revenue increased year-over-year by $573 million, this was more than offset by a $1.7 billion increase in the unrealized loss on UST securities.

- During the first half of 2022, the DIF incurred a $2.2 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 June, the DIF recognized assessment revenue of $1.969 billion for the estimate of second quarter 2022 insurance coverage. Additionally, the DIF recognized a $117 million adjustment for higher-than-estimated collections for the first quarter 2022 insurance coverage, which increased assessment revenue.

- On June 30, 2022, the FDIC collected $1.9 billion in DIF assessments for first quarter 2022 insurance coverage.

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

DIF Investment Portfolio

- On June 30, 2022, the total liquidity (also total market value) of the DIF investment portfolio stood at $122.02 billion, up $1.25 billion from its March 31, 2022, balance of $120.77 billion. During the quarter, interest revenue, receivership dividends, and deposit insurance assessment collections exceeded resolution-related outlays and operating expenses.

- On June 30, 2022, the DIF investment portfolio's yield was 0.821 percent, up 18 basis points from its 0.641 percent yield on March 31, 2022. The new Treasury securities purchased during the second quarter of the year had higher yields than securities purchased in the previous quarter.

- In accordance with the approved second quarter 2022 DIF portfolio investment strategy, staff purchased a total of 12 conventional Treasury securities. The 12 securities had a total par value of $9.50 billion, a weighted average yield of 2.670 percent, and a weighted average maturity of 2.28 years.

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

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the quarter ending June 30, 2022 are defined as those that either (1) exceeded the YTD budget for a major expense category or division/office by more than $2 million and represented more than three 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 $10 million and represented more than 10 percent of the major expense category or total division/office budget.

Significant Spending Variances by Major Expense Category

Ongoing Operations

Overall spending for the Ongoing Operations budget component totaled $110.7 million, or 11 percent, below budget through the second quarter in 2022. There were significant spending variances in three expense categories:

- Travel spending was under budget by $22.4 million, or 83 percent, due to underspending in all organizations as the result of continuing pandemic-related travel restrictions. The Travel budget was based on an assumption that the FDIC would return to normal travel beginning in the second quarter of 2022.

- Outside Services – Personnel spending was under budget by $18.7 million, or 12 percent. The variance was largely attributable to underspending in the following divisions and offices:

    - The Division of Information Technology (DIT) underspent its YTD budget by $6.1 million, consisting of $3.8 million in its budget for continuing operations and $2.3 million in its budget for one-time initiatives. The underspending for continuing operations reflected delayed spending that DIT expects to spend later this year for infrastructure support services. The underspending for one-time initiatives primarily reflected delayed project starts for new projects.

    - The Division of Administration (DOA) underspent its YTD budget by $3.0 million largely due to reduced spending on crisis readiness support and reduced expenses for security and other on-site support services during mandatory telework.

    - The Legal Division underspent its YTD budget by $2.1 million due mostly to lower-than–projected expenses for litigation that resulted from delays in court proceedings that were outside of the FDIC's control.

    - The Division of Complex Institution Supervision and Resolution (CISR) underspent its YTD budget by $1.9 million due primarily to delays in awarding contracts for human resources management, franchise marketing support, and communications advisory services.

    - The Division of Resolutions and Receiverships (DRR) underspent its YTD budget by $1.5 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 from the Chief Information Officer a required Authority to Operate (ATO) for contracts for crypto asset assistance, an ORE oil and gas auctioneering platform, and imaging and indexing vendors.

    - Corporate University (CU) underspent its YTD budget by about $800,000 as the result of lower-than-anticipated expenses for required training for contracting officers, decreased demand for executive coaching services and leadership core training assessments, and lower-than-budgeted expenses for the development of virtual instructor-led training, Instructional Systems Design (ISD) services, and IT examination training delivery.

- The Division of Insurance and Research (DIR) underspent its YTD budget by approximately $700,000, primarily attributable to underspending by the Center for Financial Research (CFR) for its failed bank research environment due to supply chain issues and pandemic-related delays in survey-related activities.

- Spending in the Buildings and Leased Space expense category was under budget by $14.4 million, or 20 percent, primarily due to delays in and deferrals of capital improvement projects, reduced leasing costs, and savings on facilities-related service contracts 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.

There were no significant spending variances through the second quarter in the Receivership Funding budget component.

Office of the Inspector General

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

Significant Spending Variances by Division/Office[1]

There were four organizations with significant spending variances through the end of second quarter:

- Division of Risk Management Supervision (RMS) underspent its YTD budget by $31.4 million, or 11 percent, primarily due to underspending of $16.1 million in its Salaries and Compensation budget resulting from higher-than-projected vacancies in budgeted positions (particularly in its examination workforce) and $14.5 million in its Travel budget resulting from continuing pandemic-related travel restrictions.

- DOA underspent its YTD budget by $23.5 million, or 14 percent, primarily due to underspending of $14.3 million in the Buildings and Leased Space expense category for the reasons stated above, $4.2 million in the Salaries and Compensation expense category was due to vacancies in budgeted positions, and $3.0 million in the Outside Services-Personnel expense category due to reduced spending for crisis readiness support and security and other on-site support services.

- Division of Depositor and Consumer Protection underspent its YTD budget by $13.0 million, or 14 percent, primarily due to underspending of $7.6 million in the Salaries and Compensation expense category due to unfilled vacancies in budgeted positions and $4.6 million in the Travel expense category resulting from continuing pandemic-related travel restrictions.

[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.

- DRR underspent its YTD budget by $11.1 million, or 17 percent, including $5.2 million in its Ongoing Operations budget and $5.9 million in its Receivership Funding budget. The underspending in the Ongoing Operations budget component included $2.8 million in the Salaries and Compensation expense category due to vacancies in budgeted positions, $1.5 million in the Outside Services-Personnel expense category due to delays in awarding several contracts and starting various projects; and $648,000 in the Travel expense category due to the pandemic related travel restrictions. The underspending in the Receivership Funding budget component included $5.0 million in the Outside Services-Personnel expense category, $500,000 in the Other Expenses category, and $129,000 in the Travel expense category, all due to lower–than-budgeted bank failure activity.

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 second quarter by the CFO, in accordance with the authority delegated by the Board of Directors:

- In conjunction with a periodic review by the Division of Finance (DOF), adjustments were made to align the Salaries and Compensation budgets of individual divisions and offices with their projected salaries and benefits expenses. These adjustments resulted in no net change to the Salaries and Compensation budget at the corporate level, as increases for individual divisions and offices with shortfalls were fully offset by reductions to division and office budgets with excess budget authority.

- In June, following a corporate-wide mid-year budget review, the CFO approved adjustments to the 2022 Ongoing Operations budgets of multiple divisions and offices. A total of $7.8 million in increases and $19.5 million in decreases was approved to the Ongoing Operations budgets of selected divisions and offices. The resulting net budget surplus of $11.7 million was added to the Corporate Unassigned contingency reserve for that budget component. Approved mid-year adjustments included the following:

    - An increase of $5.2 million to the Outside Services–Personnel budget of the Office of the Chief Information Security Officer (OCISO), including $1.3 million for the ongoing support of the Information Systems Security Officer program; $2.1 million to provide additional funding for security reviews required in connection with the issuance of Authorities-to-Operate by the Chief Information Officer; $750,000 to provide funding for the transition to new contracts for some functions; $577,000 to implement a new security incident management system; and $448,000 to begin planning for the Continuous Diagnostics and Mitigation initiative.

    - An increase of $1.6 million to the Equipment budget of DIT, primarily to cover expenses incurred in 2022 for the delayed delivery of equipment ordered in 2021 as the result of supply chain issues. This increase was partially offset by a decrease of $127,000 in DIT's Outside Services–Personnel budget related to the transfer of responsibility for the Tax Reporting Services Contract from DIT to DOF.

    - A net increase of $989,000 in the Outside Services–Personnel budget of the Office of Communications (OCOM) in conjunction with assumption of responsibility from the FDIC Tech Lab (FDITECH) for the Web Content Management System project. The increase for that project was partially offset by cost savings realized from the re-competition of the daily news briefing service. Small increases were also approved in OCOM's Travel budget to support increased travel in conjunction with heightened video production workload and in its Equipment budget to support the purchase of video production equipment.

- An increase of $127,000 in the Outside Services-Personnel budget of DOF to support the transfer of responsibility for the Tax Reporting Services Contract from DIT to DOF.

- A decrease of $9.6 million in the FDITECH budget to reflect significant delays in the start dates for several projects, transfer of responsibility for the Web Content Management project to OCOM, and the discontinuation of the planned use of detailees from outside the FDIC.

- A net decrease of $9.2 million in the budget of DOA. This was largely the result of an $11.3 million reduction in the Buildings and Leased Space budget due to significant delays or deferrals of planned construction projects and reduced costs for building support services. That reduction was partially offset by increases of approximately $1.0 million in DOA's Outside Services–Personnel budget to support human resources initiatives; $889,000 in the Equipment budget to support the acquisition of new online information services subscriptions; $112,000 in the Other Expenses budget to support the purchase of facilities-related supplies and reimbursement of COVID-19 testing expenses for unvaccinated employees; and $55,000 in the Salaries and Compensation budget for overtime in connection with implementation of the new acquisition management system.

- Decreases of $200,000 in the Outside Services–Personnel budget and $212,000 in the Outside Services–Other budget of the Legal Division due to the deferral of budgeted projects to 2023.

- A decrease of $283,000 in RMS's Outside Services–Personnel budget related to lower-than-projected expenses for bank scanning services and the transition of the Technical Evaluation contract to a new vendor.

- An increase of $7,000 in the Other Expenses budget of the Office of the Ombudsman to cover conference registration fees.

Following these second quarter budget modifications, the balances in the Corporate Unassigned contingency reserve for the Ongoing Operations budget component increased from $25 million to $36.7 million, and the balance in the Corporate Unassigned contingency reserve for the Receivership Funding budget component remained unchanged at $21.2 million.

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.

- In April, the CFO approved an increase of four positions, as follows:

  - An increase of one permanent Administrative Law Judge position in the Office of Financial Institution Adjudication in recognition of the expected continuation of a higher-than-anticipated adjudicatory workload. As a result, OFIA's total 2022 staffing authorization increased from two to three.

  - An increase of two permanent positions in Office of Risk Management and Internal Controls (ORMIC) to address increased workload increases and succession management concerns. As a result, ORMIC's 2022 staffing authorization increased from 27 to 29 positions.

- An increase of one non-permanent position in RMS in order to ensure an appropriate span of control in one RMS field territory. As a result, RMS's 2022 staffing authorization increased from 2,433 to 2,434 positions.

- In May, the CFO approved an increase of nine authorized permanent positions and a decrease of two authorized non-permanent positions in DOA. The new permanent positions include five positions to support supervisory-managerial and program development needs in the Human Resources Branch; two positions to strengthen internal controls and contract management functions; and two positions to support projected long-term workload for the new Crisis Readiness and Response Program. The latter two positions replaced the two previously-authorized non-permanent positions supporting that program. As a result, total authorized positions in DOA increased from 399 (396 permanent and three non-permanent) to 406 (405 permanent and one non-permanent) positions.

Subsequent to these second quarter adjustments, authorized 2022 staffing for the Corporation totaled 5,927 (5,870 permanent and 57 non-permanent), a net increase of 11 positions.

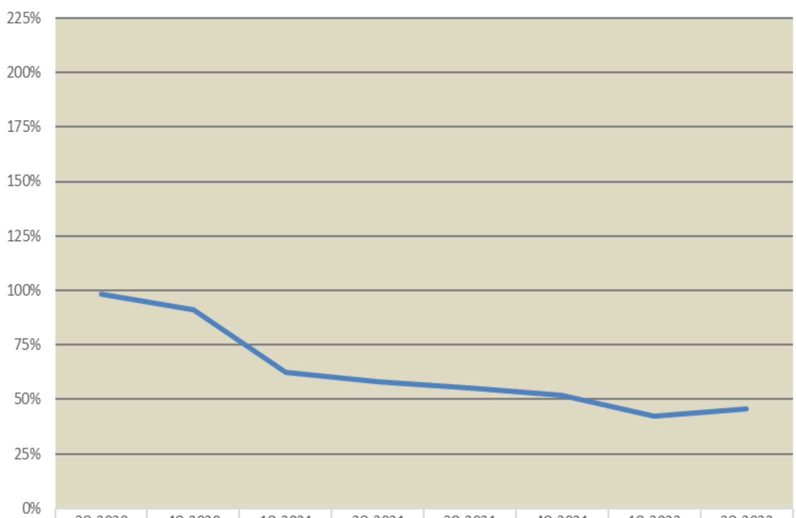
Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
			Quarterly		Year-Over-Year
	Jun-22	Mar-22	Change	Jun-21	Change
Cash and cash equivalents	$ 6,694	$ 5,802	$ 892	$ 5,361	$ 1,333
Investment in U.S. Treasury securities	114,574	114,230	344	111,991	2,583
Assessments receivable	1,968	1,818	150	1,755	213
Interest receivable on investments and other assets, net	792	776	16	832	(40)
Receivables from resolutions, net	733	815	(82)	908	(175)
Property and equipment, net	348	326	22	320	28
Operating lease right-of-use assets	73	80	(7)	100	(27)
Total Assets	$ 125,182	$ 123,847	$ 1,335	$ 121,267	$ 3,915
Accounts payable and other liabilities	248	245	3	235	13
Operating lease liabilities	77	85	(8)	107	(30)
Liabilities due to resolutions	1	1	0	7	(6)
Postretirement benefit liability	332	332	0	336	(4)
Contingent liability for anticipated failures	66	145	(79)	35	31
Contingent liability for litigation losses	0	0	0	0	0
Total Liabilities	$ 724	$ 808	$ (84)	$ 720	$ 4
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	(2,382)	(1,835)	(547)	552	(2,934)
FYI: Unrealized postretirement benefit (loss) gain	(83)	(83)	0	(98)	15
Fund Balance	$ 124,458	$ 123,039	$ 1,419	$ 120,547	$ 3,911

Coverage Ratio

Interest on U.S. Treasury (UST) Securities as a percentage of Operating Expenses
$ in Millions



	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Coverage Ratio	98%	91%	63%	58%	55%	52%	42%	46%
YTD Interest on UST securities	1,353	1,683	284	535	756	953	191	416
YTD Operating Expenses	1,376	1,846	454	920	1,368	1,843	453	913

Overnight interest has meaningfully increased, as the Federal Open Market Committee raised rates twice during the second quarter and reiterated its commitment to fighting inflation. Yields on longer term securities have also increased, however, the majority of the current holdings were captured in a lower rate environment. The portfolio's future maturities are likely be reinvested in higher yielding securities as nearly 30% of the portfolio is scheduled to mature in the second half of the year.

Fund Financial Results - continued

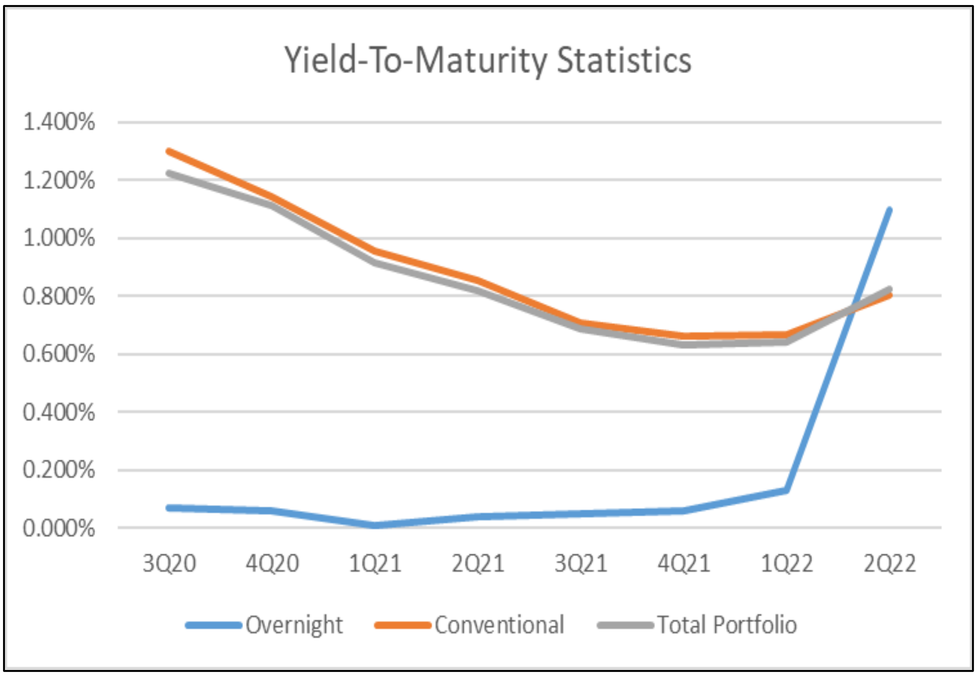
($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund Jun-22	Mar-22	Quarterly Change	Jun-21	Year-Over-Year Change
Assessments	$ 4,024	$ 1,938	$ 2,086	$ 3,451	$ 573
Interest on U.S. Treasury securities	416	191	225	535	(119)
Return of unclaimed insured deposits	32	6	26	0	32
Other revenue	5	2	3	7	(2)
Total Revenue	$ 4,477	$ 2,137	$ 2,340	$ 3,993	$ 484
Operating expenses	912	453	459	920	(8)
Provision for insurance losses	14	100	(86)	(99)	113
Insurance and other expenses	1	0	1	4	(3)
Total Expenses and Losses	$ 927	$ 553	$ 374	$ 825	$ 102
Net Income	$ 3,550	$ 1,584	$ 1,966	$ 3,168	$ 382
Unrealized gain (loss) on U.S. Treasury securities, net	(2,233)	(1,686)	(547)	(518)	(1,715)
Unrealized postretirement benefit gain (loss)	0	0	0	0	0
Comprehensive Income	$ 1,317	$ (102)	$ 1,419	$ 2,650	$ (1,333)

Selected Financial Data	FSLIC Resolution Fund Jun-22	Mar-22	Quarterly Change	Jun-21	Year-Over-Year Change
Cash and cash equivalents	$ 909	$ 908	1	$ 907	$ 2
Accumulated deficit	(124,560)	(124,562)	2	(124,562)	2
Total resolution equity	909	908	1	907	2
Total revenue	2	0	2	0	2
Operating expenses	0	0	0	0	0
Recovery of tax benefits	0	0	0	0	0
Losses related to thrift resolutions	0	0	0	0	0
Net Income (Loss)	2	$ 0	2	$ 0	2

Receivership Selected Statistics June 2022 vs. June 2021

	DIF			FRF			ALL FUNDS		
($ in millions)	Jun-22	Jun-21	*Change*	Jun-22	Jun-21	*Change*	Jun-22	Jun-21	*Change*
Total Receiverships	175	220	(45)	0	0	0	175	220	(45)
Assets in Liquidation	$ 57	$ 206	$ (149)	$ 0	$ 0	$ 0	$ 57	$ 206	$ (149)
YTD Collections	$ 94	$ 176	$ (82)	$ 0	$ 1	$ (1)	$ 94	$ 177	$ (83)
YTD Dividend/Other Pmts - Cash	$ 193	$ 525	$ (332)	$ 0	$ 0	$ 0	$ 193	$ 525	$ (332)



The DIF portfolio's yield has seen dramatic change over the pandemic. The overnight rate closely tracks that of the Federal Funds rate and with the Federal Open Market Committee's recent decisions to raise rates, the overnight rate has seen a rapid recovery. The yield curve has also seen significant upward pressure in the first half of the year, and with that, the investment portfolio's yield has stopped declining. With nearly 30% of the portfolio scheduled to mature in the second half of the year, and continued expected rate hikes by the FOMC, the portfolio's yield will likely continue its upwards trajectory.

Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	6/30/22	3/31/22	Change
Par Value	$122,284	$119,708	$2,575
Amortized Cost	$123,615	$121,849	$1,766
Total Market Value (including accrued interest)	$122,016	$120,773	$1,243
Primary Reserve [1]	$122,016	$120,773	$1,243
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity	0.821%	0.641%	0.180%
Weighted Average Maturity (in years)	1.03	1.11	-0.08
Effective Duration (in years)			
Total Portfolio	1.00	1.09	-0.09
Available-for-Sale Securities [2]	1.06	1.14	-0.08

[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)			
	6/30/22	3/31/22	Change
FRF-FSLIC			
Book Value [3]	$883	$882	$1
Yield-to-Maturity	1.08%	0.13%	0.95%
Weighted Average Maturity	overnight	overnight	no change

[3] 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)			
	6/30/22	3/31/22	Change
Book Value [4]	$1,293	$1,328	($35)
Effective Annual Yield	1.48%	0.36%	1.11%
Weighted Average Maturity (in days)	58	22	36

[4] 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 2nd Quarter 2022**
	Invest up to $15 billion (par value) in AFS securities with maturities between September 30, 2022 and April 1, 2027.
	Strategy Changes 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.
NATIONAL LIQUIDATION FUND	**Strategy for the 2nd Quarter 2022**
	Maintain an overnight deposit target floor balance within a range of $10 million to $100 million. Strategically invest the remaining funds in the zero- to 12-month maturity sector.
	Strategy Changes for the 3rd Quarter 2022
	No strategy changes for the third quarter of 2022.

Executive Summary of 2022 Budget and Expenditures by Budget Component and Major Expense Category Through June 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	$1,382,124	$679,671	$631,951	93%	($47,720)
Outside Services - Personnel	371,563	153,099	134,413	88%	(18,686)
Travel	64,101	26,923	4,540	17%	(22,383)
Buildings	147,412	71,653	57,228	80%	(14,425)
Equipment	142,392	65,035	61,762	95%	(3,273)
Outside Services - Other	18,135	8,506	6,099	72%	(2,407)
Other Expenses	14,636	7,885	6,077	77%	(1,808)
Total Ongoing Operations	**$2,140,363**	**$1,012,772**	**$902,070**	**89%**	**($110,702)**
Receivership Funding					
Salaries & Compensation	$543	$270	$4	1%	($266)
Outside Services - Personnel	70,426	21,162	11,756	56%	(9,406)
Travel	448	228	50	22%	(178)
Buildings	178	89	42	47%	(47)
Equipment	2,174	1,215	872	72%	(343)
Outside Services - Other	174	79	53	67%	(26)
Other Expenses	1,057	529	21	4%	(508)
Total Receivership Funding	**$75,000**	**$23,572**	**$12,798**	**54%**	**($10,774)**
Office of Inspector General					
Salaries & Compensation	$38,447	$18,807	$18,593	99%	($214)
Outside Services - Personnel	3,540	1,770	596	34%	(1,174)
Travel	1,420	710	455	64%	(255)
Buildings	0	0	0		0
Equipment	2,807	1,820	483	27%	(1,337)
Outside Services - Other	5	2	0	0%	(2)
Other Expenses	757	379	220	58%	(159)
Total Office of Inspector General	**$46,976**	**$23,488**	**$20,347**	**87%**	**($3,141)**
Total FDIC Operating Budget	**$2,262,339**	**$1,059,832**	**$935,215**	**88%**	**($124,617)**

Executive Summary of 2022 Budget and Expenditures by Division/Office Through June 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	$285,047	$253,632	89%	($31,415)
Information Technology	384,510	180,600	165,774	92%	(14,826)
Administration	360,600	171,607	148,074	86%	(23,533)
Depositor & Consumer Protection	187,339	94,003	81,029	86%	(12,974)
Legal	163,765	76,621	69,129	90%	(7,492)
Resolutions & Receiverships	132,310	65,707	54,571	83%	(11,136)
Complex Institution Supervision & Resolution	104,849	50,054	43,392	87%	(6,662)
Insurance & Research	64,615	32,098	28,318	88%	(3,780)
Inspector General	46,976	23,488	20,347	87%	(3,141)
Chief Information Security Officer	49,007	21,757	20,765	95%	(992)
Executive Support [1]	41,432	17,924	15,694	88%	(2,230)
Finance	38,267	18,463	16,630	90%	(1,833)
Corporate University - Corporate	25,283	12,436	10,343	83%	(2,093)
Executive Offices [2]	12,940	6,028	4,585	76%	(1,443)
Risk Management & Internal Control	8,447	3,999	2,932	73%	(1,067)
Corporate Unassigned [3]	57,930	0	0	0%	0
Total FDIC Operating Budget	**$2,262,339**	**$1,059,832**	**$935,215**	**88%**	**($124,617)**

1) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, Financial Institution Adjudication, and Risk Management and Internal Controls as well as the FDIC Tech Lab. The Acting Chairman made a decision in February 2022 to realign the FDIC Tech Lab as a subordinate organization within the Division of Information Technology; beginning in the third quarter, the FDIC Tech Lab will no longer be reported as a separate Executive Support organization.

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, Deputy to the Chairman for Consumer Protection and Innovation, 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.