Federal Deposit Insurance Corporation
550 17th Street, N.W., Washington, D.C. 20429-9990 Deputy to the Chairman and CFO

February 17, 2015

MEMORANDUM TO: The Board of Directors

FROM: Steven O. App
Deputy to the Chairman and
Chief Financial Officer

Craig R. Jarvill
Director, Division of Finance

SUBJECT: Fourth Quarter 2014 CFO Report to the Board

The attached report highlights the Corporation's financial activities and results for the quarter ended December 31, 2014.

Executive Summary

- During the fourth quarter of 2014, the DIF balance increased by $8.5 billion, from $54.3 billion at September 30, 2014 to an all-time high of $62.8 billion. The quarterly increase was primarily due to a $6.8 billion decrease in the provision for insurance losses and $2.0 billion of assessment revenue, partially offset by $408 million of operating expenses.

- Based on the 4th Quarter 2014 estimated insured deposits and year-end fund balance, the DIF reserve ratio rose to 1.01 percent, from 0.88 percent as of September 30, 2014. A year ago, the DIF reserve ratio was 0.79 percent.

- During the fourth quarter of 2014, the FDIC was named receiver for 4 failed institutions. The combined assets at inception for these institutions totaled $1.2 billion with a total estimated loss of $147 million. The corporate cash outlay during the fourth quarter for these failures was approximately $354 million.

- Overall Corporate Operating Budget expenditures through December 31, 2014, were below budget by 10 percent ($244 million). Spending in the Ongoing Operations component was $160 million, or 9 percent, under budget, largely due to underspending in the salaries and compensation, contractual services, and travel categories. The variance in the Receivership Funding component was $83 million, or 14 percent, under budget, primarily due to lower-than-budgeted contract expenses for failed bank resolutions, and lower-than-anticipated asset management and marketing costs.

I. **Corporate Fund Financial Results** (See pages 8 - 9 for detailed data and charts.)

Deposit Insurance Fund

- For 2014, the DIF's comprehensive income totaled $15.6 billion compared to comprehensive income of $14.2 billion for 2013. This $1.4 billion year-over-year increase was primarily due to a $2.6 billion decrease in the provision for insurance losses, which was partially offset by a $1.1 billion decrease in assessment revenue and a $136 million decrease in other revenue.

- The provision for insurance losses was negative $8.3 billion for 2014, compared to negative $5.7 billion for 2013. The negative provision for 2014 primarily resulted from a decrease of $9.1 billion in the estimated losses for institutions that failed in current and prior years, partially offset by an increase of $850 million in the contingent liability for anticipated failures due to the deterioration in the financial condition of certain troubled institutions. The $9.1 billion reduction in the estimated losses from failures was primarily attributable to: (1) unanticipated recoveries of $1.8 billion in litigation settlements, professional liability claims, and tax refunds by the receiverships and (2) a $6.7 billion decrease in the receiverships' shared-loss liability that resulted from decreases in covered asset balances, lower future loss rate estimates, and unanticipated recoveries on shared-loss agreement losses.

Assessments

- During December, the DIF recognized a total of $2.0 billion in assessment revenue. The estimate for fourth quarter 2014 insurance coverage also totaled $2.0 billion. Additionally, the DIF recognized a net adjustment of $29 million that increased assessment revenue. This adjustment consisted of a $6 million increase from prior period amendments and a $23 million increase to the estimate for third quarter 2014 insurance coverage recorded at September 30, 2014. The latter adjustment was primarily due to higher than estimated rates and assessment base.

- On December 30, 2014, the FDIC collected $2.1 billion in DIF assessments for third quarter 2014 insurance coverage.

II. **Investment Results** (See pages 10 - 11 for detailed data and charts.)

DIF Investment Portfolio

- On December 31, 2014, the total liquidity (also total market value) of the DIF investment portfolio stood at $52.3 billion, higher than its December 31, 2013, balance of $42.5 billion. During the year, interest revenue, receivership dividends, and deposit insurance assessment collections exceeded resolution-related outlays and operating expenses.

- On December 31, 2014, the DIF investment portfolio's yield was 0.70 percent, up 25 basis points from its December 31, 2013, yield of 0.45 percent. Two factors primarily contributed to the increase. During the year, newly purchased Treasury securities generally had considerably higher yields than maturing securities. And low yielding overnight investments comprised a smaller percentage of the portfolio at period end.

- In accordance with the approved fourth quarter 2014 DIF portfolio investment strategy, staff purchased a total of 14 short- to intermediate-maturity conventional Treasury securities, all designated as available-for-sale. The 14 securities had a total par value of $4.9 billion, a weighted average yield of 0.72 percent, and a weighted average maturity of 2.12 years.

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

Approved Budget Modifications

The 2014 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to reallocate funds within the 2014 Corporate Operating Budget, provided that such reallocations did not increase the total amount approved for either the Ongoing Operations or Receivership Funding budget components. The following budget reallocations were approved during the fourth quarter in accordance with the authority delegated by the Board of Directors. None of these modifications changed the 2014 Ongoing Operations or Receivership Funding budgets or the total 2014 Corporate Operating Budget approved by the Board in December 2013.

- In November, the CFO approved the reallocation of $3,160,000 in budget authority within the Ongoing Operations budget component from the Corporate Unassigned budget to the Division of Information Technology (DIT) budget to provide additional funding in the Equipment category (+$1,800,000) to support higher hardware and software maintenance costs and the transfer of responsibility for copiers to DIT from the Division of Administration (DOA); and in the Outside Services-Personnel category (net increase of +$1,360,000) to fund the expenses incurred in the transition to a new infrastructure services contractor and higher administrative overhead costs on task orders awarded under the new ITAS contracts.

- In November, the CFO approved a reallocation of $1,000,000 in budget authority within the Receivership Funding budget component from the Legal Division to the Division of Resolutions and Receiverships (DRR) to cover a gradual increase in the average grade and pay of DRR employees that has occurred as non-permanent DRR employees have left FDIC employment.

- In November, the CFO approved a $471,161 increase in the Ongoing Operations budget component and a decrease of $698,520 in the Receivership Funding budget component of the Information Security and Privacy Staff (ISPS). These adjustments were made in conjunction with a reclassification of 2014 ISPS expenses from the Receivership Funding to the Ongoing Operations budget component because the expenses were not related to failed bank or receivership management activity. The Corporate Unassigned budget authority for both the Ongoing Operations and Receivership Funding budget components was adjusted by like amounts to fund these realignments within the Equipment and Outside Services-Personnel expense categories in the Ongoing Operations budget component and the Outside Services-Personnel expense category in the Receivership Funding budget component.

- In December, budget authority was realigned among major expense categories in the DOA budget. Budget authority was transferred from the Outside Services – Personnel (-$3,800,000) and Equipment (-$3,296,062) categories to the Buildings category (+$7,096,062), within the Ongoing Operations budget component to cover a one-time accounting adjustment to comply with a change in the treatment of lease expenses.

Following these budget reallocations, the unused amounts remaining within the Corporate Unassigned contingency reserves for the Ongoing Operations and the Receivership Funding budget components were $25,211,649, and $3,440,829, respectively.

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the year ending December 31, 2014, are defined as those that either (a) exceed the annual budget for a major expense category or total division/office budget by any amount, or (b) are under the annual budget for a major expense category or division/office by an amount that exceeds $1 million and represents more than three percent of the major expense category or total division/office budget.

Significant Spending Variances by Major Expense Category

Ongoing Operations

There were significant spending variances in all major expense categories in the Ongoing Operations component of the 2014 Corporate Operating Budget.

- Salaries and Compensation expenditures were approximately $77 million, or 6 percent, less than budgeted. The Division of Risk Management Supervision (RMS) ($23 million), the Legal Division ($10 million), DRR ($6 million), DIT ($6 million), the Division of Insurance and Research (DIR) ($5 million), the Division of Depositor and Consumer Protection (DCP) ($4 million), and DOA ($4 million) all spent less than budgeted in this expense category, primarily due to higher-than-projected vacancies in budgeted positions during the year. Most of the variances were related to authorized non-permanent positions.

- Outside Services – Personnel expenditures were approximately $50 million, or 19 percent, less than budgeted. Approximately $15 million of this variance was attributable to unused budget authority in the Corporate Unassigned contingency reserve. The CIO Council spent $7 million less than budgeted, largely due to lower-than-planned spending on discretionary system development projects, delays in contract awards under the ITAS II contract, a temporary freeze in discretionary systems development activity during the transition to the new ITAS contracts, and planned systems projects being withdrawn, cancelled, or de-scoped. DIT spent $6 million less than budgeted due to lower than anticipated spending for the infrastructure services contract transition, the backup data center, telecommunications support services, and special projects. DRR spent $5 million less than budgeted, primarily due to slower-than-projected starts on several support contracts in its Complex Financial Institutions Branch. The Legal Division spent $3 million less than budgeted, largely due to lower-than-projected expenses related to FOIA and Privacy Act requests, defensive litigation, and legal fees. Corporate University (CU–Corporate) spent $2 million less than budgeted, primarily due to use of internal resources rather than contractors for the development of some training for DRR. In addition, DOA spent $2 million less than budgeted due to delays in the nationwide rollout of the Identity, Credentials and Access Management (ICAM) initiative and lower-than-projected expenses related to service contracts for the operation of the Student Residence Center; background investigations; records management; administrative services; and acquisition support.

- Travel expenditures were approximately $17 million, or 16 percent, less than budgeted. RMS spent $7 million less than budgeted and DCP spent $3 million less than budgeted, primarily due to vacancies in non-permanent field examination positions that resulted in lower regular duty and relocation travel expenses. In addition, approximately $3 million of the variance was due to unused budget authority in the Corporate Unassigned contingency reserve.

- Building expenditures were approximately $6 million, or 6 percent, less than budgeted. This variance was largely due to unanticipated contractor delays in the Student Residence Center pipe replacement project, successful lease negotiations with landlords to reduce costs for field office build-outs and architecture and engineering expenses, and lower-than-estimated remodeling expenses in regional and field offices.

- Equipment expenditures were approximately $4 million, or 4 percent, less than budgeted. DOA spent $3 million less than budgeted due to lower-than-expected expenses for proprietary database usage, delays in the installation of equipment associated with the nationwide rollout of ICAM, and reduced printing costs due to the use of an electronic bulletin board instead of relying on the graphics design and printing unit.

- Outside Services – Other expenditures were approximately $2 million, or 12 percent, less than budgeted. This variance was due to lower-than-expected expenses for insurance premiums, mail-related services, and catering expenses for meetings and conferences.

- Other Expenses were approximately $5 million, or 31 percent, less than budgeted. This variance reflected substantial underutilization by employees of the funds budgeted for Professional Learning Accounts and lower-than-projected expenses for the purchase of corporate office supplies by DOA.

Receivership Funding

The Receivership Funding component of the 2014 Corporate Operating Budget includes funding for expenses that are incurred in conjunction with insured depository institution failures and the management and disposition of the assets and liabilities of the ensuing receiverships, except for salaries, benefits, and related expenses for permanent employees assigned to the receivership management function.

There were significant spending variances in all major expense categories in the Receivership Funding component of the 2014 Corporate Operating Budget.

- Salaries and Compensation ($8 million, or 6 percent, less than budgeted). This variance was attributable to vacancies in budgeted non-permanent positions.

- Outside Services-Personnel ($61 million, or 15 percent, less than budgeted). This variance was attributable to lower-than-budgeted costs for contractual support for owned real estate management, valuations, receivership assistance, due diligence, review of shared-loss agreements and securitizations/structured sales.

- Travel ($3 million, or 33 percent, less than budgeted). This variance was due to lower-than-anticipated travel expenses relating to closings and fewer trips needed for oversight of risk share and loan management agreements.

- Buildings ($10 million, or 35 percent, less than budgeted). This variance occurred as a result of shorter-than-expected operations at the site of failed banks.

- Equipment ($4 million, or 53 percent, less than budgeted). This variance was due to lower-than-anticipated costs for hardware and software maintenance attributable to resolutions and receivership management functions.

- Outside Services-Other ($2 million, or 34 percent, less than budgeted). This variance was due to lower-than-anticipated costs for insurance, advertising, mail, and bank service fees.

- Other Expenses ($4 million, or 18 percent, more than budgeted). This variance was due to $10 million paid in conjunction with receivership litigation judgments.

Significant Spending Variances by Division/Office

Fifteen organizations had significant spending variances from their 2014 budgets.

- DRR spent $62 million, or 12 percent, less than budgeted. Approximately $50 million of this under spending was in the Receivership Funding budget component due to lower-than-anticipated resolutions and receivership workload. Also, within the Ongoing Operations component, DRR spent $6 million less than budgeted in the Salaries and Compensation category due to vacancies in budgeted positions and $5 million less than budgeted in the Outside Services – Personnel category (see explanation above).

- The Legal Division spent $32 million, or 11 percent, less than budgeted. This variance was due to under spending of approximately $17 million in the Outside Services – Personnel category, largely due to lower-than-projected expenses for outside counsel for receivership-related litigation and $14 million in the Salaries and Compensation expense category ($10 million in the Ongoing Operations budget component and $4 million in the Receivership Funding budget component) due largely to vacancies in budgeted non-permanent positions and slower-than-projected hiring to fill those vacancies.

- RMS spent $32 million, or 6 percent, less than budgeted. This variance was largely attributable to vacancies in budgeted non-permanent examination positions and lower-than-budgeted examination travel expenses resulting from those vacancies.

- DIT spent $21 million, or 9 percent, less than budgeted. Approximately $9 million of the variance was in the Receivership Funding budget component and was largely attributable to lower-than-projected expenses for bank closing activities and associated contractor support. The remainder of this variance was in the Ongoing Operations budget component and was attributable to a larger number of vacancies in budgeted positions than expected and lower-than-expected spending for special projects, IT contract transitions, the backup data center, and telecommunications support services.

- DOA spent $21 million, or 8 percent, less than budgeted. This variance was largely attributable to lower-than-budgeted spending for facilities expenses, vacancies in budgeted positions, equipment, and contractor support in its Ongoing Operations budget.

- DCP spent $8 million, or 5 percent, less than budgeted. This variance was primarily attributable to vacancies in budgeted non-permanent examination positions and lower-than-budgeted examination travel expenses resulting from those vacancies.

- DIR spent $7 million, or 16 percent, less than budgeted. This variance was primarily attributable to vacancies in budgeted positions and slower-than-projected hiring to fill those vacancies.

- The CIO Council spent $7 million, or 12 percent, less than budgeted. This variance was largely due to lower-than-expected spending on discretionary system development projects, delays in contract awards under the ITAS II contract, a temporary freeze on discretionary systems development activity during the transition to new ITAS contracts, and planned systems projects being withdrawn, cancelled, or de-scoped.

- OCFI spent $6 million, or 26 percent, less than budgeted. This variance was attributable to vacancies in budgeted positions and lower-than-expected spending for relocation expenses.

- The combined Executive Support Offices spent approximately $5 million, or 17 percent, less than budgeted. This variance was mostly attributable to vacancies in budgeted positions and slower-than-projected hiring to fill budgeted positions in the Office of Minority and Women Inclusion and the Office of the Ombudsman.

- The OIG spent $4 million, or 13 percent, less than budgeted because of vacancies in budgeted positions and lower-than-projected contracting expenses.

- The Division of Finance spent $4 million, or 9 percent, less than budgeted. This variance was attributable to vacancies in budgeted positions, slower-than-projected hiring to fill those vacancies, and lower-than-budgeted spending for contractor accounting and auditing services.

- CU-Corporate spent $3 million, or 13 percent, less than budgeted in its regular organizational budget. This variance was primarily due to lower-than-projected expenditures for budgeted projects in the Dallas Learning Center, the School of Supervision, and Corporate Operations, as well as lower-than-projected expenditures for travel.

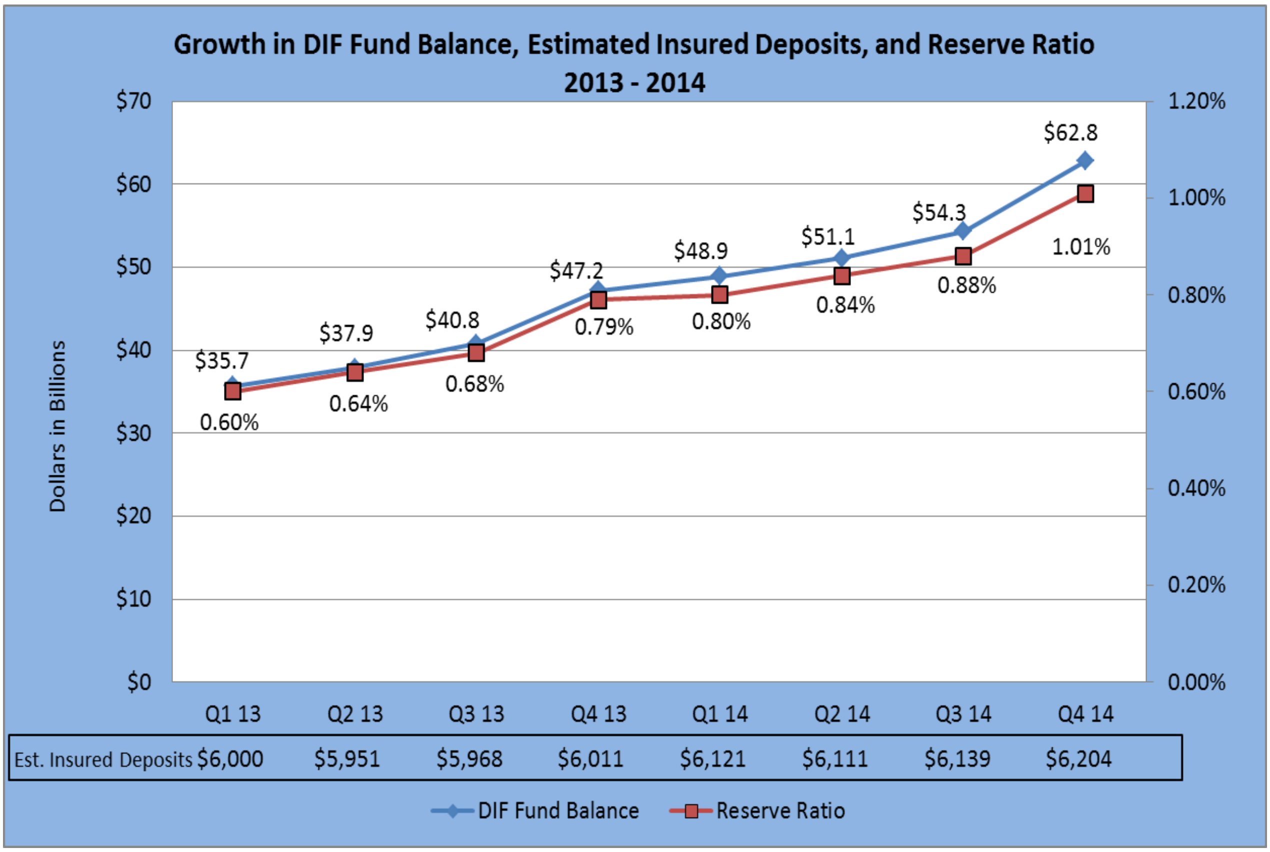
- The Executive Offices spent $2 million, or 19 percent, less than budgeted. This variance is attributable to under spending for Outside Services-Personnel because GAO audit-related expenses were less than projected.

- The Corporate Unassigned contingency reserve had $29 million in unused budget authority remaining at the end of the year. That unused budget authority lapsed on December 31, 2014.

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Audited Dec-14	Unaudited Sep-14	Quarterly Change	Audited Dec-13	Year-Over-Year Change
Cash and cash equivalents	$ 1,914	$ 2,115	$ (201)	$ 3,543	$ (1,629)
Investment in U.S. Treasury obligations, net	49,806	47,783	2,023	38,511	11,295
Assessments receivable, net	2,003	2,072	(69)	2,228	(225)
Interest receivable on investments and other assets, net	652	382	270	511	141
Receivables from resolutions, net	18,181	15,227	2,954	16,345	1,836
Property and equipment, net	373	357	16	377	(4)
Total Assets	$ 72,929	$ 67,936	$ 4,993	$ 61,515	$ 11,414
Accounts payable and other liabilities	291	255	36	300	(9)
Liabilities due to resolutions	7,799	11,260	(3,461)	12,626	(4,827)
Postretirement benefit liability	243	194	49	194	49
Contingent liability for anticipated failures	1,815	1,902	(87)	1,199	616
Contingent liability for litigation losses	1	5	(4)	5	(4)
Total Liabilities	$ 10,149	$ 13,616	$ (3,467)	$ 14,324	$ (4,175)
FYI: Unrealized gain (loss) on U.S. Treasury investments, net	51	27	24	20	31
FYI: Unrealized gain (loss) on trust preferred securities	-	-	-	-	-
FYI: Unrealized postretirement benefit (loss) gain	(58)	(16)	(42)	(16)	(42)
Fund Balance	$ 62,780	$ 54,320	$ 8,460	$ 47,191	$ 15,589



Fund Financial Results - continued

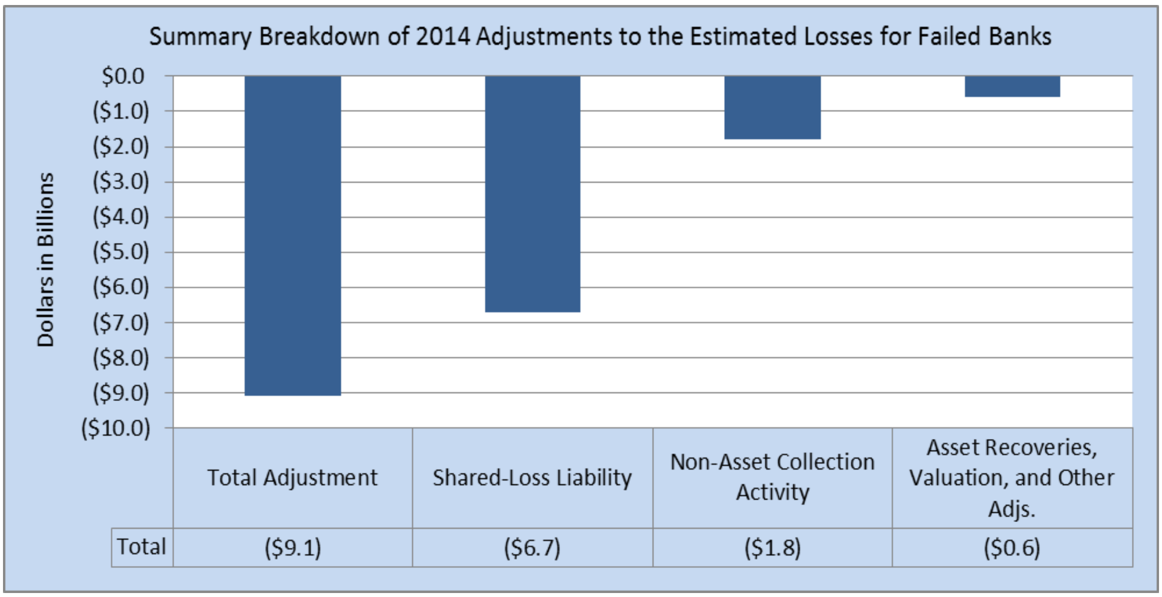
($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund				
	Audited Dec-14	Unaudited Sep-14	Quarterly Change	Audited Dec-13	Year-Over-Year Change
Assessments	$ 8,656	$ 6,626	$ 2,030	$ 9,734	$ (1,078)
Interest on U.S. Treasury obligations	282	212	70	104	178
Realized gain on sale of trust preferred securities	-	-	-	458	(458)
Other revenue	27	22	5	163	(136)
Total Revenue	$ 8,965	$ 6,860	$ 2,105	$ 10,459	$ (1,494)
Operating expenses	1,664	1,256	408	1,609	55
Provision for insurance losses	(8,305)	(1,519)	(6,786)	(5,659)	(2,646)
Insurance and other expenses	6	1	5	4	2
Total Expenses and Losses	$ (6,635)	$ (262)	$ (6,373)	$ (4,046)	$ (2,589)
Net Income	15,600	7,122	8,478	14,505	1,095
Unrealized gain (loss) on U.S. Treasury investments, net	31	7	24	(14)	45
Unrealized gain (loss) on trust preferred securities	-	-	-	(302)	302
Unrealized postretirement benefit gain (loss)	(42)	-	(42)	44	(86)
Comprehensive Income	$ 15,589	$ 7,129	$ 8,460	$ 14,233	$ 1,356

Selected Financial Data	FSLIC Resolution Fund				
	Audited Dec-14	Unaudited Sep-14	Quarterly Change	Audited Dec-13	Year-Over-Year Change
Cash and cash equivalents	$ 871	$ 871	$ -	$ 872	$ (1)
Accumulated deficit	(124,461)	(124,461)	-	(124,460)	(1)
Total resolution equity	871	872	(1)	872	(1)
Total revenue	1	1	-	3	(2)
Operating expenses	2	1	1	2	-
Goodwill litigation expenses	-	-	-	1	(1)
Provision for losses	(1)	(1)	-	(1)	-
Net Income (Loss)	$ (1)	$ -	$ (1)	$ (1)	$ -

Receivership Selected Statistics December 2014 vs. December 2013

$ in millions	DIF			FRF			ALL FUNDS		
	Dec-14	Dec-13	*Change*	Dec-14	Dec-13	*Change*	Dec-14	Dec-13	*Change*
Total Receiverships	481	479	2	-	1	(1)	481	480	1
Assets in Liquidation	$ 7,671	$11,299	$ (3,628)	$ 5	$ 5	$ -	$ 7,676	$ 11,304	$ (3,628)
YTD Collections	$ 6,190	$ 8,835	$ (2,645)	$ 2	$ 4	$ (2)	$ 6,192	$ 8,839	$ (2,647)
YTD Dividend/Other Pymts - Cash	$ 4,148	$ 5,690	$ (1,542)	$ -	$ -	$ -	$ 4,148	$ 5,690	$ (1,542)



Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	12/31/14	12/31/13	Change
Par Value	$50,739	$40,682	$10,057
Amortized Cost	$51,655	$42,025	$9,630
Total Market Value (including accrued interest)	$52,302	$42,461	$9,841
Primary Reserve [1]	$52,302	$42,461	$9,841
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity [2]	0.70%	0.45%	0.25%
Weighted Average Maturity (in years)	1.66	1.41	0.25
Effective Duration (in years)			
Total Portfolio	1.63	1.36	0.27
Available-for-Sale Securities	1.69	1.49	0.20
Held-to-Maturity Securities [3]	not applicable	not applicable	not applicable

[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] The Yield-to-Maturity includes the potential yield of Treasury Inflation-Protected Securities (TIPS), which presently assumes an average 2.0% annual increase in the CPI over the remaining life of each TIPS.

[3] In early August 2008, management reclassified all of the DIF portfolio's HTM securities as AFS securities effective as of June 30, 2008, because the FDIC could no longer assert it had the positive intent and ability to hold its HTM securities until their maturity dates.

Summary of Other Corporate Investment Portfolios (Dollar Values in Millions)			
	12/31/14	12/31/13	Change
FRF-FSLIC			
Book Value [4]	$827	$826	$1
Yield-to-Maturity	0.03%	0.01%	0.02%
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)			
	12/31/14	12/31/13	Change
Book Value [5]	$14,139	$13,657	$482
Effective Annual Yield	0.11%	0.10%	0.01%
Weighted Average Maturity (in days)	75	62	13

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

<table>
<tr><th colspan="2">Investment Strategies</th></tr>
<tr><td rowspan="4">DEPOSIT INSURANCE FUND</td><td>Strategy for the 4th Quarter 2014
Purchase up to $8 billion (par value) of Treasury securities with maturity dates between March 31, 2015, and March 31, 2020, subject to the following additional provisions: all newly purchased securities will be designated as available-for-sale (AFS); and no more than $2 billion (adjusted par value) of such securities shall consist of Treasury Inflation-Protected Securities (TIPS).</td></tr>
<tr><td>Strategy Changes for the 1st Quarter 2015</td></tr>
<tr><td>Purchase up to $8 billion (par value) of Treasury securities with maturity dates between <u>June 30, 2015</u>, and <u>June 30, 2020</u>, subject to the following additional provisions: all newly purchased securities will be designated as available-for-sale (AFS); and no more than $2 billion (adjusted par value) of such securities shall consist of Treasury Inflation-Protected Securities (TIPS).</td></tr>
<tr><td></td></tr>
<tr><td rowspan="3">NATIONAL LIQUIDATION FUND</td><td>Strategy for the 4th Quarter 2014
Maintain an overnight deposit target floor balance within a range of $100 million to $300 million.
Strategically invest the remaining funds in the zero- to 12-month maturity sector.</td></tr>
<tr><td>Strategy Changes for the 1st Quarter 2015</td></tr>
<tr><td>No strategy changes for the first quarter of 2015.</td></tr>
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Executive Summary of 2014 Budget and Expenditures
by Major Expense Category
Through December 31, 2014
(Dollars in Thousands)

Major Expense Category	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
Corporate Operating Budget					
Ongoing Operations					
Salaries & Compensation	$1,206,502	$1,206,502	$1,129,600	94%	($76,902)
Outside Services - Personnel	263,121	263,121	213,011	81%	(50,110)
Travel	105,770	105,770	89,022	84%	(16,748)
Buildings	96,252	96,252	90,396	94%	(5,856)
Equipment	84,559	84,559	81,010	96%	(3,549)
Outside Services - Other	18,152	18,152	16,060	88%	(2,092)
Other Expenses	17,097	17,097	11,877	69%	(5,220)
Total Ongoing Operations	**$1,791,452**	**$1,791,452**	**$1,630,976**	**91%**	**($160,476)**
Receivership Funding					
Salaries & Compensation	$124,532	$124,532	$116,783	94%	($7,749)
Outside Services - Personnel	400,107	400,107	339,336	85%	(60,771)
Travel	10,414	10,414	6,986	67%	(3,428)
Buildings	28,580	28,580	18,677	65%	(9,903)
Equipment	7,745	7,745	3,629	47%	(4,116)
Outside Services - Other	4,999	4,999	3,285	66%	(1,714)
Other Expenses	23,623	23,623	27,937	118%	4,314
Total Receivership Funding	**$600,000**	**$600,000**	**$516,633**	**86%**	**($83,367)**
Total Corporate Operating Budget	**$2,391,452**	**$2,391,452**	**$2,147,609**	**90%**	**($243,843)**

Executive Summary of 2014 Budget and Expenditures by Budget Component and Division/Office Through December 31, 2014 (Dollars in Thousands)					
Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
Corporate Operating Budget					
Risk Management Supervision	$566,194	$566,194	$533,917	94%	($32,277)
Resolutions & Receiverships	506,484	506,484	444,724	88%	(61,760)
Legal	298,292	298,292	266,193	89%	(32,099)
Administration	269,405	269,405	248,349	92%	(21,056)
Information Technology	241,211	241,211	219,852	91%	(21,360)
Depositor & Consumer Protection	169,231	169,231	161,462	95%	(7,769)
CIO Council	59,237	59,237	52,276	88%	(6,961)
Insurance & Research	47,871	47,871	40,423	84%	(7,448)
Finance	40,050	40,050	36,545	91%	(3,504)
Inspector General	33,698	33,698	29,243	87%	(4,455)
Information Security and Privacy Staff	29,838	29,838	29,043	97%	(795)
Executive Support [1]	26,105	26,105	21,602	83%	(4,503)
Corporate University - Corporate	24,717	24,717	21,617	87%	(3,100)
Corporate University - CEP	17,442	17,442	17,093	98%	(349)
Complex Financial Institutions	21,388	21,388	15,804	74%	(5,584)
Executive Offices [2]	11,637	11,637	9,466	81%	(2,171)
Corporate Unassigned	28,652	28,652	0	0%	(28,652)
Total, Corporate Operating Budget	**$2,391,452**	**$2,391,452**	**$2,147,609**	**90%**	**($243,843)**

1) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, and Corporate Risk Management.

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, Chief Information Officer.