FDIC Federal Deposit Insurance Corporation

Deputy to the Chairman and Chief Financial Officer

December 2, 2021

MEMORANDUM TO: The Board of Directors

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

SUBJECT: Third Quarter 2021 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended September 30, 2021.

Executive Summary

- During the third quarter of 2021, the Deposit Insurance Fund (DIF) balance rose to a record $121.9 billion as of September 30, 2021, up $1.4 billion from the June 30, 2021 balance of $120.5 billion. The quarterly increase was primarily due to a $1.7 billion increase in assessment revenue.

- The 3rd Qtr. 2021 DIF Reserve Ratio (RR) remained at 1.27 percent at September 30, due to modest growth in the DIF balance and insured deposits.

- There were no FDIC-insured financial institution failures during the third quarter of 2021; the last failure occurred on October 23, 2020.

- Through September 30, 2021, overall FDIC Operating Budget expenditures were below the year-to-date budget by about $187.2 million, or 12 percent. This variance was primarily the result of underspending of $178 million in the Ongoing Operations budget component. The largest variances were in three expense categories:

  - Salaries and Compensation ($57.4 million, or 6 percent) due to unfilled vacancies in authorized positions;

  - Outside Services – Personnel ($44.5 million, or 13 percent) due to underspending for planned initiatives in DIT, FDITECH, DOA, and other organizations; and

  - Travel ($38.1 million, or 85 percent) due to the continuation of travel restrictions and mandatory telework during the COVID-19 pandemic.

  - It is unlikely that the unspent budget will be used by the end of the year.

I. <u>Financial Results</u> (See pages 7 – 8 for detailed data and charts.)

Deposit Insurance Fund

- For the nine months ending September 30, 2021, the DIF's comprehensive income totaled $4.0 billion compared to comprehensive income of $6.1 billion for the same period last year, a decrease of $2.1 billion. This year-over-year decrease resulted from a decline in interest revenue on U.S. Treasury (UST) securities of $597 million and a decline in fair value adjustments on UST securities of $1.5 billion.

- During the first nine months of 2021, the DIF incurred a $683 million 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 $1.7 billion for the estimate of third quarter 2021 insurance coverage. Additionally, the DIF recognized a $14 million adjustment for lower-than-estimated collections for the second quarter 2021 insurance coverage, which decreased assessment revenue.

- For the quarter ending, the FDIC collected $1.7 billion in DIF assessments for second quarter 2021 insurance coverage.

II. <u>Investment Results</u> (See pages 9 – 10 for detailed data and charts.)

DIF Investment Portfolio

- On September 30, 2021, the total liquidity (also total market value) of the DIF investment portfolio stood at $119.61 billion, up $4.70 billion from its December 31, 2020, balance of $114.91 billion. During the quarter, interest revenue, receivership dividends, and deposit insurance assessment collections exceeded resolution-related outlays and operating expenses.

- On September 30, 2021, the DIF investment portfolio's yield was 0.687 percent, down 42.6 basis points from its 1.113 percent yield on December 31, 2020. The new Treasury securities purchased during the third quarter of the year had significantly lower yields than the maturing securities' yields.

- In accordance with the approved third quarter 2021 DIF portfolio investment strategy, staff purchased 11 conventional Treasury securities. The 11 securities had a total par value of $19.50 billion, a weighted average yield of 0.225 percent, and a weighted average maturity of 1.76 years.

III. <u>Budget Results</u> (See pages 11 – 12 for detailed data.)

Approved Budget Modifications

The 2021 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2021 FDIC Operating Budget. The CFO approved the following budget reallocations 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 Ongoing Operations budget:

  - An increase of $188,000 to the Outside Services – Personnel budget of DIT, allocated from the Corporate Unassigned Contingency reserve, to hire contractors to perform work previously performed by FDIC employees who departed under the Voluntary Separation Incentive Program (VSIP). This increase was fully offset by a reduction of two authorized permanent positions in DIT (see below).

  - A combined increase of $349,000 in the Equipment, Outside Services – Personnel, and Other budgets of OCOM, with corresponding budget decreases in DOA, to support the realignment of the Graphic Design and Printing Unit (GPDU) from DOA to OCOM.

Following these third quarter budget modifications, the balances in the Corporate Unassigned contingency reserve for the Ongoing Operations budget component declined from $7.2 million to $7 million (excluding the $40 million portion of the reserve set aside to address a potential increase in bank failure activity this year). The balance in the Corporate Unassigned contingency reserve for the Receivership Funding budget component remained unchanged at $22.5 million (excluding the $100 million portion of the reserve set aside to address a potential increase in bank failure activity this year).

Approved Staffing Modifications

The 2021 Budget Resolution delegated to the CFO the authority to modify approved 2021 staffing authorizations for divisions and offices, as long as those modifications do not increase the total approved 2021 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 2021 staffing authorizations:

  - An increase of 18 authorized positions (16 permanent and two non-permanent) in various organizations in conjunction with the Mid-Year Budget Review:
    - Seven additional positions in RMS, including two permanent review examiners to address new Anti-Money Laundering (AML) statutory requirements, two permanent Information Management Assistants to address Section 508 compliance requirements, one permanent Applications Assistant in the Dallas Regional Office, and two non-permanent positions to address succession planning concerns in the San Francisco Region and provide temporary support for new AML policy updates.
    - Four new permanent positions in OMWI to support expanded workload requirements emanating from the new Diversity, Equity, and Inclusion Strategic Plan.
    - Four new permanent positions in the Office of Risk Management and Internal Controls to help address the Corporation's substantially increased audit and internal controls workload.
    - Two new permanent positions in CISR, one dedicated examiner to support an increase in CISR's supervisory portfolio and one new contract oversight specialist.
    - One permanent Information Management Assistant in DCP to address Section 508 compliance requirements.

  - A reduction of 16 permanent positions, seven in DCP and nine in RMS, resulting from the joint RMS-DCP restructuring of regional office administrative support positions to better reflect current workload.

  - The transfer of 16 permanent positions from DOA to OCOM in conjunction with the realignment of the GDPU to OCOM.

- In August, the CFO approved the following adjustments to 2021 staffing authorizations:

  - A reduction of six permanent positions in DIT (from 326 to 320) and an increase of four permanent positions in OCISO (from 48 to 52), consistent with the Chief Information Officer's decision to realign vacancies resulting from the VSIP offer to address critical skill gaps.

  - An increase of 10 permanent positions in RMS to address new large bank examination staffing requirements that have emerged since the start of 2021 as a result of changes at two insured depository institutions.

Subsequent to these third quarter adjustments, authorized 2021 staffing for the Corporation totaled 5,844 positions (5,791 permanent and 53 non-permanent), a net increase of 10 positions.

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the quarter ending September 30, 2021 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

<u>Ongoing Operations</u>

Overall spending for the Ongoing Operations budget component was $178 million, or 12 percent, below budget through the third quarter in 2021. There were significant spending variances in four major expense categories:

- Spending in the Outside Services – Personnel expense category was under budget by $44.5 million, or 18 percent. The most significant underspending occurred in the following divisions and offices:

  - The Division of Information Technology (DIT) underspent its Outside Services - Personnel budget in Ongoing Operations by $11.2 million, with $8.5 million attributable to underspending on IT Modernization initiatives. The underspending resulted largely from contractor staffing shortages and delays in project starts and the setup of the cloud environment.

  - FDITECH underspent its budget by $7.2 million because of delays in awarding planned contracts and the decision not to use contractors to conduct Tech Sprints.

  - The Division of Administration (DOA) underspent its Outside Services-Personnel category by $8.0 million, including $2.8 million in underspending on recurring services resulting primarily from pandemic-related service reductions, $2.9 million attributable to delays in human resources initiatives, and $2.3 million due to underspending on other recurring and non-recurring contractual services.

- The Division of Complex Financial Institution Supervision and Resolution (CISR) underspent its Outside Services – Personnel budget by $4.2 million due to delays in contracting for budgeted advisory services for human resource management (compensation playbooks) and strategic communications (playbook framework), and Institution Analysis.

- The Legal Division underspent its budget by $3.2 million due to delays in rulings on pending litigation. One major case has been dormant while the Magistrate recovered from COVID-19 and completed his involvement in other cases.

- Spending in the Travel expense category was under budget by $24.4 million, or 86 percent, primarily due to substantially reduced travel by employees in the Divisions of Risk Management Supervision (RMS), Depositor and Consumer Protection (DCP) due to the continuation of pandemic-related FDIC travel restrictions.

- Spending in the Buildings and Leased Space expense category was under budget by $18.1 million, or 22 percent. The underspending was attributable primarily to delays in DOA in the design and execution of large planned construction projects, lower-than-budgeted leasing expenses resulting from reductions in leased space, reduced spending due to pandemic-related service reductions, and lower-than-budgeted spending on moving support services and small facilities improvements.

- Spending in the Equipment expense category was under budget by $14.5 million, or 15 percent. This was mostly attributable to delays in hardware refresh purchases by DIT and reductions in digital library subscriptions and furniture purchases by DOA during mandatory telework.

Receivership Funding

The Receivership Funding budget component 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 incurred to ensure readiness without regard to whether failures occur.

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

Office of the Inspector General

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

Significant Spending Variances by Division/Office[1]

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

- RMS spent $51 million, or 12 percent, less than its YTD budget. This variance was primarily attributable to underspending of $27 million in the Travel expense category due to pandemic-related travel restrictions and $20 million in the Salaries and Compensation expense category due to vacancies in budgeted positions.

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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.

- DOA spent $49 million, or 20 percent, less than its YTD budget. In the Investment budget, the Training Center Modernization project spent $12.3 million less than budgeted, largely because of construction efficiencies realized because the Training Center was unoccupied during mandatory telework. In the Ongoing Operations budget, underspending for Buildings & Leased Space totaled $18.0 million due to delays in the design and execution of large planned construction projects, lower-than-budgeted leasing expenses resulting from reductions in leased space, and lower-than-budgeted spending on moving support services and small facilities improvements; underspending for Outside Services-Personnel totaled $8.0 million due to pandemic-related service reductions; underspending for Equipment totaled $2.9 million due to reduced digital library subscriptions and furniture purchases; and underspending for Salaries and Compensation budget totaled $5.9 million due to vacancies in budgeted positions.

- DIT spent $23 million, or 8 percent, less than its YTD budget. Underspending for Outside Services Personnel totaled $11.2 million, of which $8.5M reflected underspending on IT Modernization initiatives (see above). Additionally, DIT underspent its Equipment budget by $9.8 million due to delays in executing planned purchases or receiving purchased goods, including $9 million for equipment that has been ordered but not yet received. This supply chain issue is expected to continue through the end of the year and possibly into 2022.

- DCP spent $13 million, or 9 percent, less than its YTD budget. About $5 million of this amount was attributable to underspending for Salaries and Compensation due to unfilled vacancies, and $7 million was attributable to reduced expenses for exam, training, and relocation travel during mandatory telework.

- CISR spent $12 million, or 16 percent, less than its YTD budget. Of this amount, $6 million reflected underspending for Salaries and Compensation due to vacancies in authorized positions, and $4 million reflected underspending for Outside Services–Personnel due to delays in contracting for advisory services for human resources management, strategic communications, and Institution Analysis.

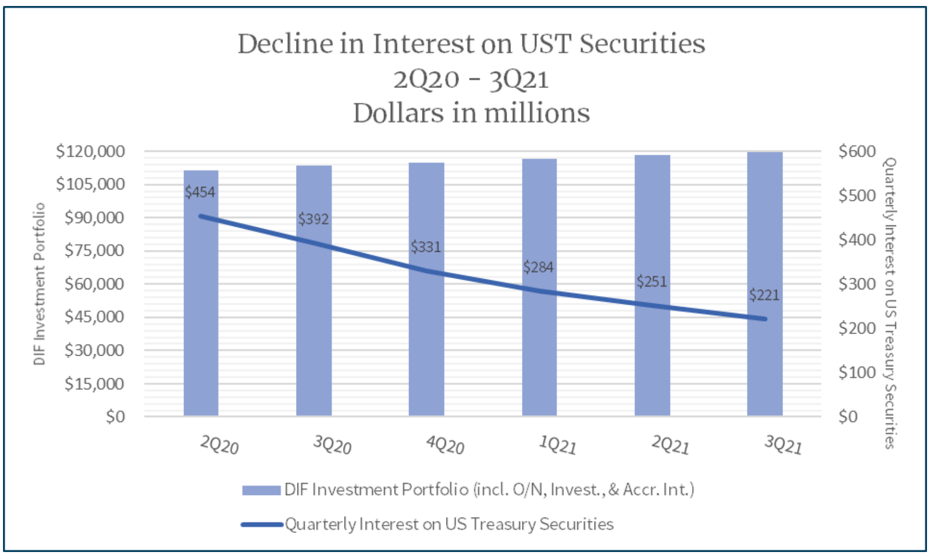
- DRR spent $11 million, or 11 percent, less than its YTD budget. The variance in DRR was primarily attributable to underspending in the Outside Services-Personnel expense category in both the Ongoing Operations and Receivership Funding budget components. In the Ongoing Operations component, the variance was due to delays in awarding several contracts for advisory services and lower-than-estimated expenses for the Shared Loss Liability Estimation model update and security testing for the Resolution Transaction Submission Portal. In the Receivership Funding component, the variance was due to lower-than-budgeted bank failure activity, which reduced spending for pre-closing and post-closing activities, accounting and tax services, and asset marketing and management.

- The Legal Division spent $11 million, or 9 percent, less than its YTD budget. This underspending was attributable primarily to the large number of vacancies in budgeted positions.

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Sep-21	Jun-21	Quarterly Change	Sep-20	Year-Over-Year Change
Cash and cash equivalents	$ 3,944	$ 5,361	$ (1,417)	$ 6,801	$ (2,857)
Investment in U.S. Treasury securities	114,705	111,991	2,714	105,830	8,875
Assessments receivable	1,676	1,755	(79)	1,902	(226)
Interest receivable on investments and other assets, net	998	832	166	864	134
Receivables from resolutions, net	903	908	(5)	1,352	(449)
Property and equipment, net	323	320	3	314	9
Operating lease right-of-use assets	93	100	(7)	115	(22)
Total Assets	$ 122,642	$ 121,267	$ 1,375	$ 117,178	$ 5,464
Accounts payable and other liabilities	259	235	24	234	25
Operating lease liabilities	99	107	(8)	122	(23)
Liabilities due to resolutions	1	7	(6)	5	(4)
Postretirement benefit liability	336	336	0	289	47
Contingent liability for anticipated failures	12	35	(23)	62	(50)
Contingent liability for guarantee payments and litigation losses	0	0	0	32	(32)
Total Liabilities	$ 707	$ 720	$ (13)	$ 744	$ (37)
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	387	552	(165)	1,370	(983)
FYI: Unrealized postretirement benefit (loss) gain	(98)	(98)	0	(61)	(37)
Fund Balance	$ 121,935	$ 120,547	$ 1,388	$ 116,434	$ 5,501



The DIF has experienced a 7% growth in the market value of its investment portfolio from second quarter of 2020 through the third quarter of 2021. The DIF's investment portfolio balance has seen modest growth quarter over quarter, mostly attributable to assessment income. Total interest income continues to decline, as securities with higher yields purchased pre-pandemic mature. Newly purchased securities have seen some yield pickup over historic lows; however, the overnight rate continues to hover near zero.

Fund Financial Results - continued

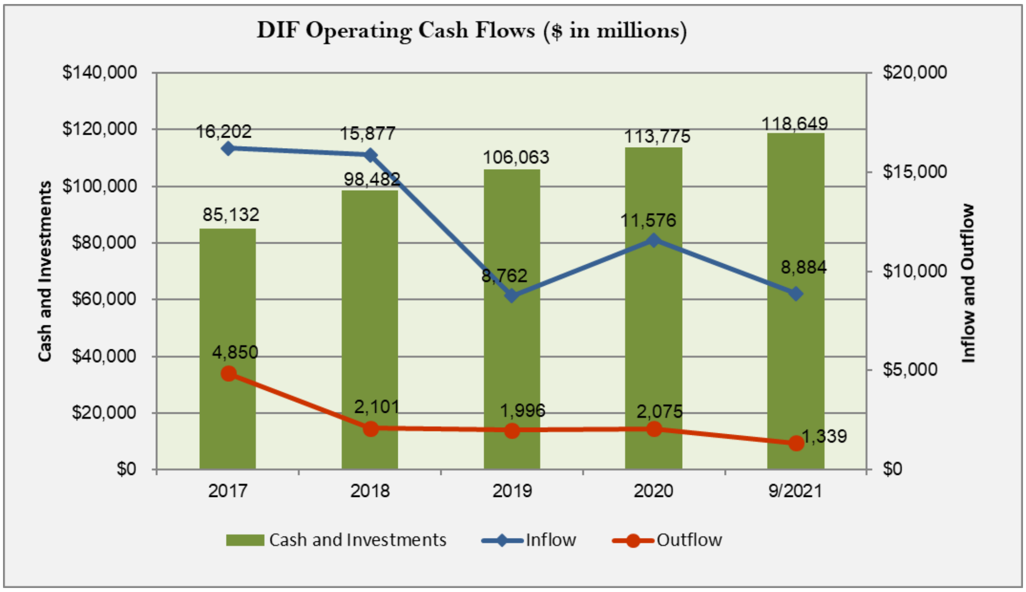
($ in Millions)

Income Statement (year-to-date)	Sep-21	Jun-21	Quarterly Change	Sep-20	Year-Over-Year Change
	Deposit Insurance Fund				
Assessments	$ 5,113	$ 3,451	$ 1,662	$ 5,209	$ (96)
Interest on U.S. Treasury securities	756	535	221	1,353	(597)
Return of unclaimed insured deposits	60	0	60	0	60
Other revenue	13	7	6	12	1
Total Revenue	$ 5,942	$ 3,993	$ 1,949	$ 6,574	$ (632)
Operating expenses	1,368	920	448	1,376	(8)
Provision for insurance losses	(152)	(99)	(53)	(109)	(43)
Insurance and other expenses	5	4	1	3	2
Total Expenses and Losses	$ 1,221	$ 825	$ 396	$ 1,270	$ (49)
Net Income	$ 4,721	$ 3,168	$ 1,553	$ 5,304	$ (583)
Unrealized gain (loss) on U.S. Treasury securities, net	(683)	(518)	(165)	783	(1,466)
Unrealized postretirement benefit gain (loss)	0	0	0	0	0
Comprehensive Income	$ 4,038	$ 2,650	$ 1,388	$ 6,087	$ (2,049)

Selected Financial Data	Sep-21	Jun-21	Quarterly Change	Sep-20	Year-Over-Year Change
	FSLIC Resolution Fund				
Cash and cash equivalents	$ 908	$ 907	$ 0	$ 907	$ 1
Accumulated deficit	(124,562)	(124,562)	0	(124,562)	0
Total resolution equity	908	907	1	907	1
Total revenue	0	0	0	4	(4)
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)	$ 0	$ 0	$ 0	$ 4	$ (4)

Receivership Selected Statistics September 2021 vs. September 2020

	DIF			**FRF**			**ALL FUNDS**		
($ in millions)	Sep-21	Sep-20	*Change*	Sep-21	Sep-20	*Change*	Sep-21	Sep-20	*Change*
Total Receiverships	206	238	(32)	0	0	0	206	238	(32)
Assets in Liquidation	$ 204	$ 370	$ (166)	$ 0	$ 0	$ 0	$ 204	$ 370	$ (166)
YTD Collections	$ 212	$ 338	$ (126)	$ 1	$ 1	$ 0	$ 213	$ 339	$ (126)
YTD Dividend/Other Pmts - Cash	$ 564	$ 1,301	$ (737)	$ 0	$ 0	$ 0	$ 564	$ 1,301	$ (737)



Cash and Investments increased by $33.5 billion from $85.1 billion at year-end 2017 to $118.6 billion at September 30, 2021. The increase was primarily due to assessment collections, interest on U.S. Treasury securities, and recoveries from resolutions, that far exceeded resolution-related outlays and operating expenses.

Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	9/30/21	12/31/20	Change
Par Value	$115,527	$110,403	$5,124
Amortized Cost	$118,245	$112,698	$5,547
Total Market Value (including accrued interest)	$119,613	$114,910	$4,703
Primary Reserve [1]	$119,613	$114,910	$4,703
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity	0.687%	1.113%	-0.426%
Weighted Average Maturity (in years)	1.26	1.19	0.07
Effective Duration (in years)			
Total Portfolio	1.24	1.16	0.08
Available-for-Sale Securities [2]	1.28	1.20	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)			
	9/30/21	12/31/20	Change
FRF-FSLIC			
Book Value [3]	$882	$882	$0
Yield-to-Maturity	0.05%	0.06%	-0.01%
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)			
	9/30/21	12/31/20	Change
Book Value [4]	$1,255	$1,761	($506)
Effective Annual Yield	0.06%	0.14%	-0.08%
Weighted Average Maturity (in days)	1	1	0

[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 3rd Quarter 2021**
	Invest up to $24 billion (par value) in AFS securities with maturities between December 31, 2021 and July 1, 2026.
	Strategy Changes for the 4th Quarter 2021
	Invest up to $22 billion (par value) in AFS securities with maturities between March 31, 2022 and October 1, 2026.
NATIONAL LIQUIDATION FUND	**Strategy for the 3rd Quarter 2021**
	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 4th Quarter 2021
	Maintain an overnight deposit target floor balance within a range of $10 million to $500 million (if required as contingency funding for the DIF). Strategically invest the remaining funds in the zero- to 12-month maturity sector.

Executive Summary of 2021 Budget and Expenditures
by Budget Component and Major Expense Category
Through September 30, 2021
(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	$1,355,812	$1,009,364	$951,900	94%	($57,464)
Outside Services - Personnel	376,501	251,601	207,156	82%	(44,445)
Travel	61,551	44,982	6,820	15%	(38,161)
Buildings	111,716	81,828	63,716	78%	(18,112)
Equipment	120,761	97,065	82,583	85%	(14,482)
Outside Services - Other	17,687	13,444	12,365	92%	(1,079)
Other Expenses	14,607	10,968	6,735	61%	(4,233)
Total Ongoing Operations	**$2,058,635**	**$1,509,252**	**$1,331,275**	**88%**	**(177,976)**
Receivership Funding					
Salaries & Compensation	$1,008	$757	($13)	-2%	($770)
Outside Service - Personnel	168,589	30,826	26,112	85%	(4,714)
Travel	793	589	12	2%	(577)
Buildings	2,129	1,597	1,569	98%	(28)
Equipment	1,274	955	1,141	119%	186
Outside Services - Other	179	134	77	57%	(57)
Other Expenses	1,028	811	872	108%	61
Total Receivership Funding	**$175,000**	**$35,669**	**$29,770**	**83%**	**($5,899)**
Office of the Inspector General					
Salaries & Compensation	$36,603	$27,339	$27,215	100%	($124)
Outside Services - Personnel	3,857	2,893	761	26%	(2,132)
Travel	1,235	926	447	48%	(479)
Buildings	0	0	0		0
Equipment	2,371	1,778	1,360	76%	(419)
Outside Services - Other	1	1	0	0%	(1)
Other Expenses	846	635	442	70%	(193)
Total Office of the Inspector General	**$44,913**	**$33,572**	**$30,225**	**90%**	**($3,348)**
Total FDIC Operating Budget	**$2,278,548**	**$1,578,493**	**$1,391,270**	**88%**	**($187,223)**

Executive Summary of 2021 Budget and Expenditures by Division/Office Through September 30, 2021 (Dollars in Thousands)					
Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
FDIC Operating Budget					
Risk Management Supervision	$581,169	$437,630	$386,207	88%	($51,423)
Information Technology	364,609	281,286	260,396	93%	(20,890)
Administration	302,115	225,679	189,188	84%	(36,491)
Depositor & Consumer Protection	185,250	138,378	125,356	91%	(13,022)
Legal	163,986	117,731	106,991	91%	(10,740)
Resolutions & Receiverships	133,065	98,852	88,100	89%	(10,752)
Complex Institution Supervision & Resolution	101,686	73,711	62,107	84%	(11,604)
Insurance & Research	63,791	47,331	41,641	88%	(5,690)
Executive Support [1]	51,891	37,976	25,364	67%	(12,612)
Inspector General	44,913	33,572	30,225	90%	(3,347)
Chief Information Security Officer	41,077	31,378	26,395	84%	(4,983)
Finance	37,961	27,926	25,477	91%	(2,449)
Corporate University - Corporate	23,094	16,819	15,520	92%	(1,299)
Executive Offices [2]	14,447	10,224	8,303	81%	(1,921)
Corporate Unassigned [3]	169,494	0	0		0
Total FDIC Operating Budget	**$2,278,548**	**$1,578,493**	**$1,391,270**	**88%**	**($187,223)**

1) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, Financial Institution Adjudication, CIO Management Services, and FDITECH.

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, and Chief Information Officer.

3) The Corporate Unassigned contingency reserve includes $140 million in funds budgeted to ensure that the FDIC is prepared to respond quickly to potential pandemic-related problems within the banking industry. Those funds are not available for use for any other purpose. The remainder constitutes general reserves of $7 million in the Ongoing Operations budget component and $22.5 in the Receivership Funding budget component.