FDIC

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

February 21, 2018

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 2017 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended December 31, 2017.

Executive Summary

- During the fourth quarter of 2017, the Deposit Insurance Fund (DIF) balance increased by $2.2 billion, from $90.5 billion at September 30, 2017 to $92.7 billion at December 31, 2017. The quarterly increase was primarily due to $2.7 billion of assessment revenue, partially offset by $444 million of operating expenses.

- The reserve ratio, which is the ratio of the DIF balance to estimated insured deposits, was 1.30 percent for the fourth quarter 2017, compared to the third quarter 2017 reserve ratio of 1.28 percent.

- During the fourth quarter of 2017, the FDIC was named receiver for two failed institutions. The combined assets at inception for these failed institutions were $150 million with estimated losses of $63 million. The corporate cash outlay during the fourth quarter for these failures was approximately $117 million.

- Through December 31, 2017, overall FDIC Operating Budget expenditures were below budget by 11 percent ($227 million). About a third of this variance ($78.5 million) was attributable to underspending in the Receivership Funding budget component due to lower-than-budgeted resolutions and receivership management workload. Most of the remainder of the underspending was in the Ongoing Operations budget component ($147 million) and was primarily the result of higher-than-expected vacancies in budgeted positions during the year. In addition, lower-than-anticipated expenses for facilities, outside counsel, security services (including background checks), and other outside services contributed to the Ongoing Operations variance.

I. **Financial Results** (See pages 7 – 8 for detailed data and charts.)

Deposit Insurance Fund

- The DIF's comprehensive income totaled $9.6 billion for 2017, compared to comprehensive income of $10.6 billion during 2016, a $977 million year-over-year decrease. Although assessment revenue in 2017 of $10.6 billion was $608 million higher than 2016 assessment revenue of $10.0 billion, the lower negative provision for insurance losses of $1.4 billion year-over-year (negative $183 million in 2017 as compared to negative $1.6 billion in 2016) more than offset the effect of the revenue increase.

- The provision for insurance losses was a negative $183 million for 2017, compared to negative $1.6 billion for 2016. The negative provision for 2017 primarily resulted from a $969 million decrease to the estimated losses for prior year failures offset by a $718 million increase for higher-than-anticipated estimated losses for current year failures. The 2016 negative provision was almost fully attributable to reductions in estimated losses for prior year failures. The $969 million decrease in the estimated losses for prior year failures was primarily attributable to (1) a decrease in receivership shared-loss liability cost estimates of $420 million primarily due to lower-than-anticipated losses on covered assets, reductions in shared-loss cost estimates from the early termination of shared-loss agreements (SLAs) during the year, and unanticipated recoveries from SLAs where the commercial loss coverage has expired but the recovery period remains active; (2) $383 million of unanticipated recoveries received, or expected to be received, by receiverships from tax refunds, litigation settlements, and professional liability claims; and (3) a $124 million decrease in receivership contingent legal and representation and warranty liabilities, as well as projected future receivership expenses.

Assessments

- During December, the DIF recognized assessment revenue of $2.7 billion. Of this amount, $1.4 billion represented the estimate for the fourth quarter 2017 insurance coverage and $1.3 billion represented estimated surcharges on banks with $10 billion or more in assets.

- On December 29, 2017, the FDIC collected $1.4 billion in DIF assessments and $1.2 billion in surcharge assessments for third quarter 2017 insurance coverage.

II. **Investment Results** (See pages 9 - 10 for detailed data and charts.)

DIF Investment Portfolio

- On December 31, 2017, the total liquidity (also total market value) of the DIF investment portfolio stood at $85.6 billion, up $10.3 billion from its December 31, 2016, balance of $75.3 billion. During the year, interest revenue, receivership dividends, and deposit insurance assessment collections far exceeded resolution-related outlays and operating expenses.

- On December 31, 2017, the DIF investment portfolio's yield was 1.52 percent, up 40 basis points from its 1.12 percent yield on December 31, 2016. The new Treasury securities purchased during the year generally had higher yields than the maturing securities' yields, some considerably higher.

- In accordance with the approved fourth quarter 2017 DIF portfolio investment strategy, staff purchased a total of 29 short- to intermediate-maturity conventional Treasury securities, all designated as available-for-sale. The 29 securities had a total par value of $10.8 billion, a weighted average yield of 1.92 percent, and a weighted average maturity of 3.41 years.

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

Approved Budget Modifications

The 2017 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2017 FDIC Operating Budget. The following budget reallocations were approved during the fourth quarter in accordance with the authority delegated by the Board of Directors.

- In October 2017, the following budget realignments were approved:
  - In conjunction with the Board's decision to integrate the functions of the Office of Corporate Risk Management (OCRM) into a newly-constituted Risk Management and Internal Controls Branch (RMIC) within the Division of Finance (DOF), the CFO reallocated OCRM's 4th quarter budget to DOF. A total of $874,155 in budget authority was realigned in the Salaries and Compensation, Outside Services - Personnel, Travel, and Other Expenses expense categories in the Ongoing Operations budget component.
  - The CIO Council realigned $810,000 from its Outside Services – Personnel expense category to Equipment to acquire additional subscriptions for the Salesforce platform and support of the implementation of the Enterprise Public Inquiries and Complaints System.
- In November 2017, the CFO approved the following budget increases and realignments:
  - An increase of $920,000 to the Equipment expense category of the Ongoing Operation budget of the Division of Information Technology (DIT) to replace equipment nearing the end of its useful life. This increase was funded from the funds earmarked for IT technology refreshment in the Corporate Unassigned contingency reserve.
  - Based on a corporate-wide review of actual expenses in the Salaries and Compensation expense category through the end of the 3rd Quarter, there was an increase of $150,000 in the Salaries and Compensation budget of the Office of Communications (OCOM) and a realignment of Salaries and Compensation budget authority among organizational entities within the Executive Offices. The additional budget authority for OCOM was realigned from the Corporate Unassigned contingency reserve in the Ongoing Operations budget component.
- In December 2017, the CFO approved separate increases of $455,033 and $560,000, respectively, in the Equipment expense category of DIT's Ongoing Operations budget. The first increase was provided from the funds earmarked for IT technology refreshment in the Corporate Unassigned contingency reserve to replace obsolete equipment used for bank closings. The second was provided from the non-earmarked portion of the Corporate Unassigned contingency reserve to purchase additional Virtual Desktop licenses to enhance security and address the source of recent service outages.

Following all fourth quarter budget modifications, the balances in the Corporate Unassigned contingency reserves were $23,679,768 in the Ongoing Operations budget component (including $1,375,003 reserved for IT technology refreshment that was not spent) and $30,524,390 in the Receivership Funding budget component.

Approved Staffing Modifications

The 2017 Budget Resolution delegated to the CFO the authority to modify approved 2017 staffing authorizations for divisions and offices, as long as those modifications did not increase the total approved 2017 FDIC Operating Budget.

- In October, the CFO approved the transfer of 11 authorized permanent positions from OCRM to DOF in conjunction with the integration of OCRM into DOF's RMIC. After an assessment by DOF of the transferred risk management workload and the OCRM responsibilities being assumed by individual divisions, the CFO subsequently approved the transfer of six of those 11 authorized positions from DOF to other divisions as follows: two permanent positions to the Legal Division, two permanent positions to the Division of Resolutions and Receiverships (DRR), one permanent position to the Division of Risk Management Supervision (RMS), and one permanent position to the Division of Consumer Protection (DCP).

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the year ending December 31, 2017, are defined as those that either (1) exceed the YTD budget; or (2) are under the YTD budget for a major expense category or division/office by an amount that exceeds $5 million and represents more than five percent of the major expense category or total division/office budget.

Significant Spending Variances by Major Expense Category

<u>Ongoing Operations</u>

There were four significant spending variances in major expense categories in the Ongoing Operations budget component for 2017:

- Salaries and Compensation expenditures were $89 million, or 7 percent, less than budgeted. RMS ($32 million), the Legal Division ($11 million), and all other divisions (from $3 million to $6 million) each spent less than budgeted in the category. These budget variances were predominately due to vacancies in budgeted staff positions. In addition, the Corporate Unassigned contingency reserve had approximately $9 million in unused budget authority remaining at the end of the year in this expense category. That unused budget authority lapsed on December 31, 2017.

- Outside Services – Personnel expenditures were $29 million, or 11 percent, less than budgeted.

    - The Division of Administration (DOA) spent $5 million less than budgeted, largely due to lower-than-budgeted spending for several security-related services, including background investigations.

    - The CIO Council spent $3 million less than budgeted due to lower discretionary spending by divisions and lower-than-estimated maintenance costs for new investment applications.

    - The Office of the Chief Information Security Officer spent nearly $3 million less than budgeted due to lower than anticipated expenses for credit monitoring services, reduced spending for security assessments, and delays in onboarding new contractors.

    - DIT spent $2 million less than budgeted due to targeted reductions in spending during the year by organizational entities other than the Infrastructure Services Branch as well as lower-than-budgeted spending for several approved initiatives.

    - The Corporate Unassigned contingency reserve had approximately $12 million in unused budget authority remaining at the end of the year in this expense category. That unused budget authority lapsed on December 31, 2017.

- Travel expenditures were $10 million, or 11 percent, under budget. This was mostly due to underspending of $7 million by RMS for regional and field office regular duty and reassignment travel. DCP spent almost $2 million less than budgeted due to the conduct of fewer examinations than in 2016 and less-than-anticipated travel for conferences and meetings.

- Buildings and Leased Space spending was $11 million, or 11 percent, under budget, mostly due to underspending by the DOA. DOA spent $10 million less than budgeted due to the extension of some project timelines beyond 2017, work cancellations, delays in building improvement projects, and lower building services expenses than in prior years.

Receivership Funding

The Receivership Funding 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.

There were significant spending variances in five of the seven major expense categories in the Receivership Funding component of the 2017 FDIC Operating Budget:

- Salaries and Compensation expenditures were $9 million, or 25 percent, less than budgeted. This variance was mostly attributable to vacancies in budgeted non-permanent positions in DRR and the Legal Division.

- Outside Services-Personnel expenditures were $62 million, or 27 percent, less than budgeted. This variance was largely attributable to lower-than-budgeted spending for outside counsel services by the Legal Division ($27 million, or 32 percent, less than budgeted), because a significant amount of litigation was on hold awaiting court rulings on motions. In addition, the Corporate Unassigned contingency reserve had approximately $30 million in unused budget authority remaining at the end of the year in this expense category. That unused budget authority lapsed on December 31, 2017.

- Travel expenditures were approximately $768,000, or 23 percent, more than budgeted. This variance resulted from the deployment of more staff and longer travel durations than planned for bank closings during 2017.

- Buildings expenditures were $8 million, or 44 percent, less than budgeted. This was primarily attributable to lower-than-projected environmental remediation costs and lower residual facility expenses from liquidation activities.

- Outside Service – Other expenditures were approximately $56,000, or 4 percent, more than budgeted. This was due to higher than planned filing and court costs and insurance expenses associated with closings.

Office of Inspector General

The Office of Inspector General (OIG) budget component had a significant spending variance in only one of the seven major expense categories. Equipment expenditures were approximately $742,000, or 152 percent, more than budgeted. This variance was due to the purchase of storage, server, and other equipment and services in connection with an initiative to expand and upgrade the OIG's Electronic Crimes Unit's laboratory (which also contributed to an increase in the OIG's 2018 operating budget).

Significant Spending Variances by Division/Office[1]

Five organizations had significant spending variances through the end of the fourth quarter:

- The Legal Division spent $41 million, or 17 percent, less than budgeted, due to vacancies in budgeted positions in the Ongoing Operations budget component and slower-than-projected hiring to fill those vacancies. It also had a significant variance in the Outside Services – Personnel expense category in the Receivership Funding budget component, where expenditures were less than budgeted for outside counsel because significant litigation was on hold waiting for a court to rule on motions.

- RMS spent $40 million, or 7 percent, less than budgeted due to vacancies in budgeted positions and underspending for regular duty and reassignment travel in the Ongoing Operations budget component.

- DOA spent $25 million, or 9 percent, less than budgeted, due to vacancies in budgeted positions; lower-than-budgeted spending for security services, including background checks; lower-than-budgeted spending on building operating costs, maintenance and repairs; delays in or deferral of planned construction projects; and lower-than-budgeted spending for human resources contract support services.

- DRR spent $20 million, or 8 percent, less than budgeted, largely due to lower-than-budgeted Salaries and Compensation expenses in both the Ongoing Operations and Receivership Funding budget components due to vacancies in budgeted positions and less-than-anticipated spending in the Buildings expense category of the Receivership Funding budget component.

- The Corporate Unassigned contingency reserve had approximately $54 million in unused budget authority remaining at the end of the year. That unused budget authority lapsed on December 31, 2017.

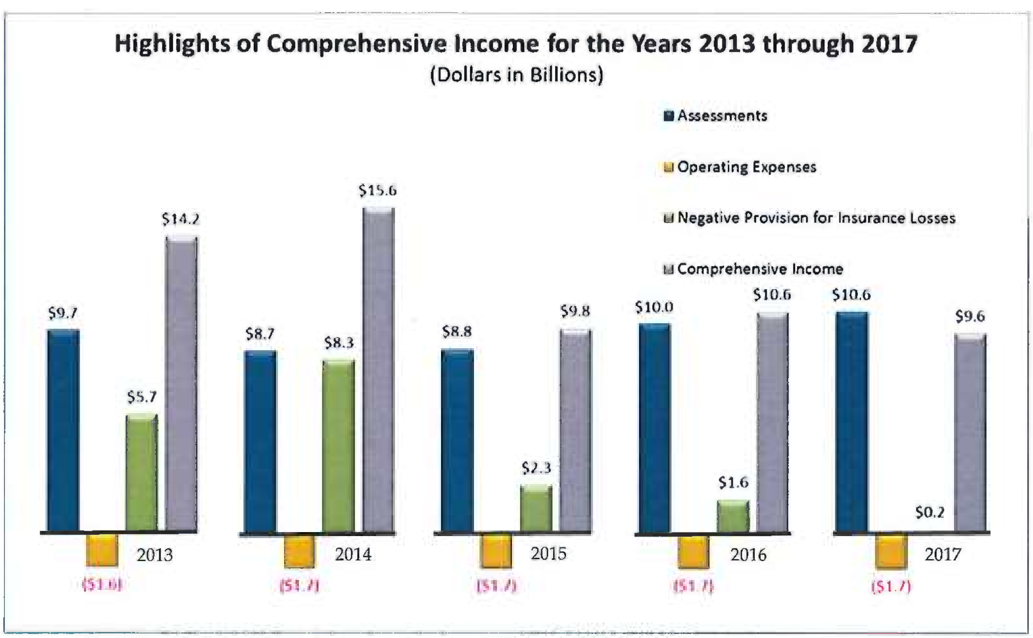
[1]Information on division/office variances reflects variances in the FDIC Operating Budget.

FDIC CFO REPORT TO THE BOARD – Fourth Quarter 2017

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Dec-17	Sep-17	Quarterly Change	Dec-16	Year-Over-Year Change
Cash and cash equivalents	$ 1,829	$ 1,237	$ 592	$ 1,333	$ 496
Investment in U.S. Treasury securities	83,303	79,439	3,864	73,512	9,791
Assessments receivable, net	2,634	2,635	(1)	2,666	(32)
Interest receivable on investments and other assets, net	506	517	(11)	526	(20)
Receivables from resolutions, net	5,973	9,317	(3,344)	7,790	(1,817)
Property and equipment, net	334	333	1	358	(24)
Total Assets	$ 94,579	$ 93,478	$ 1,101	$ 86,185	$ 8,394
Accounts payable and other liabilities	237	198	39	238	(1)
Liabilities due to resolutions	1,203	2,421	(1,218)	2,073	(870)
Postretirement benefit liability	259	232	27	232	27
Contingent liability for anticipated failures	98	86	12	477	(379)
Contingent liability for guarantee payments and litigation losses	35	35	0	3	32
Total Liabilities	$ 1,832	$ 2,972	$ (1,140)	$ 3,023	$ (1,191)
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	(479)	(17)	(462)	21	(500)
FYI: Unrealized postretirement benefit (loss) gain	(46)	(26)	(20)	(26)	(20)
Fund Balance	$ 92,747	$ 90,506	$ 2,241	$ 83,162	$ 9,585



Fund Financial Results - continued

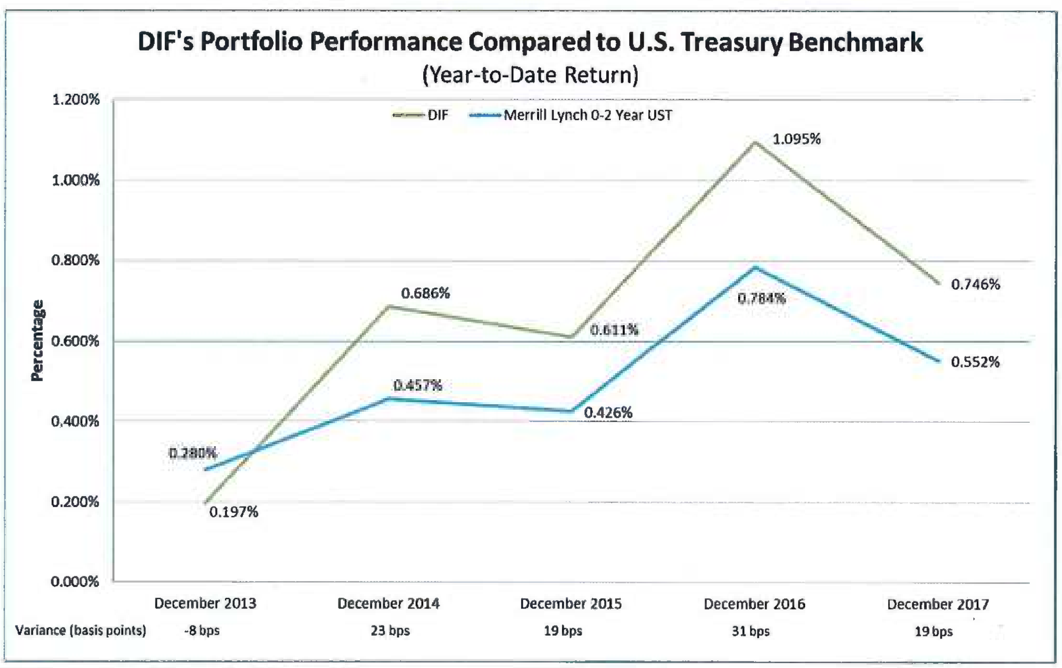
($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund				
	Dec-17	Sep-17	Quarterly Change	Dec-16	Year-Over-Year Change
Assessments	$ 10,595	$ 7,939	$ 2,656	$ 9,987	$ 608
Interest on U.S. Treasury securities	1,057	752	305	671	386
Other revenue	12	8	4	16	(4)
Total Revenue	$ 11,664	$ 8,699	$ 2,965	$ 10,674	$ 990
Operating expenses	1,740	1,296	444	1,715	25
Provision for insurance losses	(183)	20	(203)	(1,568)	1,385
Insurance and other expenses	2	1	1	3	(1)
Total Expenses and Losses	$ 1,559	$ 1,317	$ 242	$ 150	$ 1,409
Net Income	10,105	7,382	$ 2,723	10,524	(419)
Unrealized gain (loss) on U.S. Treasury securities, net	(500)	(38)	(462)	30	(530)
Unrealized postretirement benefit gain (loss)	(20)	-	(20)	8	(28)
Comprehensive Income	$ 9,585	$ 7,344	$ 2,241	$ 10,562	$ (977)

Selected Financial Data	FSLIC Resolution Fund				
	Dec-17	Sep-17	Quarterly Change	Dec-16	Year-Over-Year Change
Cash and cash equivalents	$ 885	$ 883	$ 2	$ 874	$ 11
Accumulated deficit	(124,604)	(124,606)	2	(124,611)	7
Total resolution equity	886	884	2	878	8
Total revenue	8	5	3	5	3
Operating expenses	1	0	1	3	(2)
Losses related to thrift resolutions	0	0	0	(1)	1
Net Income (Loss)	$ 7	$ 5	2	$ 7	0

Receivership Selected Statistics December 2017 vs. December 2016

$ in millions	DIF			FRF			ALL FUNDS		
	Dec-17	Dec-16	*Change*	Dec-17	Dec-16	*Change*	Dec-17	Dec-16	*Change*
Total Receiverships	338	378	(40)	0	0	-	338	378	(40)
Assets in Liquidation	$ 2,269	$ 3,315	$ (1,046)	$ 2	$ 2	$ -	$ 2,271	$ 3,317	$ (1,046)
YTD Collections	$ 2,762	$ 1,757	$ 1,005	$ 1	$ 2	$ (1)	$ 2,763	$ 1,759	$ 1,004
YTD Dividend/Other Pymts - Cash	$ 3,957	$ 3,601	$ 356	$ -	$ -	$ -	$ 3,957	$ 3,601	$ 356



Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	12/31/17	12/31/16	Change
Par Value	$85,376	$74,430	$10,946
Amortized Cost	$85,707	$74,947	$10,760
Total Market Value (including accrued interest)	$85,590	$75,335	$10,255
Primary Reserve [1]	$85,590	$75,335	$10,255
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity [2]	1.52%	1.12%	0.40%
Weighted Average Maturity (in years)	2.05	1.60	0.45
Effective Duration (in years)			
Total Portfolio	1.97	1.55	0.42
Available-for-Sale Securities	2.07	1.66	0.41
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 (AFS), and held-to-maturity (HTM) securities maturing within three months.

[2] The Yield-to-Maturity includes the potential yield of Treasury Inflation-Protected Securities (TIPS), which 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)			
	12/31/17	12/31/16	Change
FRF-FSLIC			
Book Value [4]	$842	$831	$11
Yield-to-Maturity	1.20%	0.40%	0.81%
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)			
	12/31/17	12/31/16	Change
Book Value [5]	$4,733	$8,746	($4,013)
Effective Annual Yield	1.24%	0.58%	0.66%
Weighted Average Maturity (in days)	51	78	(27)

[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 4th Quarter 2017** Purchase up to $11 billion (par value) of Treasury securities with maturity dates between March 31, 2018, and December 31, 2022, subject to the following additional provisions: all newly purchased securities will be designated as AFS; no more than $2 billion (adjusted par value) of such securities shall consist of TIPS; and target at least $4 billion (par value) of newly purchased securities maturing in 2021 or 2022.
	Strategy Changes for the 1st Quarter 2018
	Purchase up to $11 billion (par value) of Treasury securities with maturity dates between June 30, 2018, and June 30, 2023, subject to the following additional provisions: all newly purchased securities will be designated as AFS; no more than $2 billion (adjusted par value) of such securities shall consist of TIPS; and target at least $3 billion (par value) of newly purchased securities maturing between July 1, 2021, and June 30, 2023.
NATIONAL LIQUIDATION FUND	**Strategy for the 4th Quarter 2017** 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.
	Strategy Changes for the 1st Quarter 2018
	No strategy changes for the first quarter of 2018.

Executive Summary of 2017 Budget and Expenditures
by Budget Component and Major Expense Category
Through December 31, 2017
(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	$1,247,608	$1,247,608	$1,158,537	93%	($89,071)
Outside Services - Personnel	$251,831	$251,831	$223,280	89%	($28,551)
Travel	$95,448	$95,448	$85,306	89%	($10,142)
Buildings	$103,054	$103,054	$91,667	89%	($11,387)
Equipment	$92,503	$92,503	$89,697	97%	($2,806)
Outside Services - Other	$16,545	$16,545	$14,365	87%	($2,180)
Other Expenses	$14,081	$14,081	$11,547	82%	($2,534)
Total Ongoing Operations	**$1,821,070**	**$1,821,070**	**$1,674,399**	**92%**	**($146,671)**
Receivership Funding					
Salaries & Compensation	$37,356	$37,356	$28,159	75%	($9,197)
Outside Services - Personnel	$230,152	$230,152	$168,427	73%	($61,725)
Travel	$3,284	$3,284	$4,052	123%	$768
Buildings	$17,700	$17,700	$9,843	56%	($7,857)
Equipment	$1,431	$1,431	$1,353	95%	($78)
Outside Services - Other	$1,273	$1,273	$1,329	104%	$56
Other Expenses	$8,804	$8,804	$8,328	95%	($476)
Total Receivership Funding	**$300,000**	**$300,000**	**$221,491**	**74%**	**($78,509)**
Office of Inspector General					
Salaries & Compensation	$32,770	$32,770	$31,048	95%	($1,722)
Outside Services - Personnel	$1,418	$1,418	$1,229	87%	($189)
Travel	$1,486	$1,486	$1,229	83%	($257)
Buildings	$0	$0	$0		$0
Equipment	$487	$487	$1,229	252%	$742
Outside Services - Other	$169	$169	$7	4%	($162)
Other Expenses	$423	$423	$341	81%	($82)
Total Office of Inspector General	**$36,753**	**$36,753**	**$35,083**	**95%**	**($1,670)**
Total FDIC Operating Budget	**$2,157,823**	**$2,157,823**	**$1,930,973**	**89%**	**($226,850)**

Executive Summary of 2017 Budget and Expenditures by Division/Office Through December 31, 2017 (Dollars in Thousands)					
Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
FDIC Operating Budget					
Risk Management Supervision	$591,544	$591,544	$551,436	93%	($40,108)
Depositor & Consumer Protection	$181,141	$181,141	$172,135	95%	($9,006)
Information Technology	$227,496	$227,496	$217,407	96%	($10,089)
Administration	$273,360	$273,360	$248,457	91%	($24,903)
Resolutions & Receiverships	$271,786	$271,786	$251,330	92%	($20,456)
Legal	$233,804	$233,804	$192,997	83%	($40,807)
Insurance & Research	$53,106	$53,106	$48,242	91%	($4,864)
Finance [1]	$44,066	$44,066	$40,076	91%	($3,990)
Inspector General	$36,753	$36,753	$35,083	95%	($1,670)
Chief Information Security Officer [2]	$41,969	$41,969	$37,498	89%	($4,471)
Corporate University - CEP	$19,082	$19,082	$18,879	99%	($203)
Corporate University - Corporate	$25,133	$25,133	$24,512	98%	($621)
Executive Support [3]	$22,838	$22,838	$19,741	86%	($3,097)
Executive Offices [4]	$11,023	$11,023	$10,118	92%	($905)
Complex Financial Institutions	$20,156	$20,156	$17,074	85%	($3,082)
CIO Council	$50,362	$50,362	$45,988	91%	($4,374)
Corporate Unassigned	$54,204	$54,204	$0	0%	($54,204)
Total FDIC Operating Budget	**$2,157,823**	**$2,157,823**	**$1,930,973**	**89%**	**($226,850)**

1) Budget and expenditures for the Division of Finance (DOF) includes the annual budget and all expenditures for the former Office of Corporate Risk Management (OCRM). The FDIC Board of Directors has approved the integration of the functions of OCRM into a newly-constituted Risk Management and Controls Branch (RMIC) within DOF in October 2017.

2) The Information Security & Privacy Staff was renamed the Office of the Chief Information Security Officer during 2017.

3) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, and Financial Institution Adjudication.

4) 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, and Chief Information Officer.