FDIC

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

August 14, 2012

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: Second Quarter 2012 CFO Report to the Board

The attached report highlights the Corporation's financial activities and results for the quarter ended June 30, 2012.

Executive Summary

- During the second quarter of 2012, the Deposit Insurance Fund (DIF) balance increased by $7.4 billion, from $15.3 billion to $22.7 billion. This quarterly increase was primarily due to $4.0 billion in revenue from excess Debt Guarantee Program (DGP) fees previously held as systemic risk deferred revenue, $2.9 billion in assessment revenue, and a decrease in the provision for insurance losses of $807 million, partially offset by $407 million in operating expenses. Over the ten consecutive quarters since the beginning of 2010, the fund balance has increased a total of $43.6 billion.

- During the second quarter of 2012, the FDIC was named receiver for 15 failed institutions. The combined assets at inception for these institutions totaled approximately $2.8 billion with a total estimated loss of $520 million. The corporate cash outlay during the second quarter for these failures was approximately $463 million.

- Through June 30, 2012, overall Corporate Operating Budget expenditures were below budget by 19 percent ($299 million). This variance was primarily the result of lower-than-budgeted spending for contractual services and operations at the site of failed financial institutions in the Receivership Funding component.

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

Deposit Insurance Fund

- For the six months ended June 30, 2012, the DIF's comprehensive income totaled $10.9 billion compared to comprehensive income of $11.3 billion for the same period last year. This $0.4 billion year-over-year decrease was mostly due to a $4.4 billion year-to-year swing in loss provisions (a negative $795 million in 2012 vs. a negative $5.2 billion in 2011), offset by a $4.0 billion increase in recognition of DGP deferred revenue.

- The DIF recognized revenue of $4.0 billion for a portion of DGP guarantee fees previously held as systemic risk deferred revenue. The $4.0 billion relates to fees associated with debt that matured in the first half of 2012. In addition, an equal amount of cash was transferred from "Cash and investments - restricted - systemic risk" to DIF's "Cash and cash equivalents". The DIF had previously recognized $2.6 billion in revenue at year-end 2011 relating to fees on debt guarantees that had expired. Through June 30, 2012, $6.6 billion has been transferred from systemic risk deferred revenue and $1.7 billion remains as deferred.

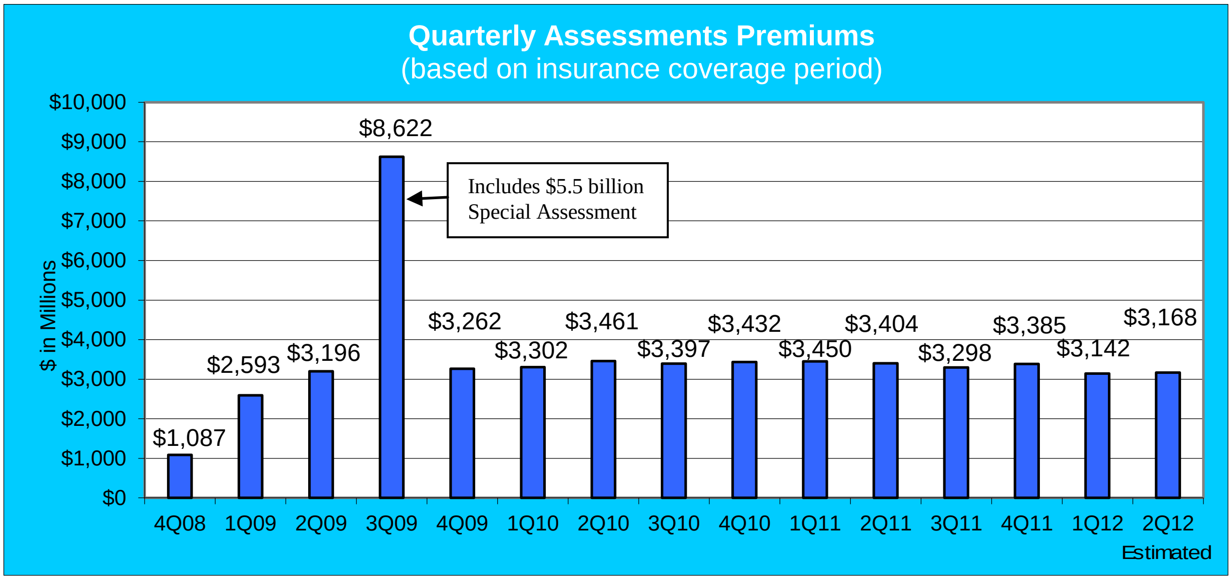
- The remaining guaranteed debt outstanding from the DGP is $47.3 billion at June 30, 2012, down from the year-end 2011 balance of $167.4 billion. The last guaranteed debt covered under the DGP will expire on December 31, 2012.

- The provision for insurance losses was negative $795 million for the first half of 2012. The negative provision primarily resulted from a $876 million reduction in the contingent loss reserve due to the improvement in the financial condition of institutions that were previously identified to fail offset by a $78 million increase in the estimated losses for banks that had previously failed.

Assessments

- During the second quarter of 2012, the DIF recognized a total of $2.9 billion in assessment revenue. Of this amount, $3.2 billion represented the estimate for second quarter 2012 insurance coverage—$2.7 billion was recognized for those institutions that prepaid assessments and $454 million was recorded as a receivable from those institutions that did not have prepaid assessments available for offset. Additionally, a net adjustment of $236 million was recognized that reduced assessment revenue. This adjustment consisted of $30 million in prior period amendments and a $266 million decrease to the estimate for first quarter 2012 insurance coverage that was recorded at March 31, 2012. The latter adjustment was due to lower than estimated growth in the assessment base and lower average assessment rates.

- On June 29, 2012, the FDIC collected $273 million in DIF assessments for first quarter 2012 insurance coverage. Unearned revenue (prepaid assessments) totaled $11.5 billion on June 30, 2012.



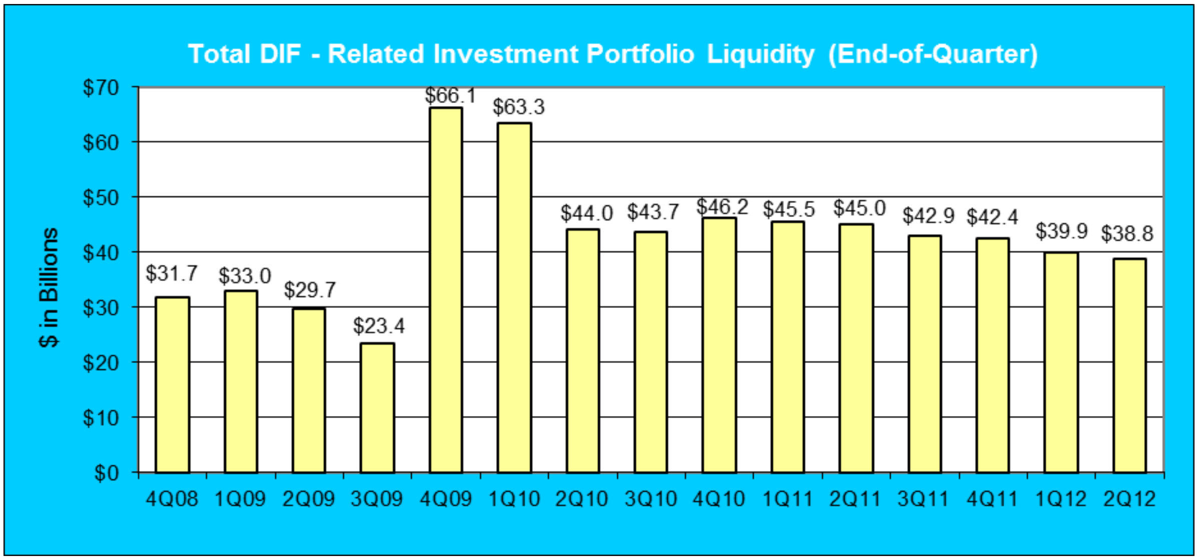
FSLIC Resolution Fund (FRF)

- During the second quarter, the FRF's cash and cash equivalents increased by $17 million primarily due to the release of the cash collateral related to a reserve held by Fannie Mae. The reserve resulted from swap transactions where the former Resolution Trust Corporation (RTC) received mortgage-backed securities in exchange for multi-family mortgage loans. The RTC supplied credit enhancement cash reserves for the mortgage loans to cover future credit losses over the remaining life of the loans. Pursuant to the agreement with Fannie Mae, the FRF will remain responsible for reimbursement to Fannie Mae for losses on the pool of mortgage loans. There have been no losses in the last ten years and the likelihood of future losses is remote.

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

Total DIF Portfolio Liquidity

- The total liquidity available to the DIF is the sum of the DIF investment portfolio ($37.9 billion) and the DGP investment portfolio ($945 million). Consequently, the total liquidity (total market value including accrued interest) of both DIF-related investment portfolios stood at $38.8 billion on June 30, 2012, down $3.6 billion from $42.4 billion on December 31, 2011.



DIF Investment Portfolio

- On June 30, 2012, the DIF investment portfolio stood at $37.9 billion (total market value), up $0.3 billion from its December 31, 2011, balance of $37.6 billion. The modest increase primarily reflects the aforementioned $4.0 billion fund transfer from the DGP portfolio on June 29, 2012, receivership dividend receipts, and other inflows, largely offset by outflows for funding initial resolution payments, operating expenses, and other payments related to receivership activities.

- On June 30, 2012, the DIF investment portfolio's yield was 0.46 percent, up five basis points from its December 31, 2011, yield of 0.41 percent. During the first half of 2012, newly purchased Treasury securities, including some higher yielding Treasury Inflation-Protected Securities (TIPS), had higher yields than maturing securities, hence the rise in portfolio yield.

- In accordance with the approved second quarter 2012 investment strategy, staff purchased a total of four Treasury securities on two occasions during the quarter, consisting of two- short-maturity conventional Treasury securities and two TIPS. The four securities had a total par value of $4.8 billion, a weighted average yield of 0.62 percent (including TIPS at their potential yield), and a weighted average maturity (WAM) of 1.47 years.

DGP Investment Portfolio

- On June 30, 2012, the DGP investment portfolio stood at $945 million (total market value), down substantially from its December 31, 2011, balance of $4.8 billion, again due to the aforementioned transfer of DGP funds into the DIF investment portfolio. To facilitate the transfer of these funds, near quarter-end, staff sold eight Treasury securities from the DGP investment portfolio. The security sales had total proceeds of $2.6 billion; the securities had a weighted average yield of 0.24 percent, a WAM of 0.62 years, and a weighted average duration of 0.60 years.

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

Approved Budget Modifications

The 2012 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2012 Corporate Operating Budget. In accordance with the authority delegated by the Board of Directors, the CFO in May 2012 approved modifications to the Salaries and Compensation budget authority of divisions and offices within the Ongoing Operations budget component based on an analysis of year-to-date spending for salaries, bonuses/lump-sum payments, and fringe benefits. That reallocation realigned existing budget authority among most divisions and offices, but resulted in no change to the total corporate budget for that expense category.

Following that budget reallocation, the unused amounts remaining within the Corporate Unassigned budgets for the Ongoing Operations and the Receivership Funding budget components were $23,948,963 and $113,079,673, respectively.

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the six months ending June 30, 2012, are defined as those that either (1) exceed the YTD budget by $2 million and represent more than three percent of a major expense category or total division/office budget; or (2) are under the YTD budget for a major expense category or division/office by an amount that exceeds $3 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 was a significant spending variance in three major expense categories during the second quarter in the Ongoing Operations component of the 2012 Corporate Operating Budget:

- Outside Services - Personnel expenditures were approximately $19 million, or 14 percent, less than budgeted. The CIO Council spent $6 million less than budgeted due to timing differences between planned and actual expenditures for work on approved CIO Council projects. The Office of Complex Financial Institutions (CFI) spent $3 million less than budgeted as it continued to refine its contract spending requirements. The Office of Inspector General (OIG) spent $3 million less than budgeted due to changes in workload requirements that resulted in lower-than-budgeted spending on accounting and auditing fees. The Division of Insurance and Research (DIR) spent $2 million less than budgeted due to a modified strategy for the Failed Bank Insight Project, resulting in the use of internal resources rather than contract funds. In addition, Corporate University spent $2 million less than budgeted, largely due to lower-than-projected expenses for various training and development projects.

- Building expenditures were approximately $4 million, or 9 percent, less than budgeted. The Division of Administration (DOA) spent $4 million less than budgeted, largely due to delays in awarding the contract to upgrade the National Data Center and a change in the design approach for the 550 HVAC project, which will result in some expenses being incurred later than originally planned.

- Travel expenditures were approximately $4 million, or 7 percent, less than budgeted. The Division of Risk Management Supervision (RMS) spent $2 million less than budgeted, largely due to vacancies in non-permanent examination positions, resulting in lower regular duty and relocation travel expenses. Corporate University's Corporate Employee Program (CEP) spent $1 million less than budgeted due primarily to less travel than planned by Financial Institution Specialists in the CEP.

<u>Receivership Funding</u>

The Receivership Funding component of the 2012 Corporate 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.

There were significant spending variances in five of the seven major expense categories through the second quarter in the Receivership Funding component of the 2012 Corporate Operating Budget:

- Salaries and Compensation ($26 million or 20 percent, less than budgeted).
- Outside Services-Personnel ($179 million or 39 percent, less than budgeted).
- Buildings ($27 million or 57 percent, less than budgeted).
- Other Expenses ($9 million or 31 percent, less than budgeted).
- Travel ($6 million or 32 percent, less than budgeted).

The variance in the Outside Services-Personnel expense category was due to less costly resolutions and lower-than-anticipated asset management and marketing costs and contract support costs for failed bank resolutions. The variance in the Buildings expense category occurred as a result of shorter-than-expected operations at the site of failed banks. The variance in the Salaries and Compensation category was attributable to vacancies in budgeted non-permanent positions, primarily in the temporary satellite offices. The variance in the Travel category was due to lower-than-anticipated travel expenses attributed to the proximity of failed banks to the temporary satellite offices.

Significant Spending Variances by Division/Office[1]

Six organizations had significant spending variances through the end of the second quarter 2012:

- DRR spent $229 million, or 37 percent, less than budgeted, mostly due to less-than-budgeted spending for resolution and receivership management activities. Over recent quarters, the size of financial institution failures has been below levels anticipated during the 2012 budget formulation process.
- The Legal Division spent $19 million, or 12 percent, less than budgeted. Approximately $18 million of this variance was in the Receivership Funding budget component and was

[1]Information on division/office variances reflects variances in both the Corporate Operating and Investment Budgets.

largely attributable to lower-than-budgeted spending for outside legal services and slower-than-projected hiring to fill budgeted positions.

- The CIO Council spent $9 million, or 21 percent, less than budgeted, largely due to timing differences between planned and actual expenditures for approved CIO Council projects.

- OIG spent $6 million, or 28 percent, less than budgeted. OIG operated for virtually all of the fourth quarter in 2011 under a continuing resolution which effectively froze OIG spending at its FY 2011 appropriation level. These funding limitations precluded the OIG from filling vacant authorized positions and executing certain procurement actions, thus resulting in lower-than-anticipated expenditures in 2012.

- DIR spent $4 million, or 17 percent, less than budgeted largely due to a substantial number of vacancies in budgeted positions and a modified strategy for the Failed Bank Insights Project that will make use of predominantly internal resources rather than contract resources to carry out the project.

- CFI spent $4 million, or 13 percent, less than budgeted. This variance was attributable to lower-than-budgeted spending for contractual services and slower-than-projected hiring to fill budgeted positions.

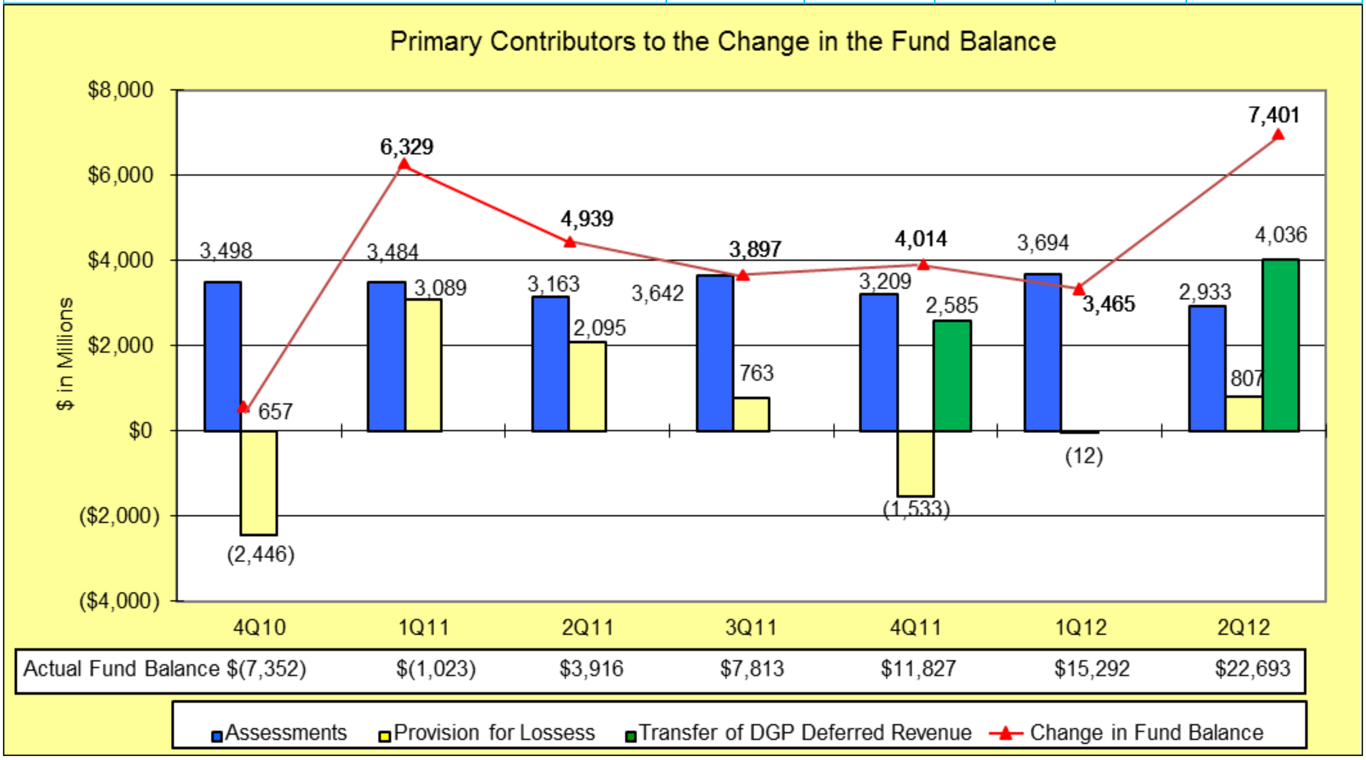
Other Matters

In conjunction with the 2012 Budget Resolution provision relating to “administrative adjustments to the salaries and compensation expense category”, an analysis of 2012 funding requirements for employee pay and benefits was completed. The analysis determined that those costs had been under-estimated during the preparation of the 2012 Corporate Operating Budget by approximately $1.1 million and $0.6 million in the Ongoing Operations and Receivership Funding budget components, respectively. The CFO elected not to exercise his delegated authority to increase the 2012 Corporate Operating Budget due to expectations that projected vacancies in budgeted positions will likely offset this shortfall during the year. Accordingly, no changes were made to either the Ongoing Operations or Receivership Funding budget authority under this provision of the Board Resolution.

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Jun-12	Mar-12	Quarterly Change	Jun-11	Year-Over-Year Change
Cash and cash equivalents	$ 4,137	$ 741	$ 3,396	$ 16,631	$ (12,494)
Cash and investments - restricted - systemic risk	945	4,723	(3,778)	7,363	(6,418)
Investment in U.S. Treasury obligations, net	33,314	33,937	(623)	20,820	12,494
Trust preferred securities	2,314	2,329	(15)	2,346	(32)
Assessments receivable, net	454	318	136	205	249
Receivables and other assets - systemic risk	1,723	1,974	(251)	1,901	(178)
Interest receivable on investments and other assets, net	449	505	(56)	279	170
Receivables from resolutions, net	21,855	28,963	(7,108)	29,126	(7,271)
Property and equipment, net	386	389	(3)	405	(19)
Total Assets	$ 65,577	$ 73,879	$ (8,302)	$ 79,076	$ (13,499)
Accounts payable and other liabilities	348	364	(16)	382	(34)
Unearned revenue - prepaid assessments	11,474	14,002	(2,528)	23,787	(12,313)
Liabilities due to resolutions	24,185	32,000	(7,815)	30,912	(6,727)
Debt Guarantee Program liabilities - systemic risk	-	-	-	60	(60)
Deferred revenue - systemic risk	2,668	6,698	(4,030)	9,131	(6,463)
Postretirement benefit liability	188	188	-	166	22
Contingent liability for anticipated failures	4,017	5,330	(1,313)	10,349	(6,332)
Contingent liability for systemic risk	-	-	-	73	(73)
Contingent liability for litigation losses	4	5	(1)	300	(296)
Total Liabilities	$ 42,884	$ 58,587	$ (15,703)	$ 75,160	$ (32,276)
FYI: Unrealized gain (loss) on U.S. Treasury investments, net	(1)	92	(93)	62	(63)
FYI: Unrealized gain (loss) on trust preferred securities	352	367	(15)	385	(33)
FYI: Unrealized postretirement benefit (loss) gain	(34)	(34)	-	(19)	(15)
Fund Balance	$ 22,693	$ 15,292	$ 7,401	$ 3,916	$ 18,777



Fund Financial Results - continued

($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund				
	Jun-12	Mar-12	Quarterly Change	Jun-11	Year-Over-Year Change
Assessments earned	$ 6,627	$ 3,694	$ 2,933	$ 6,647	$ (20)
Systemic risk revenue	(3)	10	(13)	(25)	22
Interest on U.S. Treasury obligations	101	20	81	65	36
Other revenue	4,160	64	4,096	147	4,013
Total Revenue	$ 10,885	$ 3,788	$ 7,097	$ 6,834	$ 4,051
Operating expenses	867	460	407	858	9
Systemic risk expenses	(3)	10	(13)	(25)	22
Provision for insurance losses	(795)	12	(807)	(5,184)	4,389
Insurance and other expenses	2	1	1	1	1
Total Expenses and Losses	$ 71	$ 483	$ (412)	$ (4,350)	$ 4,421
Net Income	10,814	3,305	7,509	11,184	(370)
Unrealized gain (loss) on U.S. Treasury investments, net	(49)	44	(93)	35	(84)
Unrealized gain (loss) on trust preferred securities	101	116	(15)	49	52
Unrealized postretirement benefit gain (loss)	-	-	-	-	-
Comprehensive Income	$ 10,866	$ 3,465	$ 7,401	$ 11,268	$ (402)

Selected Financial Data	FSLIC Resolution Fund				
	Jun-12	Mar-12	Quarterly Change	Jun-11	Year-Over-Year Change
Cash and cash equivalents	$ 3,596	$ 3,579	$ 17	$ 3,525	$ 71
Accumulated deficit	(124,461)	(124,281)	(180)	(124,278)	(183)
Total resolution equity	3,595	3,595	-	3,548	47
Total revenue	2	1		3	(1)
Operating expenses	3	1		2	1
Goodwill litigation expenses	181	-		33	148
Recovery of tax benefits	-	-		26	(26)
Net Income (Loss)	$ (180)	$ -		$ (54)	$ (126)

Receivership Selected Statistics June 2012 vs. June 2011

$ in millions	DIF			FRF			ALL FUNDS		
	Jun-12	Jun-11	*Change*	Jun-12	Jun-11	*Change*	Jun-12	Jun-11	*Change*
Total Receiverships	454	384	70	4	8	(4)	458	392	66
Assets in Liquidation	$ 19,516	$ 24,001	$ (4,485)	$ 7	$ 25	$ (18)	$ 19,523	$ 24,026	$ (4,503)
YTD Collections	$ 4,597	$ 6,580	$ (1,983)	$ 17	$ 1	$ 16	$ 4,614	$ 6,581	$ (1,967)
YTD Dividend/Other Pymts - Cash	$ 2,319	$ 5,554	$ (3,235)	$ -	$ -	$ -	$ 2,319	$ 5,554	$ (3,235)

Assets at Inception and Estimated Losses to the DIF

Year of Failure	Bank Failures	Total Assets (in billions)	Total Estimated Losses (in billions)	Total Estimated Losses as a % of Total Assets
2008*	24	$62.5	$20.1	32%
2009	140	$171.2	$37.1	22%
2010	157	$93.2	$22.4	24%
2011	92	$36.6	$8.0	22%
Jun-2012	31	$7.6	$1.8	24%

* Excludes WAMU with total assets of $299 billion and no estimated loss to the DIF.

Deposit Insurance Fund Portfolio Summary
(Dollar Values in Millions)

	6/30/12	12/31/11	Change
Par Value	$37,148	$36,784	$364
Amortized Cost	$37,703	$37,337	$366
Total Market Value (including accrued interest)	$37,875	$37,580	$295
Primary Reserve [1]	$37,875	$37,580	$295
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity [2]	0.46%	0.41%	0.05%
Weighted Average Maturity (in years)	0.63	0.66	(0.03)
Effective Duration (in years) [3]			
Total Portfolio	0.57	0.62	(0.05)
Available-for-Sale Securities	0.73	0.73	0.00
Held-to-Maturity Securities [4]	not applicable	not applicable	not applicable

[1] Primary Reserve is the total market value (including accrued interest) of overnight investments, 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] For each TIPS, an estimated 80 percent "yield beta" factor is applied to its real yield duration to arrive at an estimated effective duration.

[4] 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)

	6/30/12	12/31/11	Change
Debt Guarantee Program			
Par Value	$935	$4,764	($3,829)
Book Value	$940	$4,807	($3,867)
Total Market Value (including accrued interest)	$945	$4,827	($3,882)
Yield-to-Maturity	0.12%	0.11%	0.01%
Weighted Average Maturity (in years)	0.13	0.21	(0.08)
FRF-FSLIC			
Book Value [5]	$3,422	$3,377	$45
Yield-to-Maturity	0.02%	0.00%	0.02%
Weighted Average Maturity	overnight	overnight	no change

[5] 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)

	6/30/12	12/31/11	Change
Book Value [6]	$16,852	$17,052	($200)
Effective Annual Yield	0.12%	0.10%	0.02%
Weighted Average Maturity (in days)	23	9	14

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

Investment Strategies	
Deposit Insurance Fund	**Strategy for the 2nd Quarter 2012** Purchase up to $7 billion (par value) of available-for-sale (AFS) securities with maturity dates between September 30, 2012, and March 31, 2015, subject to the following additional restrictions: no more than $5 billion (par value) of such securities shall have maturity dates beyond March 31, 2013; no more than $3 billion (par value) of such securities shall have maturity dates beyond March 30, 2014; and no more than $3 billion (adjusted par value) of such securities shall consist of Treasury Inflation-Protected Securities.
	Strategy Changes for 3rd Quarter 2012
	Purchase up to $9 billion (par value) of available-for-sale (AFS) securities with maturity dates between December 31, 2012, and December 31, 2015, subject to the following additional restrictions: no more than $6 billion (par value) of such securities shall have maturity dates beyond December 31, 2013; no more than $4 billion (par value) of such securities shall have maturity dates beyond December 31, 2014; and no more than $4 billion (adjusted par value) of such securities shall consist of Treasury Inflation-Protected Securities.
Debt Guarantee Program	**Strategy for 2nd Quarter 2012** Overnight investments only.
	Strategy Changes for 3rd Quarter 2012
	Invest all available funds in overnight investments and/or in short-maturity AFS Treasury bills with maturities not exceeding December 27, 2012.
National Liquidation Fund	**Strategy for 2nd Quarter 2012** 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 3rd Quarter 2012
	No strategy changes for the third quarter of 2012.

Executive Summary of 2012 Budget and Expenditures
by Major Expense Category
Through June 30, 2012
(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	$1,146,265	$566,205	$547,646	97%	($18,559)
Outside Services - Personnel	309,576	136,817	118,178	86%	(18,639)
Travel	106,747	52,196	48,522	93%	(3,674)
Buildings	92,102	42,481	38,738	91%	(3,743)
Equipment	86,349	33,789	30,946	92%	(2,843)
Outside Services - Other	20,704	9,353	7,849	84%	(1,504)
Other Expenses	19,036	7,182	5,585	78%	(1,597)
Total Ongoing Operations	**$1,780,779**	**$848,022**	**$797,464**	**94%**	**($50,558)**
Receivership Funding					
Salaries & Compensation	$248,855	$129,681	$103,465	80%	($26,216)
Outside Services - Personnel	1,039,832	461,566	282,845	61%	(178,721)
Travel	33,306	17,156	11,608	68%	(5,548)
Buildings	93,967	48,023	20,750	43%	(27,273)
Equipment	12,795	4,587	5,544	121%	957
Outside Services - Other	11,001	5,671	3,330	59%	(2,341)
Other Expenses	60,245	30,460	21,087	69%	(9,373)
Total Receivership Funding	**$1,500,000**	**$697,144**	**$448,630**	**64%**	**($248,514)**
Total Corporate Operating Budget	**$3,280,779**	**$1,545,166**	**$1,246,094**	**81%**	**($299,072)**
Investment Budget [1]	**$12,657**	**$6,945**	**$5,747**	**83%**	**($1,198)**
Grand Total	**$3,293,436**	**$1,552,111**	**$1,251,841**	**81%**	**($300,270)**

1) Budgets for investment projects are approved on a multi-year basis; the year-to-date budget amount reflects the 2012 spending estimates for approved projects.

Executive Summary of 2012 Budget and Expenditures by Budget Component and Division/Office Through June 30, 2012 (Dollars in Thousands)

Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
Corporate Operating Budget					
Resolutions & Receiverships	$1,228,643	$619,899	$390,983	63%	($228,916)
Risk Management Supervision	535,067	265,951	254,742	96%	(11,209)
Legal	304,470	151,709	132,807	88%	(18,902)
Information Technology	278,532	124,419	124,772	100%	353
Administration	274,387	128,078	121,438	95%	(6,640)
Depositor & Consumer Protection	159,841	78,812	75,923	96%	(2,889)
CIO Council	84,521	41,531	32,843	79%	(8,688)
Complex Financial Institutions	61,167	29,847	26,072	87%	(3,775)
Insurance & Research	46,445	22,630	18,788	83%	(3,842)
Finance	42,170	20,547	18,288	89%	(2,259)
Inspector General	41,743	21,142	15,148	72%	(5,994)
Executive Support [1]	30,996	14,178	12,135	86%	(2,043)
Corporate University - Corporate	23,408	11,612	9,881	85%	(1,731)
Corporate University - CEP	20,407	9,084	7,118	78%	(1,966)
Executive Offices [2]	9,253	5,727	5,155	90%	(572)
Government Litigation	2,700	0	0	N/A	0
Corporate Unassigned	137,029	0	0	N/A	0
Total, Corporate Operating Budget	**$3,280,779**	**$1,545,166**	**$1,246,094**	**81%**	**($299,072)**
Investment Budget [3]					
Information Technology	$11,824	$6,528	$5,477	84%	($1,051)
Risk Management Supervision	238	214	169	79%	(45)
Corporate University - Corporate	345	203	101	50%	(102)
Administration	250	0	0	N/A	0
Total, Investment Budget [3]	**$12,657**	**$6,945**	**$5,747**	**83%**	**($1,198)**
Combined Division/Office Budgets					
Resolutions & Receiverships	$1,228,643	$619,899	$390,983	63%	($228,916)
Risk Management Supervision	535,305	266,165	254,911	96%	(11,254)
Legal	304,470	151,709	132,807	88%	(18,902)
Information Technology	290,356	130,947	130,249	99%	(698)
Administration	274,637	128,078	121,438	95%	(6,640)
Depositor & Consumer Protection	159,841	78,812	75,923	96%	(2,889)
CIO Council	84,521	41,531	32,843	79%	(8,688)
Complex Financial Institutions	61,167	29,847	26,072	87%	(3,775)
Insurance & Research	46,445	22,630	18,788	83%	(3,842)
Finance	42,170	20,547	18,288	89%	(2,258)
Inspector General	41,743	21,142	15,148	72%	(5,994)
Executive Support [1]	30,996	14,178	12,135	86%	(2,043)
Corporate University - Corporate	23,753	11,815	9,982	84%	(1,833)
Corporate University - CEP	20,407	9,084	7,118	78%	(1,966)
Executive Offices [2]	9,253	5,727	5,155	90%	(572)
Government Litigation	2,700	0	0	N/A	0
Corporate Unassigned	137,029	0	0	N/A	0
Grand Total	**$3,293,436**	**$1,552,111**	**$1,251,841**	**81%**	**($300,270)**

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

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, and Deputy to the Chairman for External Affairs.

3) Budgets for investment projects are approved on a multi-year basis; the year-to-date budget amount reflects the 2012 spending estimates for approved projects.