FDIC Federal Deposit Insurance Corporation

Deputy to the Chairman and Chief Financial Officer

February 23, 2022

MEMORANDUM TO: The Board of Directors

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

SUBJECT: Fourth Quarter 2021 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended December 31, 2021.

Executive Summary

- During the fourth quarter of 2021, the Deposit Insurance Fund (DIF) balance rose to a record $123.1 billion as of December 31, 2021, up $1.2 billion from the September 30, 2021 balance of $121.9 billion. The quarterly increase was primarily due to a $2.0 billion increase in assessment revenue, partially offset by an unrealized loss of $536 million on U.S. Treasury (UST) securities.

- The DIF Reserve Ratio (DRR) remained at 1.27 percent as of December 31, 2021 as growth in insured deposits remained strong this quarter.

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

- Through December 31, 2021, overall FDIC Operating Budget expenditures were below budget by about $409.9 million, or 18 percent. This variance was the result of underspending of $271.3 million in the Ongoing Operations budget component and $134.1 million in the Receivership Funding budget component. Underspending in the Ongoing Operations budget component occurred primarily in three major expense categories: Salaries and Compensation, Outside Services – Personnel, and Travel. Underspending in the Receivership Funding budget component was mostly in the Outside Services – Personnel expense category, largely reflecting the absence of any bank failures in 2021. These spending variances are explained in more detail below.

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

Deposit Insurance Fund

- The DIF's comprehensive income totaled $5.2 billion for 2021 compared to $7.5 billion during 2020, a decrease of $2.3 billion. This year-over-year decrease resulted from a decline in interest revenue on UST securities of $730 million and a decline in market value adjustments on UST securities of $1.7 billion.

- The DIF's interest revenue on UST securities for 2021 was nearly $1.0 billion, compared to $1.7 billion in 2020. The $730 million year-over-year decrease occurred despite the $4.1 billion increase in the investment portfolio, as maturities continue to be reinvested into lower yielding securities.

- During 2021, the DIF recognized an unrealized loss on UST securities of $1.2 billion, down from a $483 million unrealized gain in 2020. This decrease was primarily due to yields rising, as market participants priced in the withdrawal of economic support from the Federal Reserve and potential rate hikes for 2022.

Assessments

- During December, the DIF recognized assessment revenue of $1.7 billion for the estimate of fourth quarter 2021 insurance coverage. Additionally, the DIF recognized a $257 million adjustment for prior period amendments and higher-than-estimated collections for the third quarter 2021 insurance coverage, which increased assessment revenue.

- On December 30, 2021, the FDIC collected $1.9 billion in DIF assessments for third quarter 2021 insurance coverage.

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

DIF Investment Portfolio

- On December 31, 2021, the total liquidity (also total market value) of the DIF investment portfolio stood at $120.80 billion, up $5.89 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 December 31, 2021, the DIF investment portfolio's yield was 0.633 percent, down 48.0 basis points from its 1.113 percent yield on December 31, 2020. The new Treasury securities purchased during the fourth quarter of the year had significantly lower yields than the maturing securities' yields.

- In accordance with the approved fourth quarter 2021 DIF portfolio investment strategy, staff purchased a total of nine conventional Treasury securities. The nine securities had a total par value of $15.93 billion, a weighted average yield of 0.595 percent, and a weighted average maturity of 1.83 years.

III. <u>Budget Results</u> (See pages 12 – 13 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 fourth quarter, in accordance with the authority delegated by the Board of Directors:

- In October, the CFO approved a reallocation of $9,692 within the Salaries and Awards budgets of DOA and OCOM to support the previously approved transfer of the Graphics Design and Printing Unit (GDPU) staff from the Division of Administration (DOA) to the Office of Communications (OCOM). When Salaries budgets were previously transferred, commensurate Awards funding was omitted. This adjustment corrected that oversight.

- In December, in conjunction with a periodic corporate-wide review of Salaries and Compensation budgets, the CFO approved the following minor budget realignments in the Ongoing Operations budget component:

    - Reallocation of $200,000 of unused budget authority attributable to vacant positions from the Office of Legislative Affairs (OLA) to the FDIC Tech Lab (FDITECH) to fund its use of detailees.

    - Reallocation of $250,000 of unused budget authority attributable to vacant positions from the Office of the Vice Chairman to the Office of the Chief Operating Officer (COO) to fund its use of detailees.

Following these fourth quarter budget modifications, the balance in the Corporate Unassigned contingency reserve for the Ongoing Operations budget component remained unchanged at $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 also 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 did not increase the total approved 2021 FDIC Operating Budget. The CFO approved the following modifications to staffing authorizations during the fourth quarter, in accordance with the authority delegated by the Board of Directors:

- In December, the CFO approved an increase of nine authorized temporary positions, six positions in the Division of Risk Management Supervision (RMS), two in the Division of Information Technology (DIT), and one in the Office of the Chief Information Security Officer (OCISO), to plan and implement the RMS Business Process Modernization (RMS-BPM) project. RMS-BPM is a multi-year initiative to redesign and automate RMS's existing end-to-end supervisory processes, including replacing RMS's current automated systems with a suite of modern successor applications to support the redesigned business processes. That effort is one of the more critical steps intended to ultimately permit the FDIC to retire its current mainframe computer and close the back-up data center.

Subsequent to these fourth quarter adjustments, authorized 2021 staffing for the Corporation totaled 5,853 positions (5,791 permanent and 62 non-permanent), a net increase of nine positions.

Spending Variances

Significant spending variances by major expense category and division/office are discussed below.[1] Significant spending variances for the full year are defined as those that either (1) exceeded the annual budget for a major expense category or division/office; or (2) were under the annual budget for a major expense category or division/office by more than $5 million and represented more than five percent of the major expense category or total division/office budget.

Significant Spending Variances by Major Expense Category

Ongoing Operations

Overall spending for the Ongoing Operations budget component was $271 million, or 13 percent, below budget for 2021. There were significant spending variances in six major expense categories:

- Spending in the Outside Services – Personnel expense category was under budget by $102.7 million, or 27 percent. Significant underspending occurred from the Corporate Unassigned contingency reserve and in five divisions and offices:
    - Approximately $47 million of the $70 million Corporate Unassigned contingency reserve approved by the Board for 2021 was not used. That included $40 million budgeted specifically to address potential pandemic-related issues that might arise in the banking industry unexpectedly during the year. Those funds were budgeted in the Outside Services-Personnel expense category.
    - DOA underspent its budget by $11.6 million due to delays in several initiatives and reduced costs for certain contracts. Delays in several major initiatives contributed to the underspending: implementation of electronic Official Personnel Folders ($2.5 million), the Insider Threat Platform ($1.4 million), an update of the Acquisition Policy Manual ($0.5 million), and several smaller initiatives. The underspending also reflected reduced expenses incurred under the Guard Services contract ($1.3 million, due to pandemic-related service reductions), the Nationwide Administrative Support Services contract ($1.0 million, due to savings realized through re-competition of the contract and pandemic-related reductions to support services rendered), the Contracting Administrative Support Services contract ($0.6 million), and several other smaller contracts.
    - The Division of Information Technology (DIT) underspent its budget by $9.8 million. Of this amount, $6.0 million reflected delays in IT Modernization initiatives. The remaining $3.8 million was primarily attributable to delays in the onboarding of contract personnel for several contracts.
    - FDITECH underspent its budget by $9.1 million, primarily due to contract delays for three pilot projects ($6 million), three Tech Sprints ($2 million) and a Web Content Management contract ($1 million).

[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.

- The Division of Complex Financial Institution Supervision and Resolution (CISR) underspent its budget by $6.2 million due to delays in contracting for budgeted advisory services for human resource management (compensation playbooks), strategic communications (playbook framework), and institution analysis.

- The Legal Division underspent its budget by $4.6 million, primarily due to delays in ongoing litigation and a reduced volume of enforcement actions related to investigations.

- The Division of Resolutions and Receiverships (DRR) underspent its budget by $4.1 million due to delays in awarding several contracts for advisory services and lower-than-estimated expenses for updating the Shared Loss Liability Estimation model and security testing for the Resolution Transaction Submission Portal.

- Spending in the Salaries and Compensation expense category was under budget by $75.7 million, or 6 percent, primarily due to vacancies in budgeted positions in multiple organizations, including RMS, the Legal Division, CISR, DOA, the Division of Depositor and Consumer Protection (DCP), the Division of Insurance and Research (DIR), and the Executive Offices.

- Spending in the Travel expense category was under budget by $52.7 million, or 86 percent due to substantially reduced travel by employees in multiple organizations because of the continuation of pandemic-related travel restrictions.

- Spending in the Buildings and Leased Space expense category was under budget by $22.5 million, or 20 percent, primarily attributable to underspending in DOA due to delays in the design and execution of large planned construction projects, reduced expenses for building operations, and reductions in leased space.

- Spending in the Equipment expense category was under budget by $10.1 million, or eight percent. This was mostly attributable to delays in executing planned purchases, receipt of purchased goods after the end of the year, and reductions in subscriptions in DIT and OCISO; and underspending by DOA in digital library subscriptions and furniture purchases due to mandatory telework.

- Spending in the Other Expenses expense category was under budget by $6.4 million, or 44 percent. This was mostly attributable to underuse of Professional Learning Account (PLA) training funds during mandatory telework, primarily by employees in RMS, DOA, and DCP.

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.

Overall spending for the Receivership Funding budget component was $134.1 million, or 77 percent, below budget for 2021. There were significant spending variances in two major expense categories:

- Spending in the Outside Services – Personnel expense category was under budget by $132.3 million, or 78 percent. This was mostly attributable to unused Corporate Unassigned contingency reserves of $122.5 million, underspending of $7.0 million by DRR because there were no bank failures in 2021, and underspending of $2.2 million by the Legal Division attributable to delays in ongoing litigation because of the pandemic and other court-imposed delays.

- Spending in the Salaries and Compensation expense category was under budget by $1.0 million, or nearly 100 percent, because funds were not used that had been budgeted for possible overtime by FDIC employees in conjunction with bank failures.

- Spending in the Equipment expense category was over budget by $0.3 million, or 24 percent. This was mostly attributable to higher-than-projected expenses for litigation-related data storage.

Office of the Inspector General

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

Significant Spending Variances by Division/Office

Nine organizations had significant spending variances for 2021:

- RMS spent $63.6 million, or 11 percent, less than its budget. The underspending occurred in the Travel expense category due to pandemic-related travel restrictions ($36.1 million), the Salaries and Compensation expense category as a result of vacancies in budgeted positions ($21.1 million) due to substantially higher-than-projected examiner attrition, the Outside Services-Personnel expense category due to underuse of the bank document scanning contract ($3.2 million), and the Other Expenses expense category as a result of the underuse of PLA training funds by RMS employees ($2.7 million).

- DOA spent $47.8 million, or 16 percent, less than its budget. This was primarily attributable to underspending in three major expense categories. It underspent its Buildings and Leased Space and Outside Services-Personnel budgets for the reasons outlined above. It underspent its Salaries and Compensation budget due to vacancies in budgeted positions.

- DIT spent $18.1 million, or 5 percent, less than its budget. This was primarily attributable to underspending in the Outside Services Personnel and Equipment major expense categories for the reasons outlined above.

- The Legal Division spent $17.8 million, or 11 percent, less than its budget. This was attributable primarily to underspending of $9.4 million in its Salaries and Compensation budget due to the large number of vacancies in budgeted positions and underspending of its Outside Services-Personnel budget for the reasons outlined above.

- CISR spent $17.4 million, or 17 percent, less than its budget. This was primarily attributable to underspending of $8.9 million in its Salaries and Compensation budget due to vacancies in budgeted positions and underspending of $6.2 million in its Outside Services–Personnel budget for the reasons outlined above.

- DRR spent $17.3 million, or 13 percent, less than its budget, including underspending of $14.0 million in the Receivership Funding budget component because there were no bank failures in 2021, which reduced spending for pre-closing and post-closing activities, accounting and tax services, and asset marketing and management.

- DCP spent $17.0 million, or 9 percent, less than its budget. This was primarily the result of underspending its Travel budget due to pandemic-related travel restrictions ($9.1 million) and its Salaries and Compensation budget due to vacancies in budgeted positions ($6.4 million).

- FDITECH spent $9.1 million, or 58 percent, less than budgeted primarily due to contract delays for three pilot projects ($6 million), three Tech Sprints ($2 million) and a Web Content Management contract ($1 million).

- DIR spent $7.7 million, or 12 percent, less than its budget. This was attributable primarily to underspending of $5.4 million in its Salaries and Compensation budget due to vacancies in budgeted positions.

- The Office of Minority and Women Inclusion (OMWI) spent $2.8 million, or 28 percent, less than its budget. This was due to delays in contracting for training services and lower-than-projected spending on interpreters and outreach events during the pandemic.

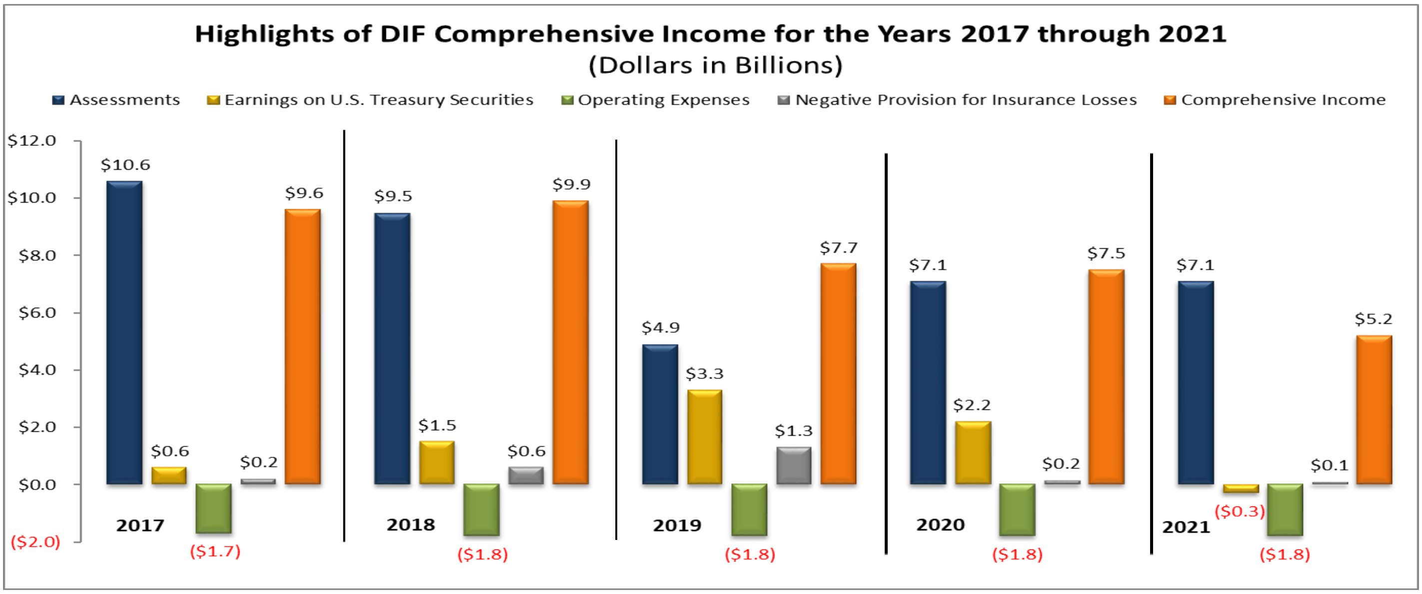
- The Office of Risk Management and Internal Controls (ORMIC) spent $1.8 million, or 32 percent, less than its budget, primarily due to vacancies in budgeted positions.

- The Office of Communications (OCOM) spent $1.0 million, or 12 percent, less than its budget, largely due to employee attrition and delays in filling positions supporting the new Virtual Outreach Center.

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
			Quarterly		Year-Over-Year
	Dec-21	Sep-21	Change	Dec-20	Change
Cash and cash equivalents	$ 5,563	$ 3,944	$ 1,619	$ 3,311	$ 2,252
Investment in U.S. Treasury securities	114,551	114,705	(154)	110,464	4,087
Assessments receivable	1,711	1,676	35	1,949	(238)
Interest receivable on investments and other assets, net	718	998	(280)	1,159	(441)
Receivables from resolutions, net	885	903	(18)	1,367	(482)
Property and equipment, net	327	323	4	321	6
Operating lease right-of-use assets	85	93	(8)	112	(27)
Total Assets	$ 123,840	$ 122,642	$ 1,198	$ 118,683	$ 5,157
Accounts payable and other liabilities	255	259	(4)	251	4
Operating lease liabilities	91	99	(8)	119	(28)
Liabilities due to resolutions	0	1	(1)	1	(1)
Postretirement benefit liability	332	336	(4)	336	(4)
Contingent liability for anticipated failures	21	12	9	79	(58)
Contingent liability for litigation losses	0	0	0	0	0
Total Liabilities	$ 699	$ 707	$ (8)	$ 786	$ (87)
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	(149)	387	(536)	1,070	(1,219)
FYI: Unrealized postretirement benefit (loss) gain	(83)	(98)	15	(98)	15
Fund Balance	$ 123,141	$ 121,935	$ 1,206	$ 117,897	$ 5,244



The DIF's comprehensive income totaled $5.2 billion for 2021 compared to comprehensive income of $7.5 billion during 2020. The year-over-year decrease in comprehensive income of $2.3 billion was primarily driven by a decrease in interest and market value adjustments on U.S. Treasury securities of $2.4 billion.

Fund Financial Results - continued

($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund Dec-21	Sep-21	Quarterly Change	Dec-20	Year-Over-Year Change
Assessments	$ 7,080	$ 5,113	$ 1,967	$ 7,093	$ (13)
Interest on U.S. Treasury securities	953	756	197	1,683	(730)
Return of unclaimed insured deposits	103	60	43	0	103
Other revenue	17	13	4	20	(3)
Total Revenue	$ 8,153	$ 5,942	$ 2,211	$ 8,796	$ (643)
Operating expenses	1,843	1,368	475	1,846	(3)
Provision for insurance losses	(144)	(152)	8	(157)	13
Insurance and other expenses	6	5	1	3	3
Total Expenses and Losses	$ 1,705	$ 1,221	$ 484	$ 1,692	$ 13
Net Income	$ 6,448	$ 4,721	$ 1,727	$ 7,104	$ (656)
Unrealized gain (loss) on U.S. Treasury securities, net	(1,219)	(683)	(536)	483	(1,702)
Unrealized postretirement benefit gain (loss)	15	0	15	(37)	52
Comprehensive Income	$ 5,244	$ 4,038	$ 1,206	$ 7,550	$ (2,306)

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

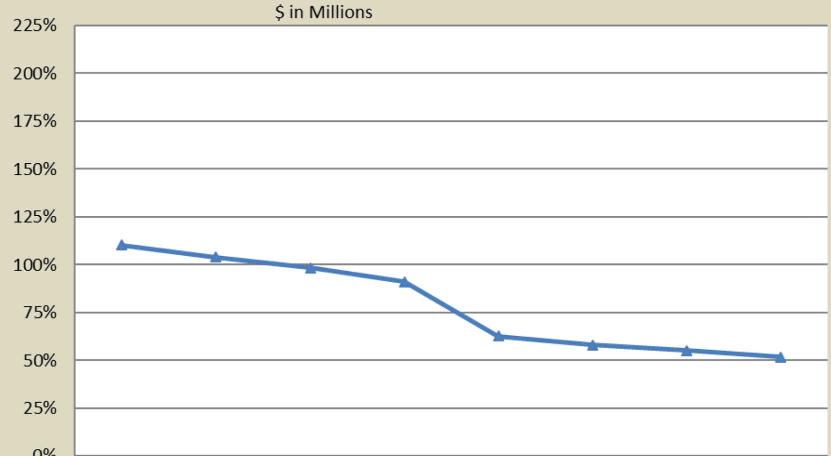
Receivership Selected Statistics December 2021 vs. December 2020

	DIF			FRF			ALL FUNDS		
($ in millions)	Dec-21	Dec-20	*Change*	Dec-21	Dec-20	*Change*	Dec-21	Dec-20	*Change*
Total Receiverships	191	234	(43)	0	0	0	191	234	(43)
Assets in Liquidation	$ 92	$ 282	$ (190)	$ 0	$ 1	$ (1)	$ 92	$ 283	$ (191)
YTD Collections	$ 514	$ 512	$ 2	$ 1	$ 1	$ 0	$ 515	$ 513	$ 2
YTD Dividend/Other Pmts - Cash	$ 586	$ 1,433	$ (847)	$ 0	$ 0	$ 0	$ 586	$ 1,433	$ (847)

Coverage Ratio

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

$ in Millions



	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021
Coverage Ratio	110%	104%	98%	91%	63%	58%	55%	52%
Interest on UST securities	507	961	1,353	1,683	284	535	756	953
Operating Expenses	460	925	1,376	1,846	454	920	1,368	1,843

Interest income, and subsequently the Coverage Ratio, continued to trend down for 2021, as reinvestments for maturing securities continued at lower rates than the initial security purchases. The Federal Reserve is poised to raise rates in 2022, which should quickly bump the interest earned in the overnights; however, given the longer duration of the securities portfolio, the Coverage Ratio will be slower to recover.

Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	12/31/21	12/31/20	Change
Par Value	$117,716	$110,403	$7,313
Amortized Cost	$120,242	$112,698	$7,544
Total Market Value (including accrued interest)	$120,797	$114,910	$5,887
Primary Reserve [1 2]	$120,797	$114,910	$5,887
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity	0.633%	1.113%	-0.480%
Weighted Average Maturity (in years)	1.24	1.19	0.05
Effective Duration (in years)			
Total Portfolio	1.22	1.16	0.06
Available-for-Sale Securities [3]	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] The Primary Reserve balance reflects $1.536 billion held in FDIC's Primary Cash Account (PCA). The high PCA account balance was a result of maturities and coupons received on 12/31/21 that remained uninvested for the three day holiday weekend.

[3] Excludes any overnight investments.

Summary of Other Corporate Investment Portfolios (Dollar Values in Millions)			
	12/31/21	12/31/20	Change
FRF-FSLIC			
Book Value [4]	$882	$882	$0
Yield-to-Maturity	0.06%	0.06%	0.00%
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)			
	12/31/21	12/31/20	Change
Book Value [5]	$1,409	$1,761	($352)
Effective Annual Yield	0.06%	0.14%	-0.08%
Weighted Average Maturity (in days)	1	1	0

[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 2021**
	Invest up to $22 billion (par value) in AFS securities with maturities between March 31, 2022 and October 1, 2026.
	Strategy Changes for the 1st Quarter 2022
	Invest up to $16 billion (par value) in AFS securities with maturities between June 30, 2022 and January 1, 2027.
NATIONAL LIQUIDATION FUND	**Strategy 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.
	Strategy Changes for the 1st Quarter 2022
	Maintain an overnight deposit target floor balance within a range of $10 million to $100 million. Strategically invest the remaining funds in the zero- to 12-month maturity sector.

Executive Summary of 2021 Budget and Expenditures by Budget Component and Major Expense Category Through December 31, 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	$1,355,812	$1,280,095	94%	($75,717)
Outside Services - Personnel	376,501	376,501	273,773	73%	(102,728)
Travel	61,552	61,552	8,832	14%	(52,720)
Buildings	111,715	111,715	89,198	80%	(22,517)
Equipment	120,761	120,761	110,663	92%	(10,098)
Outside Services - Other	17,687	17,687	16,585	94%	(1,102)
Other Expenses	14,607	14,607	8,203	56%	(6,404)
Total Ongoing Operations	**$2,058,635**	**$2,058,635**	**$1,787,349**	**87%**	**(271,286)**
Receivership Funding					
Salaries & Compensation	$1,008	$1,008	($11)	(1%)	($1,019)
Outside Services - Personnel	168,589	168,589	36,318	22%	(132,271)
Travel	793	793	11	1%	(782)
Buildings	2,129	2,129	1,919	90%	(210)
Equipment	1,274	1,274	1,586	124%	312
Outside Services - Other	179	179	94	53%	(85)
Other Expenses	1,028	1,028	978	95%	(50)
Total Receivership Funding	**$175,000**	**$175,000**	**$40,895**	**23%**	**($134,105)**
Office of Inspector General					
Salaries & Compensation	$36,603	$36,603	$35,806	98%	($797)
Outside Services - Personnel	3,858	3,858	1,229	32%	(2,629)
Travel	1,235	1,235	708	57%	(527)
Buildings	0	0	0		0
Equipment	2,370	2,370	2,211	93%	(159)
Outside Services - Other	1	1	0	0%	(1)
Other Expenses	846	846	482	57%	(364)
Total Office of Inspector General	**$44,913**	**$44,913**	**$40,436**	**90%**	**($4,477)**
Total FDIC Operating Budget	**$2,278,548**	**$2,278,548**	**$1,868,680**	**82%**	**($409,868)**

Executive Summary of 2021 Budget and Expenditures
by Division/Office
Through December 31, 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	$ 581,169	$ 517,603	89%	$ (63,566)
Information Technology	364,609	364,609	346,482	95%	(18,127)
Administration	302,115	302,115	254,308	84%	(47,807)
Depositor & Consumer Protection	185,250	185,250	168,224	91%	(17,026)
Legal	163,986	163,986	146,224	89%	(17,762)
Resolutions & Receiverships	133,065	133,065	115,815	87%	(17,250)
Complex Institution Supervision & Resolution	101,686	101,686	84,265	83%	(17,421)
Insurance & Research	63,791	63,791	56,130	88%	(7,661)
Inspector General	44,913	44,913	40,436	90%	(4,477)
Chief Information Security Officer	41,077	41,077	37,197	91%	(3,880)
Executive Support [1]	51,891	51,891	35,374	68%	(16,517)
Finance	37,961	37,961	34,285	90%	(3,676)
Corporate University - Corporate	23,094	23,094	21,104	91%	(1,990)
Executive Offices [2]	14,447	14,447	11,233	78%	(3,214)
Corporate Unassigned [3]	169,494	169,494	0	0%	(169,494)
Total FDIC Operating Budget	**$2,278,548**	**$2,278,548**	**$1,868,680**	**82%**	**($409,868)**

1) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, Financial Institution Adjudication, and Risk Management and Internal Controls as well as the FDIC Tech Lab.

2) Executive Offices include the offices of the Chairman, Vice Chairman, Independent Director, Deputy to the Chairman and Chief Operating Officer, Deputy to the Chairman and Chief Financial Officer, Deputy to the Chairman for Policy, Deputy to the Chairman for External Affairs, Deputy to the Chairman for Financial Stability, Deputy to the Chairman for Consumer Protection and Innovation, and Chief Information Officer/Chief Privacy Officer.

3) 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.