



**Federal Deposit Insurance Corporation**

550 17th Street, N.W., Washington, D.C. 20429-9990

Deputy to the Chairman and CFO

February 28, 2019

MEMORANDUM TO: The Board of Directors

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

SUBJECT: Fourth Quarter 2018 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended December 31, 2018.

**Executive Summary**

- During the fourth quarter of 2018, the Deposit Insurance Fund (DIF) balance increased by \$2.4 billion, from \$100.2 billion at September 30, 2018, to \$102.6 billion at December 31, 2018. The quarterly increase was primarily due to \$1.4 billion in assessment revenue and a \$756 million reduction in unrealized losses on U.S. Treasury securities.
- The reserve ratio, which is the ratio of the DIF balance to estimated insured deposits, was 1.36 percent as of December 31, 2018. The reserve ratio was unchanged from September 30, 2018, and increased by 6 basis points during 2018.
- There were no financial institution failures during the fourth quarter of 2018; the last failure occurred on December 15, 2017.
- Through December 31, 2018, overall FDIC Operating Budget expenditures were below budget by 9 percent (\$195 million). About \$80 million was attributable to underspending in the Receivership Funding budget component due to lower-than-projected resolutions and receivership management workload because there were no bank closings during the year. Most of the remainder of the underspending was in the Ongoing Operations budget component (\$112 million). About half of this variance was in the Salaries and Compensation major expenses category and was the result of higher-than-expected vacancies in budgeted positions throughout the year. In addition, lower-than-anticipated expenses for facilities and the deferral of construction projects to 2019 and lower-than-budgeted expenses for outside counsel, security services (including background checks), and other outside services were the primary factors contributing 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 \$9.9 billion for 2018, compared to comprehensive income of \$9.6 billion during 2017, a \$277 million year-over-year increase. The slight increase was largely the result of a \$576 million increase in interest on U.S Treasury securities, a \$380 million increase in negative provision for insurance losses, and a \$364 million decrease in unrealized losses on U.S. Treasury securities. The increases were almost fully offset by a \$1.1 billion decrease in assessment revenue.
- The provision for insurance losses was a negative \$563 million for 2018, compared to negative \$183 million for 2017. The negative provision for 2018 primarily resulted from a \$570 million decrease to the estimated losses for prior year failures, attributable to: (1) a decrease in receivership shared-loss liability cost estimates of \$186 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) \$172 million of estimated recoveries from residual certificates retained by receiverships for structured transactions; and (3) \$130 million of unanticipated recoveries received by receiverships from tax refunds, litigation settlements, and professional liability claims.
- Assessment revenue was \$9.5 billion for 2018, compared to \$10.6 billion for 2017. The \$1.1 billion year-over-year decrease was primarily due to the cessation of the surcharge assessment on large institutions effective October 1, 2018, as a result of the reserve ratio exceeding the required minimum of 1.35 percent as of September 30, 2018.
- Small banks will receive credits to offset the portion of their assessments that helped to raise the DIF reserve ratio from 1.15 percent to 1.35 percent. These credits amount to \$765 million in aggregate, and will be automatically applied to offset regular deposit insurance assessments for assessment periods where the DIF reserve ratio is at or above 1.38 percent. Because the DIF reserve ratio was below 1.38 percent as of December 31, 2018, assessment credits will not offset fourth quarter insurance assessments collected in March 2019.

### Assessments

- During December, the DIF recognized assessment revenue of \$1.4 billion, representing the estimate for the fourth quarter 2018 insurance coverage. Additionally, the DIF recognized a \$27 million adjustment for lower-than-estimated collections for the third quarter 2018 insurance coverage (regular assessments: \$23 million and surcharges: \$4 million), which decreased assessment revenue.
- On December 28, 2018, the FDIC collected \$1.4 billion in DIF assessments and \$1.3 billion in surcharge assessments for third quarter 2018 insurance coverage.

## II. Investment Results (See pages 9 – 10 for detailed data and charts.)

### DIF Investment Portfolio

- On December 31, 2018, the total liquidity (also total market value) of the DIF investment portfolio stood at \$99.0 billion, up \$13.4 billion from its December 31, 2017, balance of \$85.6 billion. During the year, interest revenue, receivership dividends, and deposit insurance assessment collections far exceeded resolution-related outlays and operating expenses.

- On December 31, 2018, the DIF investment portfolio's yield was 2.05 percent, up 53 basis points from its 1.52 percent yield on December 31, 2017. The new Treasury securities purchased during the year had higher yields than the maturing securities' yields.
- In accordance with the fourth quarter 2018 DIF portfolio investment strategy, staff purchased 14 short-to intermediate-maturity conventional Treasury securities, all designated as available-for-sale. The 14 securities had a total par value of \$7.750 billion, a weighted average yield of 2.87 percent, and a weighted average maturity of 2.60 years.

### III. **Budget Results** (See pages 11 – 12 for detailed data.)

#### **Approved Budget Modifications**

The 2018 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2018 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 2018, the CFO approved an increase of \$1.9 million in the Equipment expense category of the Division of Information Technology's (DIT) Ongoing Operations budget to purchase equipment required for a planned expansion of WiFi capabilities in FDIC Headquarters facilities in early 2019. These funds were reallocated from the Corporate Unassigned contingency reserve within the Ongoing Operations budget component.
- In December 2018, the CFO approved miscellaneous budget adjustments to address projected surpluses and shortfalls within the Ongoing Operations budgets of the Executive Offices. There was no net increase or decrease in the total Ongoing Operations budget for the Executive Offices.

Following these budget modifications, the balances in the Corporate Unassigned contingency reserves were \$18,662,766 in the Ongoing Operations budget and \$23,908,578 in the Receivership Funding budget component. This unused budget authority lapsed at the end of the year.

#### **Approved Staffing Modifications**

The 2018 Budget Resolution delegated to the CFO the authority to modify approved 2018 staffing authorizations for divisions and offices, as long as those modifications did not increase the total approved 2018 FDIC Operating Budget. There were no staffing modifications approved during the fourth quarter of 2018.

#### **Spending Variances**

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the full year are defined as those that either (1) exceed the annual budget; or (2) are under the annual 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**

##### Ongoing Operations

There were three significant spending variances in major expense categories in the Ongoing Operations budget component for 2018:

- Outside Services – Personnel expenditures were \$26 million, or 10 percent, less than budgeted. This primarily reflected underspending in the Division of Administration (DOA) and the Chief Information Officer (CIO) organizations as well as \$2 million in unused budget authority in this expense category in the Corporate Unassigned contingency reserve.
  - DOA spent \$5 million, or 10 percent, less than budgeted for contractual services, mainly due to lower-than-budgeted expenses on HR Benefits (Career Counseling and Benefit Support Services), HR Services (including PD classification analysis and staffing/organizational restructuring reviews), background investigations, Access Control Program maintenance, and Student Residence Center management expenses.
  - The combined CIO organizations spent approximately \$12 million, or eight percent, less than budgeted for contractual services.
    - DIT spent \$6 million, or seven percent, less than budgeted, largely due to under-spending in the operations budgets (\$3.7 million, or six percent) for the Business Administration, Enterprise Technology, and Infrastructure Services Branches. DIT also under-spent its budget for the Backup Data Center (\$2.8 million, or 33 percent) due to a lower-than-projected need for onsite contractors at the new Backup Data Center and lower-than-anticipated spending for engineering services. It also under-spent its budget for services related to Technology Refreshment (\$500,000, or 14 percent).
    - The CIO Council spent \$4 million, or eight percent, less than budgeted due to under-spending for system enhancements from the discretionary budget allocations of divisions, lower-than-estimated maintenance costs for various systems, and lower-than-expected spending for required changes to permit systems to run in the new Backup Data Center.
    - The Office of the Chief Information Security Officer spent \$2 million, or 9 percent, less than budgeted, mostly due to delays in bringing contractor staff on board, a delay in awarding the contract for Information Security Management Program support, delays in completing system certification reviews, and the delay of scheduled security assessments until 2019.
- Travel expenditures were \$6 million, or six percent, under budget. This was mostly due to under-spending of \$5 million by the Division of Risk Management Supervision due to lower-than-anticipated travel for bank examinations throughout the year. The Division of Depositor and Consumer Protection spent almost \$1 million less than budgeted due to lower than expected relocation expenses.
- Buildings and Leased Space spending was \$16 million, or 15 percent, under budget, mostly due to under-spending by DOA. DOA spent \$11 million less than budgeted because the completion of building improvement projects at the 1776 F St. and Virginia Square buildings, which were budgeted in 2018, will carry over into 2019. Another \$5 million in under-spending in this expense category was attributable to procurement delays resulting from technical and personnel issues, several field office moves that did not occur as anticipated, lower-than-expected annual utilities expenses, and deferral of the San Francisco Regional Office (SFRO) improvement project.
- The Corporate Unassigned contingency reserve had approximately \$19 million in unused budget authority remaining at the end of the year in the Ongoing Operations budget component. That unused budget authority lapsed on December 31, 2018.

## 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 2018 FDIC Operating Budget:

- Outside Services-Personnel expenditures were \$64 million, or 35 percent, less than budgeted. This variance was largely attributable to under-spending of almost \$24 million by the Division of Resolutions and Receiverships (DRR) and about \$15 million by the Legal Division. The variance for DRR (\$24 million, or 25 percent, less than budgeted) was primarily due to the absence of bank closings in 2018. DRR under-spent for pre-closing, closing, and resolution activities, financial advisory services, and valuation advisory requirements. The variance for Legal (\$15 million, or 24 percent, less than budgeted) was due to lower-than-anticipated costs for outside legal counsel for receivership and resolution activities. In addition, the Corporate Unassigned contingency reserve had approximately \$24 million in unused budget authority remaining at the end of the year in this expense category. That unused budget authority lapsed on December 31, 2018.
- Salaries and Compensation expenditures were \$8 million, or 40 percent, less than budgeted. DRR and the Legal Division accounted for approximately \$5 million and \$2 million of this variance, respectively, due to vacancies in budgeted non-permanent positions.
- Other Expenses were approximately \$5 million, or 72 percent, less than budgeted. This variance was almost entirely due to lower-than-budgeted spending by DRR for administrative expenses, settlements, and taxes due to the lack of bank closings in 2018.
- Outside Service – Other expenditures were approximately \$819,000, or 62 percent, more than budgeted due to significant expenses related to insurance and communications expenses for one failed bank receivership.
- Equipment expenditures were \$13,000, or one percent, more than budgeted. This was primarily attributable to higher-than-anticipated costs for the maintenance of one software application by DIT.
- The Corporate Unassigned contingency reserve had approximately \$24 million in unused budget authority remaining at the end of the year in the Receivership Funding budget component. That unused budget authority lapsed on December 31, 2018.

## Office of Inspector General

The Office of Inspector General (OIG) budget component had a significant spending variance in one of the seven major expense categories. Equipment expenditures were \$972,000, or 63 percent, more than budgeted due to investment in additional hardware to refresh the OIG's existing data center equipment, enhance data storage and backup capacity, and purchase new hardware and software for the Electronic Crimes Unit Laboratory to support forensic and investigative work.

## Significant Spending Variances by Division/Office<sup>1</sup>

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

- DRR spent \$39 million, or 16 percent, less than budgeted, largely due to under-spending of \$24 million and \$5 million in the Outside Services – Personnel and Other Expenses expense categories, respectively, due to the lack of bank closings last year, and almost \$5 million in the Salaries and Compensation expense category due to vacancies in budgeted positions.
- DOA spent \$30 million, or 11 percent, less than budgeted, largely due to under-spending in the Salaries and Compensation, Buildings, and Outside Services – Personnel expense categories in the Ongoing Operations budget component. DOA spent \$17 million less-than-budgeted for Buildings due to unexpected technical, contractual, and personnel issues that delayed Headquarters building projects, deferral of the SFRO improvement project until decisions can be reached on the proper way to implement the project, lower-than-expected building operating and utilities expenses, and lower-than-expected costs for relocating field offices.
- The Legal Division spent \$23 million, or 12 percent, less than budgeted, mostly due to underspending of about \$4 million in the Salaries and Compensation expense category of the Ongoing Operations budget component and \$15 million in the Outside Services – Personnel expense category in the Receivership Funding budget component. The variance in the Salaries and Compensation expense category was due to vacancies in budgeted positions and slower-than-projected hiring to fill those vacancies. In the Receivership Funding budget component, the variance was mostly due to under-spending of almost \$15 million in the Outside Services – Personnel expense category due to lower-than-anticipated costs for outside legal counsel for receivership and resolution activities.

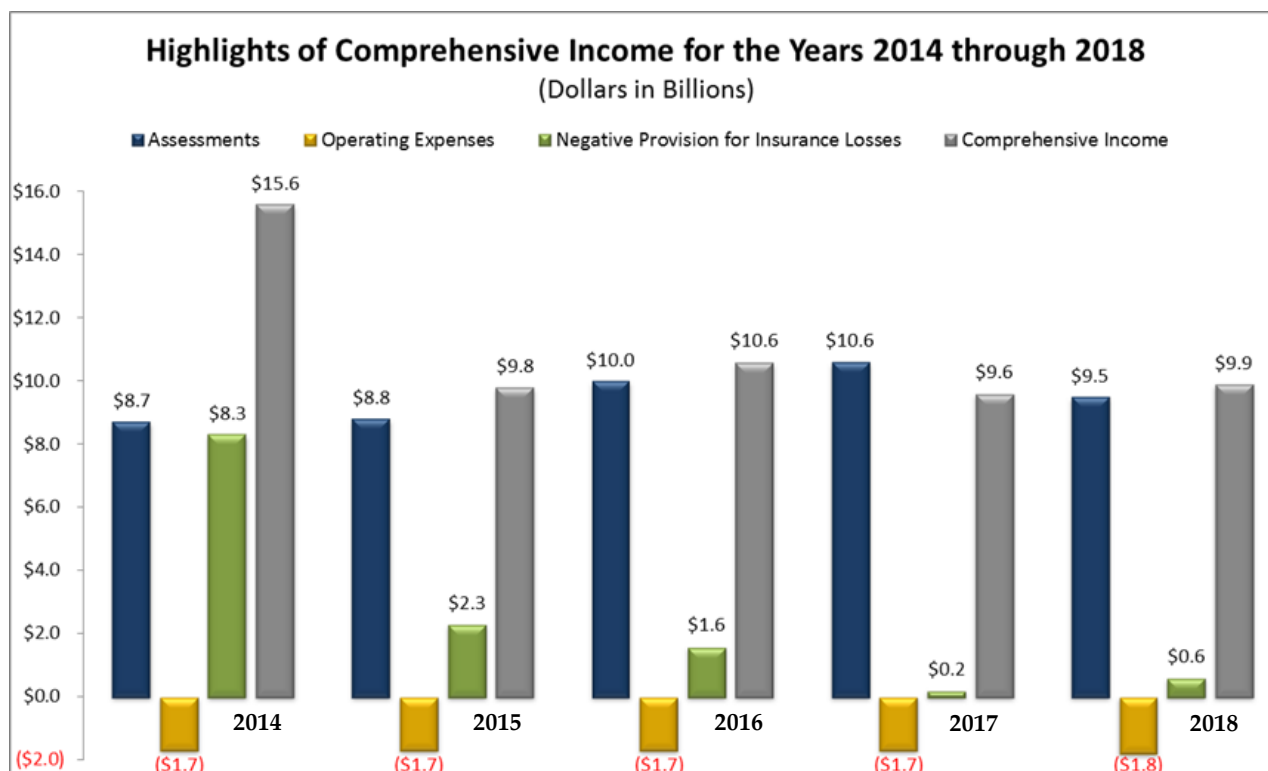
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<sup>1</sup>Information on division/office variances reflects variances in the FDIC Operating Budget.

# Fund Financial Results

(\$ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Dec-18	Sep-18	Quarterly Change	Dec-17	Year-Over-Year Change
Cash and cash equivalents	\$ 5,774	\$ 2,790	\$ 2,984	\$ 1,829	\$ 3,945
Investment in U.S. Treasury securities	92,708	92,211	497	83,303	9,405
Assessments receivable	1,376	2,702	(1,326)	2,634	(1,258)
Interest receivable on investments and other assets, net	550	539	11	506	44
Receivables from resolutions, net	3,058	2,897	161	5,973	(2,915)
Property and equipment, net	329	322	7	334	(5)
<b>Total Assets</b>	<b>\$ 103,795</b>	<b>\$ 101,461</b>	<b>\$ 2,334</b>	<b>\$ 94,579</b>	<b>\$ 9,216</b>
Accounts payable and other liabilities	198	204	(6)	237	(39)
Liabilities due to resolutions	605	654	(49)	1,203	(598)
Postretirement benefit liability	236	259	(23)	259	(23)
Contingent liability for anticipated failures	114	106	8	98	16
Contingent liability for guarantee payments and litigation losses	33	34	(1)	35	(2)
<b>Total Liabilities</b>	<b>\$ 1,186</b>	<b>\$ 1,257</b>	<b>\$ (71)</b>	<b>\$ 1,832</b>	<b>\$ (646)</b>
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	(615)	(1,371)	756	(479)	(136)
FYI: Unrealized postretirement benefit (loss) gain	(14)	(46)	32	(46)	32
<b>Fund Balance</b>	<b>\$ 102,609</b>	<b>\$ 100,204</b>	<b>\$ 2,405</b>	<b>\$ 92,747</b>	<b>\$ 9,862</b>



## Fund Financial Results - continued

(\$ in Millions)

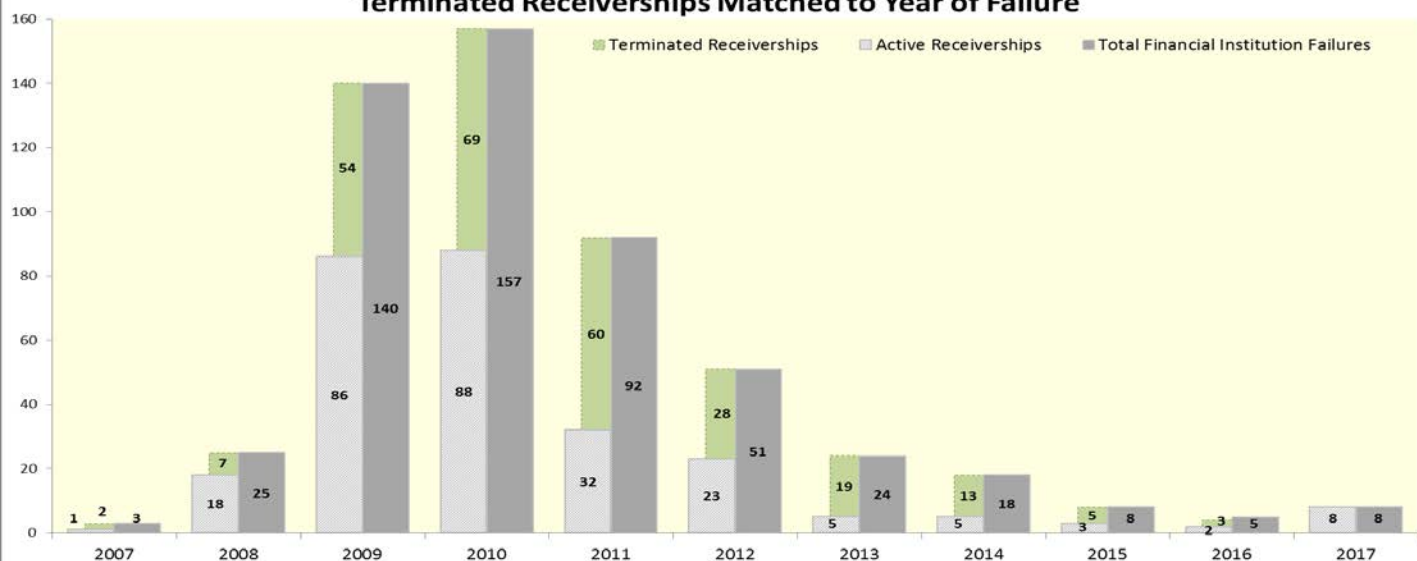
Income Statement (year-to-date)	Deposit Insurance Fund				
	Quarterly			Dec-17	Year-Over-Year Change
	Dec-18	Sep-18	Change		
Assessments	\$ 9,527	\$ 8,176	\$ 1,351	\$ 10,595	\$ (1,068)
Interest on U.S. Treasury securities	1,633	1,152	481	1,057	576
Other revenue	11	8	3	12	(1)
<b>Total Revenue</b>	<b>\$ 11,171</b>	<b>\$ 9,336</b>	<b>\$ 1,835</b>	<b>\$ 11,664</b>	<b>\$ (493)</b>
Operating expenses	1,765	1,312	453	1,740	25
Provision for insurance losses	(563)	(327)	(236)	(183)	(380)
Insurance and other expenses	3	2	1	2	1
<b>Total Expenses and Losses</b>	<b>\$ 1,205</b>	<b>\$ 987</b>	<b>\$ 218</b>	<b>\$ 1,559</b>	<b>\$ (354)</b>
<b>Net Income</b>	<b>9,966</b>	<b>8,349</b>	<b>1,617</b>	<b>10,105</b>	<b>(139)</b>
Unrealized gain (loss) on U.S. Treasury securities, net	(136)	(892)	756	(500)	364
Unrealized postretirement benefit gain (loss)	32	-	32	(20)	52
<b>Comprehensive Income</b>	<b>\$ 9,862</b>	<b>\$ 7,457</b>	<b>\$ 2,405</b>	<b>\$ 9,585</b>	<b>\$ 277</b>

Selected Financial Data	FSLIC Resolution Fund				
	Quarterly			Dec-17	Year-Over-Year Change
	Dec-18	Sep-18	Change		
Cash and cash equivalents	\$ 902	\$ 896	\$ 6	\$ 885	\$ 17
Accumulated deficit	(124,587)	(124,593)	6	(124,604)	17
Total resolution equity	902	897	5	886	16
Total revenue	17	11	6	8	9
Operating expenses	0	0	0	1	(1)
Losses related to thrift resolutions	0	0	0	0	0
Net Income (Loss)	\$ 17	\$ 11	6	\$ 7	10

### Receivership Selected Statistics December 2018 vs. December 2017

\$ in millions	DIF			FRF			ALL FUNDS		
	Dec-18	Dec-17	Change	Dec-18	Dec-17	Change	Dec-18	Dec-17	Change
Total Receiverships	272	338	(66)	-	-	-	272	338	(66)
Assets in Liquidation	\$1,176	\$ 2,269	\$ (1,093)	\$ 2	\$ 2	-	\$ 1,178	\$ 2,271	\$ (1,093)
YTD Collections	\$1,449	\$ 2,762	\$ (1,313)	1	1	\$ -	\$ 1,450	\$ 2,763	\$ (1,313)
YTD Dividend/Other Pymts - Cash	\$3,252	\$ 3,957	\$ (705)	-	-	-	\$ 3,252	\$ 3,957	\$ (705)

### Terminated Receiverships Matched to Year of Failure



The FDIC, as receiver, manages failed banks with the goal of expeditiously winding up their affairs. The oversight and prompt termination of receiverships help to preserve value for the uninsured depositors and other creditors by reducing overhead and other holding costs. Once the assets of a failed institution have been sold, the final distribution of any proceeds is made and the FDIC terminates the receivership. As of December 31, 2018, the FDIC has terminated 260 receiverships (or 49 percent) of the 531 receiverships created from 2007 through 2018.



## Deposit Insurance Fund Portfolio Summary

(Dollar Values in Millions)

	12/31/18	12/31/17	Change
Par Value	\$99,339	\$85,376	\$13,963
Amortized Cost	\$99,063	\$85,707	\$13,356
Total Market Value (including accrued interest)	\$98,954	\$85,590	\$13,364
Primary Reserve <sup>1</sup>	\$98,954	\$85,590	\$13,364
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity <sup>2</sup>	2.05%	1.52%	0.53%
Weighted Average Maturity (in years)	1.75	2.05	-0.30
Effective Duration (in years)			
Total Portfolio	1.69	1.97	-0.28
Available-for-Sale Securities	1.79	2.07	-0.28
Held-to-Maturity Securities <sup>3</sup>	not applicable	not applicable	not applicable

<sup>1</sup> Primary Reserve is the total market value (including accrued interest) of overnight investments, all available-for-sale (AFS) securities, and held-to-maturity (HTM) securities maturing within three months.

<sup>2</sup> The Yield-to-Maturity includes the potential yields of any Treasury Inflation-Protected Securities (TIPS), which assumes an average 2.0% annual increase in the CPI over the remaining life of each TIPS.

<sup>3</sup> 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)

	12/31/18	12/31/17	Change
<i><u>FRF-FSLIC</u></i>			
Book Value <sup>4</sup>	\$857	\$842	\$15
Yield-to-Maturity	2.42%	1.20%	1.22%
Weighted Average Maturity	overnight	overnight	no change

<sup>4</sup> 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)

	12/31/18	12/31/17	Change
Book Value <sup>5</sup>	\$2,988	\$4,733	(\$1,745)
Effective Annual Yield	2.46%	1.24%	1.22%
Weighted Average Maturity (in days)	51	51	0

<sup>5</sup> Due to the short-term nature of the NLF portfolio, its Book and Market Values are identical for reporting purposes.

## Investment Strategies

<b>DEPOSIT INSURANCE FUND</b>	<b>Strategy for the 4th Quarter 2018</b>
	Purchase up to \$14 billion (par value) of Treasury securities with maturity dates between March 31, 2019, and December 31, 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 \$3.5 billion (par value) of newly purchased securities maturing between January 1, 2022, and December 31, 2023.
	<b>Strategy Changes for the 1st Quarter 2019</b>
<b>NATIONAL LIQUIDATION FUND</b>	<b>Strategy for the 4th Quarter 2018</b>
	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.
	<b>Strategy Changes for the 1st Quarter 2019</b>
	No strategy changes for the first quarter of 2019.

Executive Summary of 2018 Budget and Expenditures  
by Budget Component and Major Expense Category  
Through December 31, 2018  
(Dollars in Thousands)

	Annual	YTD	YTD	% of YTD	YTD
Major Expense Category	Budget	Budget	Expenditures	Budget Used	Variance
<b>FDIC Operating Budget</b>					
<i><b>Ongoing Operations</b></i>					
Salaries & Compensation	\$1,225,430	\$1,225,430	\$1,170,798	96%	(\$54,632)
Outside Services - Personnel	256,087	256,087	229,949	90%	(26,138)
Travel	92,809	92,809	86,989	94%	(5,820)
Buildings	106,307	106,307	90,497	85%	(15,810)
Equipment	116,838	116,838	110,882	95%	(5,956)
Outside Services - Other	16,196	16,196	15,034	93%	(1,162)
Other Expenses	13,368	13,368	11,358	85%	(2,010)
<b>Total Ongoing Operations</b>	<b>\$1,827,035</b>	<b>\$1,827,035</b>	<b>\$1,715,507</b>	<b>94%</b>	<b>(111,528)</b>
<i><b>Receivership Funding</b></i>					
Salaries & Compensation	\$19,390	\$19,390	\$11,689	60%	(\$7,701)
Outside Services - Personnel	185,600	185,600	121,506	65%	(64,094)
Travel	3,574	3,574	1,802	50%	(1,772)
Buildings	6,968	6,968	4,915	71%	(2,053)
Equipment	969	969	982	101%	13
Outside Services - Other	1,327	1,327	2,146	162%	819
Other Expenses	7,172	7,172	2,042	28%	(5,130)
<b>Total Receivership Funding</b>	<b>\$225,000</b>	<b>\$225,000</b>	<b>\$145,082</b>	<b>64%</b>	<b>(\$79,918)</b>
<i><b>Office of the Inspector General</b></i>					
Salaries & Compensation	\$34,853	\$34,853	\$31,686	91%	(\$3,167)
Outside Services - Personnel	1,660	1,660	1,470	89%	(190)
Travel	1,583	1,583	916	58%	(667)
Buildings	0	0	0		0
Equipment	1,555	1,555	2,527	163%	972
Outside Services - Other	0	0	3		3
Other Expenses	447	447	350	78%	(97)
<b>Total Office of the Inspector General</b>	<b>\$40,098</b>	<b>\$40,098</b>	<b>\$36,952</b>	<b>92%</b>	<b>(\$3,146)</b>
<b>Total FDIC Operating Budget</b>	<b>\$2,092,133</b>	<b>\$2,092,133</b>	<b>\$1,897,541</b>	<b>91%</b>	<b>(\$194,592)</b>

Executive Summary of 2018 Budget and Expenditures  
by Division/Office  
Through December 31, 2018  
(Dollars in Thousands)

Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
<b>FDIC Operating Budget</b>					
Risk Management Supervision	\$579,831	\$579,831	\$558,101	96%	(\$21,730)
Resolutions & Receiverships	236,786	236,786	198,225	84%	(38,561)
Administration	274,830	274,830	244,947	89%	(29,883)
Legal	197,518	197,518	174,507	88%	(23,011)
Information Technology	246,668	246,668	236,494	96%	(10,174)
Depositor & Consumer Protection	181,186	181,186	174,835	96%	(6,351)
Insurance & Research	51,532	51,532	50,672	98%	(860)
CIO Council	52,118	52,118	47,626	91%	(4,492)
Finance	40,935	40,935	39,247	96%	(1,688)
Inspector General	40,098	40,098	36,952	92%	(3,146)
Chief Information Security Officer	50,383	50,383	45,221	90%	(5,162)
Executive Support <sup>1</sup>	21,902	21,902	20,161	92%	(1,741)
Complex Financial Institutions	19,715	19,715	17,570	89%	(2,145)
Corporate University - Corporate	26,153	26,153	25,475	97%	(678)
Corporate University - CEP	18,834	18,834	18,102	96%	(732)
Executive Offices <sup>2</sup>	11,073	11,073	9,406	85%	(1,667)
Corporate Unassigned	42,571	42,571	0	0%	(42,571)
<b>Total FDIC Operating Budget</b>	<b>\$2,092,133</b>	<b>\$2,092,133</b>	<b>\$1,897,541</b>	<b>91%</b>	<b>(\$194,592)</b>

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

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 Chief Information Officer.