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

August 23, 2013

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 2013 CFO Report to the Board

The attached report highlights the Corporation's financial activities and results for the quarter ended June 30, 2013.

Executive Summary

- During the second quarter of 2013, the Deposit Insurance Fund (DIF) balance increased by $2.2 billion, from $35.7 billion to $37.9 billion. This quarterly increase was primarily due to $2.5 billion of assessment revenue and a decrease in the provision for insurance losses of $33 million, partially offset by $439 million of operating expenses.

- On June 28, 2013, the DIF refunded $5.9 billion in prepaid assessments to the 5,625 insured depository institutions that had remaining prepaid assessment balances. This final repayment marked the end of the prepaid assessment initiative, which began with the collection of $45.7 billion in prepaid assessments on December 30, 2009.

- During the second quarter of 2013, the FDIC was named receiver for 12 failed institutions. The combined assets at inception for these institutions totaled approximately $1.4 billion with a total estimated loss of $270 million. The corporate cash outlay during the second quarter for these failures was approximately $296 million.

- Through June 30, 2013, overall Corporate Operating Budget expenditures were below budget by 15 percent ($189 million). Approximately half of this variance was the result of lower-than-budgeted spending for contractual services and operations at the site of failed financial institutions in the Receivership Funding budget component. Vacancies in budgeted positions in both the Ongoing Operations and Receivership Funding budget components were also a major contributor to the variance.

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

Deposit Insurance Fund

- For the six months ending June 30, 2013, the DIF's comprehensive income totaled $4.9 billion compared to comprehensive income of $10.9 billion for the same period last year. This $6.0 billion decrease was mostly due to a decrease in other revenue of $4.1 billion, a $1.5 billion decrease in assessment revenue, and an increase in provision for insurance losses of $263 million.

- The year-over-year decrease of $4.1 billion in other revenue was primarily due to the recognition of $4.0 billion in revenue in June 2012 for the Debt Guarantee Program fees that were previously held as systemic risk deferred revenue.

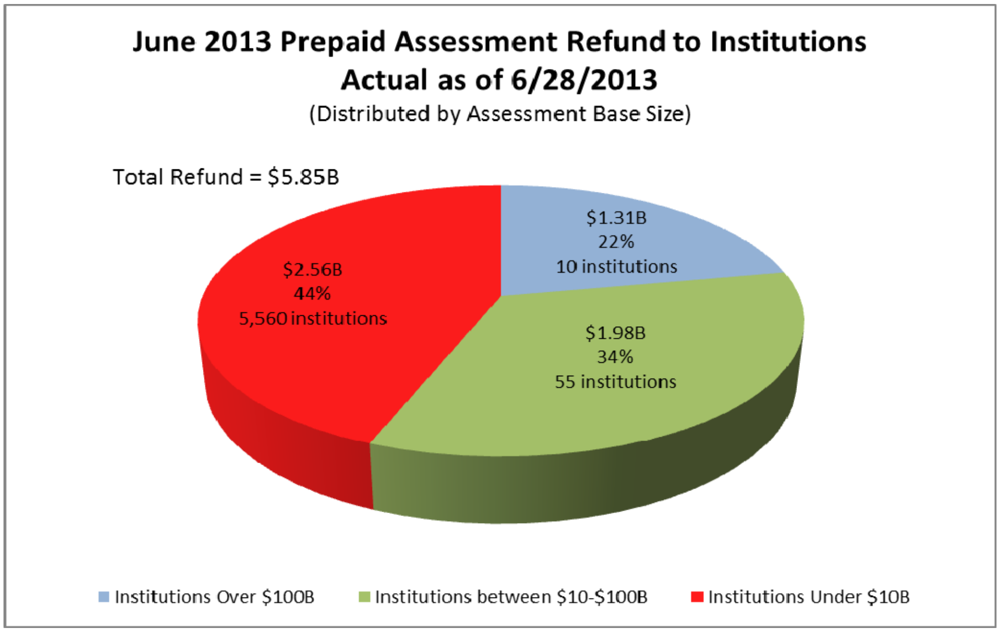
- The year-over-year decrease of $1.5 billion in assessment revenue was attributable to lower effective assessment rates. For the first six months of 2013, the average effective assessment rate was 8.978 basis points compared to the same period in 2012 where it was 10.782 basis points.

- The provision for insurance losses was negative $532 million for the first half of 2013. The negative provision primarily resulted from a $470 million decrease in the contingent loss reserve due to lower estimated losses from anticipated future failures and a $54 million reduction in the estimated losses for institutions that have failed in the current and prior years.

Assessments

- During the second quarter of 2013, the DIF recognized a total of $2.5 billion in assessment revenue. The estimate for second quarter 2013 insurance coverage totaled $2.6 billion. Additionally, the DIF recognized a net adjustment of $67 million that reduced assessment revenue. This adjustment consisted of $1 million in prior period amendments and a $68 million decrease to the estimate for first quarter 2013 insurance coverage recorded at March 31, 2013. The latter adjustment was due to lower than estimated growth in the assessment base and lower average assessment rates.

- On June 28, 2013, the FDIC collected $1.2 billion in DIF assessments for first quarter 2013 insurance coverage. On the same date, the FDIC refunded $5.9 billion of prepaid assessments to 5,625 financial institutions, bringing the "Refunds of prepaid assessments" line item to a zero balance at June 30, 2013.



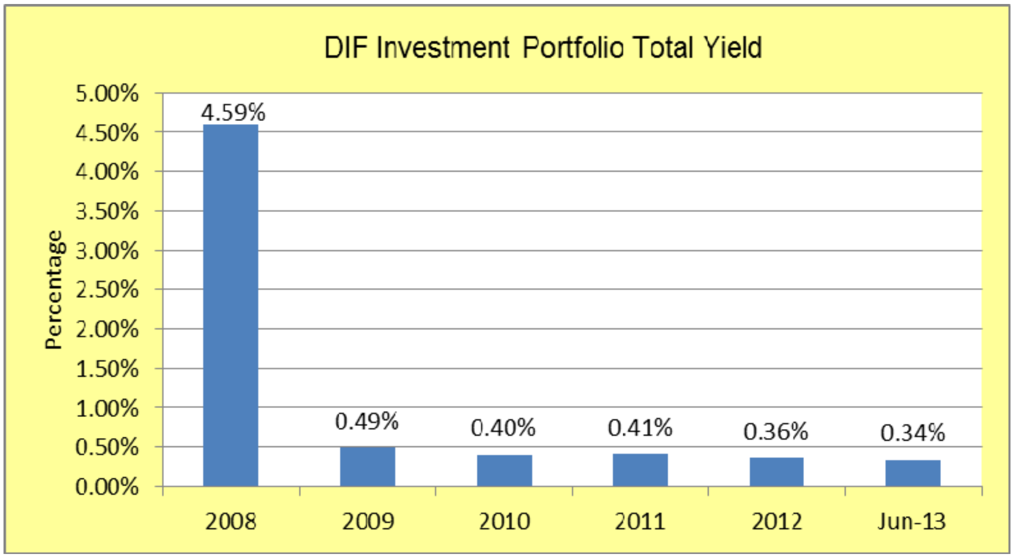
II. Investment Results (See pages 10 - 11 for detailed data and charts.)

DIF Investment Portfolio

- On June 30, 2013, the total liquidity (also total market value) of the DIF investment portfolio stood at $34.2 billion, lower than its December 31, 2012, balance of $38.2 billion. The DIF investment portfolio would have increased by $1.8 billion, primarily due to receipts of receivership dividends and regular quarterly deposit insurance assessments, if it had not been for a partial refund of prepaid assessments in the amount of $5.9 billion in the second quarter.

- On June 30, 2013, the DIF investment portfolio's yield was 0.34 percent, down two basis points from its December 31, 2012, yield of 0.36 percent. During the first half of the year, newly purchased Treasury securities generally had somewhat lower yields than maturing securities, resulting in the modest decrease in portfolio yield.

- In accordance with the approved second quarter 2013 DIF portfolio investment strategy, staff purchased a total of nine short-maturity conventional Treasury securities and one Treasury Inflation-Protected Security (TIPS). The ten securities had a total par value of $6.0 billion, a weighted average yield of 0.44 percent, and a weighted average maturity (WAM) of 2.11 years.



- The decline in the DIF portfolio's yield beginning in 2009 reflects: 1) the sale of older, higher-yielding securities to fund significant resolution outlays during the latter half of 2008 and 2009; and 2) beginning in 2010, the reinvestment of newly available funds in short-maturity securities in a historically low yield environment.

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

Approved Budget Modifications

The 2013 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2013 Corporate Operating Budget. The following budget reallocations were made during the second quarter in accordance with the authority delegated by the Board of Directors. None of these modifications changed the total 2013 Corporate Operating Budget as approved by the Board in December 2012.

- In May 2013, the CFO approved modifications to the Salaries and Compensation budget authority of divisions and offices within the Ongoing Operations and Receivership Funding budget components, 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 divisions and offices, but resulted in no change to the total corporate budget for either the Ongoing Operations or Receivership Funding budget component.

- In March 2013, the CFO approved the reallocation of $17,154,484 in budget authority within the Ongoing Operations budget component from the Office of Complex Financial Institutions (OCFI) to the Division of Risk Management Supervision (RMS) in conjunction with the transfer of the oversight and monitoring function from OCFI to RMS. A total of 99 authorized positions were also transferred from OCFI to RMS to effect that reorganization. In April 2013, an additional $85,502 in budget authority was reallocated within the Ongoing Operations budget component from OCFI to RMS to fund the transfer of an additional employee to RMS to provide administrative support to the field employees transferring. These reallocations were effective on May 1.

- In May 2013, the CFO approved a reallocation of $30,000 in budget authority within the Ongoing Operations component from the Corporate Unassigned budget to the Chairman's Office for the travel and supplies associated with the Workplace Excellence (WE) program managed by the Internal Ombudsman.

- In May 2013, the CFO approved a reallocation of $2,200,000 in budget authority within the Ongoing Operations component to the CIO Council from the Corporate Unassigned budget. This reallocation provided additional budget authority to purchase enterprise software licenses for the Information Management and Compliance (IMAC) project. Funding for these licenses was originally budgeted in 2012, but that budget authority lapsed on December 31, 2012 as the funds were not spent.

- In June 2013, the CFO approved reallocations within the Ongoing Operations and Receivership Funding components based upon a comprehensive mid-year reassessment of actual and projected spending for the year by each division and office. The budgets for all major expense categories and most divisions and offices were adjusted in this reallocation. The Division of Information Technology (DIT) received over $7 million in additional funding in its Ongoing Operations budget, largely for recommended IT security enhancements. Offsetting budget reductions included $4 million from the Office of the Complex Financial Institutions (OCFI), $1 million from the Division of Administration (DOA), and $1 million from the Division of Insurance and Research (DIR) within the Ongoing Operations budget component.

Following that budget reallocation, the contingency reserves remaining within the Corporate Unassigned budgets for the Ongoing Operations and the Receivership Funding budget components were $25,839,393 and $14,343,746, respectively.

Approved Staffing Modifications

The 2013 Budget Resolution delegated to the CFO the authority to modify approved 2013 staffing authorizations for divisions and offices, as long as those modifications did not increase the total approved 2013 Corporate Operating Budget. The following changes were approved by the CFO in accordance with the authority delegated to him by the Board of Directors:

- As noted above, the CFO approved the transfer of 99 authorized permanent positions to RMS from OCFI to support the realignment of the oversight and monitoring function between the two organizations.

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, 2013, 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 four major expense categories during the second quarter in the Ongoing Operations component of the 2013 Corporate Operating Budget:

- Outside Services - Personnel expenditures were $14 million, or 11 percent, less than budgeted. The CIO Council spent $4 million less than budgeted due to adjusted time schedules for development projects and client discretionary enhancements. The Division of Resolutions and Receiverships (DRR) spent $3 million less than budgeted due to lower than anticipated expenses for business process improvements, IT Security, web business support services and data contracts. In addition, delays in starting projects in its Complex Financial Institutions (CFI) branch contributed to the variance. OCFI spent $3 million less than budgeted due to a project cancellation and the successful renegotiation of a contract's monthly payment terms to a lower amount. Corporate University (CU) spent $1 million less than budgeted, largely due to lower-than-projected expenses for various training and development projects because selected tasks are now being performed by FDIC staff rather than contractors.

- Travel expenditures were approximately $8 million, or 15 percent, less than budgeted. This variance was largely due to vacancies in non-permanent field examination positions in RMS and DCP that resulted in lower regular duty and relocation travel expenses, and less travel than planned for Financial Institution Specialists in the Corporate Employee Program (CEP) in CU.

- Building expenditures were approximately $3 million, or 8 percent, less than budgeted. This variance was largely due to budgeted capital improvement projects for which significant work has not yet been completed and lower-than-anticipated costs for the build-out of space leased at the NY Avenue building in conjunction with the 550 HVAC Retrofit project.

- Equipment expenditures were approximately $18 million, or 46 percent, less than budgeted. DIT spent $16 million less than budgeted, largely due to the delay of some Technical Refresh program purchases to the second half of the year and a delay in receiving from a corrected invoice from a vendor for expenses associated with a large software maintenance contract.

Receivership Funding

The Receivership Funding component of the 2013 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 2013 Corporate Operating Budget:

- Salaries and Compensation ($7 million or 8 percent, less than budgeted).

- Outside Services-Personnel ($96 million or 33 percent, less than budgeted).

- Travel ($6 million or 51 percent, less than budgeted).

- Buildings ($3 million or 16 percent, less than budgeted).

- Other Expenses ($9 million or 44 percent, less than budgeted).

The variance in the Outside Services – Personnel expense category was attributable to less costly resolutions expenses and lower-than-anticipated asset management and marketing costs incurred under Receivership Assistance Contracts (RAC) and contracts for Due Diligence, Owned Real Estate (ORE), Loan Servicing, Loss Share, Securitization and Valuations. The variance in the Other Expenses Category was attributable to lower-than-projected time required to transfer the banking operations of failed financial institutions to purchasing institutions and to record post-closing expenses following the settlement process with assuming institutions. The variance in the Salaries and Compensation category was attributable to vacancies in budgeted non-permanent positions. The variance in the Travel category was due to lower-than-anticipated travel expenses because of fewer closings and less time spent at closings than budgeted. The variance in the

Buildings expense category occurred as a result of shorter-than-expected operations at the site of failed banks.

Significant Spending Variances by Division/Office[1]

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

- DRR spent $119 million, or 31 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 2013 budget formulation process.

- DIT spent $17 million, or 13 percent, less than budgeted, largely due to the timing of some equipment purchases. DIT anticipates fully spending its equipment budget by the end of the year.

- CIO Council spent $6 million, or 17 percent, less than budgeted due to adjusted time schedules for certain development project and changes in planned OCFI development projects.

- DCP spent $5 million, or 6 percent, less than budgeted. This variance was largely attributable to vacancies in budgeted non-permanent field examination positions and lower-than-budgeted examination travel expenses resulting from those vacancies.

- OCFI spent $4 million, or 19 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

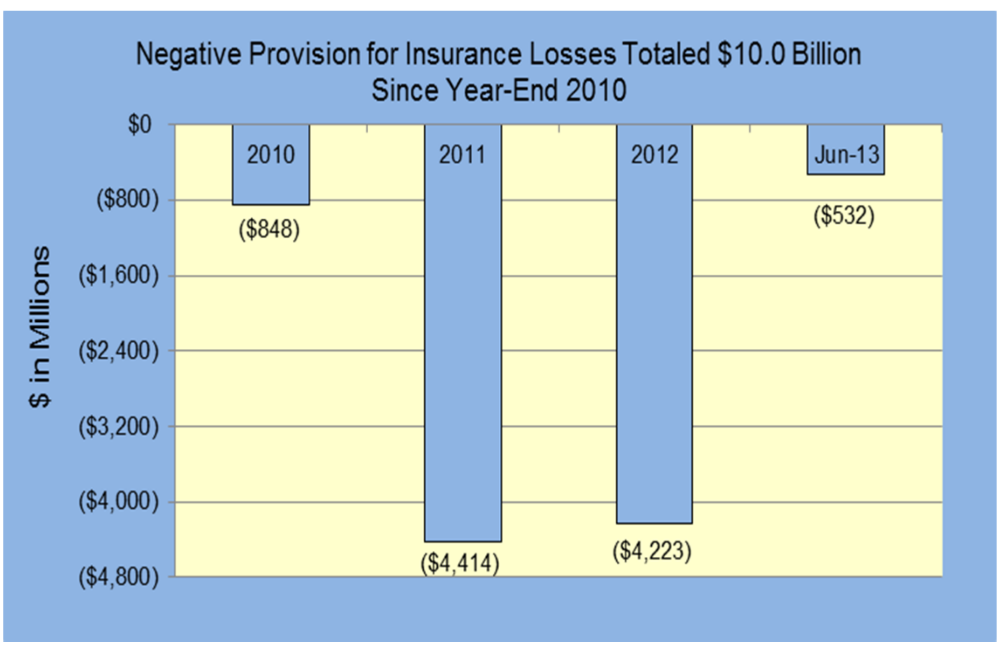
An analysis of 2013 funding requirements for employee pay and benefits was completed in accordance with the 2013 Budget Resolution. The analysis determined that those costs had been over-estimated during the preparation of the 2013 Corporate Operating Budget by approximately $9 million in the regular salaries account of the Ongoing Operations budget component (largely offset by an under-estimate of $8 million in fringe benefits in that budget component) and $1 million in the Receivership Funding budget component. Because the differences were relatively inconsequential, the CFO elected not to exercise his delegated authority to adjust the 2013 Corporate Operating Budget.

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

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Unaudited Jun-13	Unaudited Mar-13	Quarterly Change	Unaudited Jun-12	Year-Over-Year Change
Cash and cash equivalents	$ 531	$ 1,052	$ (521)	$ 4,137	$ (3,606)
Cash and investments - restricted - systemic risk	-	-	-	945	(945)
Investment in U.S. Treasury obligations, net	33,286	37,474	(4,188)	33,314	(28)
Trust preferred securities	2,240	2,256	(16)	2,314	(74)
Assessments receivable, net	2,594	1,295	1,299	454	2,140
Receivables and other assets - systemic risk	-	-	-	1,723	(1,723)
Interest receivable on investments and other assets, net	533	470	63	449	84
Receivables from resolutions, net	18,442	22,549	(4,107)	21,855	(3,413)
Property and equipment, net	376	381	(5)	386	(10)
Total Assets	$ 58,002	$ 65,477	$ (7,475)	$ 65,577	$ (7,575)
Accounts payable and other liabilities	296	319	(23)	348	(52)
Unearned revenue - prepaid assessments	-	-	-	11,474	(11,474)
Refunds of prepaid assessments	-	5,829	(5,829)	-	-
Liabilities due to resolutions	17,179	20,696	(3,517)	24,185	(7,006)
Deferred revenue - systemic risk	-	-	-	2,668	(2,668)
Postretirement benefit liability	224	224	-	188	36
Contingent liability for anticipated failures	2,426	2,659	(233)	4,017	(1,591)
Contingent liability for litigation losses	6	8	(2)	4	2
Total Liabilities	$ 20,131	$ 29,735	$ (9,604)	$ 42,884	$ (22,753)
FYI: Unrealized gain (loss) on U.S. Treasury investments, net	(8)	72	(80)	(1)	(7)
FYI: Unrealized gain (loss) on trust preferred securities	278	294	(16)	352	(74)
FYI: Unrealized postretirement benefit (loss) gain	(61)	(61)	-	(34)	(27)
Fund Balance	$ 37,871	$ 35,742	$ 2,129	$ 22,693	$ 15,178



- The negative loss provisions of $6.0 billion and $4.0 billion primarily resulted from reductions in the contingent loss reserve due to the improvement in the financial condition of institutions that were previously identified to fail and the estimated losses for institutions that had previously failed, respectively.
- The $10 billion in cumulative net loss provisions have added nearly 17 basis points to the DIF reserve ratio, which was 0.59% at March 31, 2013.

Fund Financial Results - continued

($ in Millions)

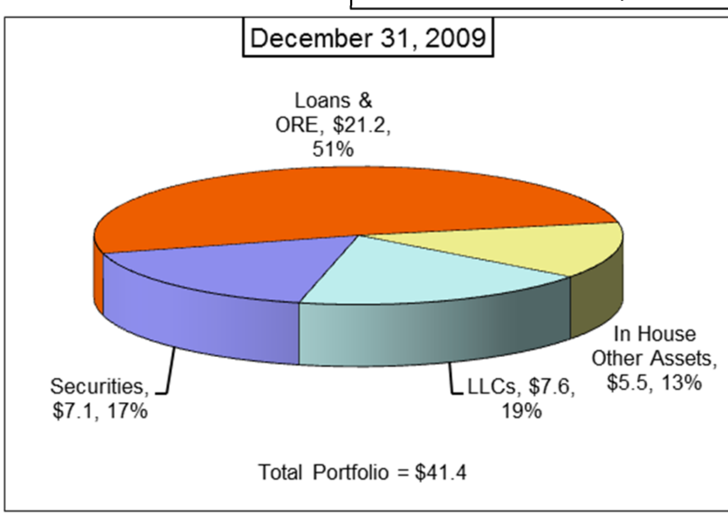
Income Statement (year-to-date)	Deposit Insurance Fund Unaudited Jun-13	Unaudited Mar-13	Quarterly Change	Unaudited Jun-12	Year-Over-Year Change
Assessments	$ 5,171	$ 2,645	2,526	$ 6,627	$ (1,456)
Systemic risk revenue	-	-	-	(3)	3
Interest on U.S. Treasury obligations	45	(9)	54	101	(56)
Other revenue	110	56	54	4,160	(4,050)
Total Revenue	$ 5,326	$ 2,692	2,634	$ 10,885	$ (5,559)
Operating expenses	875	436	439	867	8
Systemic risk expenses	-	-	-	(3)	3
Provision for insurance losses	(532)	(499)	(33)	(795)	263
Insurance and other expenses	4	1	3	2	2
Total Expenses and Losses	$ 347	$ (62)	409	$ 71	$ 276
Net Income (Loss)	4,979	2,754	2,225	10,814	(5,835)
Unrealized gain (loss) on U.S. Treasury investments, net	(42)	38	(80)	(49)	7
Unrealized gain (loss) on trust preferred securities	(24)	(8)	(16)	101	(125)
Unrealized postretirement benefit gain (loss)	-	-	-	-	-
Comprehensive Income (Loss)	$ 4,913	$ 2,784	2,129	$ 10,866	$ (5,953)

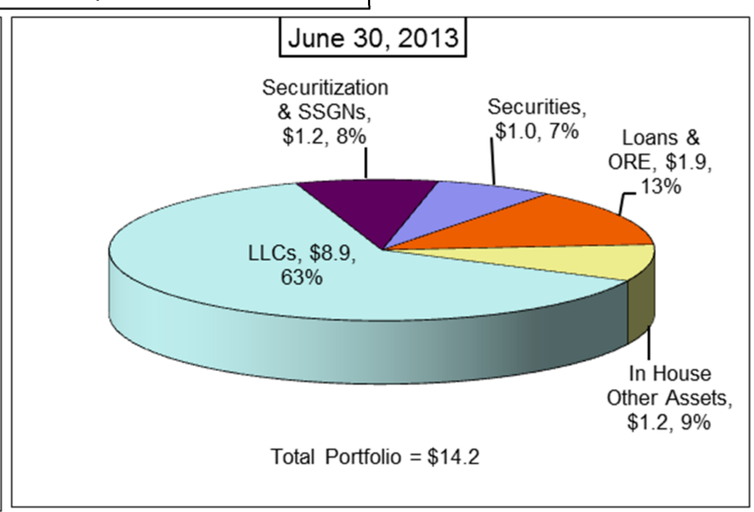
Selected Financial Data	FSLIC Resolution Fund Unaudited Jun-13	Unaudited Mar-13	Quarterly Change	Unaudited Jun-12	Year-Over-Year Change
Cash and cash equivalents	$ 3,596	$ 3,594	$ 2	$ 3,594	$ 2
Accumulated deficit	(124,459)	(124,459)	-	(124,461)	2
Total resolution equity	3,598	3,598	-	3,596	2
Total revenue	2	1	1	3	(1)
Operating expenses	1	-	1	3	(2)
Goodwill litigation expenses	1	-	1	181	(180)
Recovery of tax benefits	-	-	-	-	-
Net Income (Loss)	$ 1	$ 1	$ -	$ (180)	$ 181

Receivership Selected Statistics June 2013 vs. June 2012

$ in millions	DIF			FRF			ALL FUNDS		
	Jun-13	Jun-12	*Change*	Jun-13	Jun-12	*Change*	Jun-13	Jun-12	*Change*
Total Receiverships	478	454	24	2	4	(2)	480	458	22
Assets in Liquidation	$14,180	$19,516	$ (5,336)	$ 5	$ 7	$ (2)	$ 14,185	$ 19,523	$ (5,338)
YTD Collections	$ 4,294	$ 4,597	$ (303)	$ 2	$ 17	$ (15)	$ 4,296	$ 4,614	$ (318)
YTD Dividend/Other Pymts - Cash	$ 2,130	$ 2,319	$ (189)	$ -	$ -	$ -	$ 2,130	$ 2,319	$ (189)

Receivership Assets-in-Liquidation Portfolio
(Dollars in Billions)





Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	6/30/13	12/31/12	Change
Par Value	$32,588	$37,086	($4,498)
Amortized Cost	$33,827	$37,927	($4,100)
Total Market Value (including accrued interest)	$34,194	$38,249	($4,055)
Primary Reserve [1]	$34,194	$38,249	($4,055)
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity [2]	0.34%	0.36%	(0.02%)
Weighted Average Maturity (in years)	0.82	0.68	0.14
Effective Duration (in years) [3]			
Total Portfolio	0.76	0.64	0.12
Available-for-Sale Securities	0.79	0.70	0.09
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, all 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)			
	6/30/13	12/31/12	Change
FRF-FSLIC			
Book Value [5]	$3,425	$3,425	$0
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)			
	6/30/13	12/31/12	Change
Book Value [6]	$14,842	$14,702	$140
Effective Annual Yield	0.10%	0.12%	(0.02%)
Weighted Average Maturity (in days)	58	20	38

[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 2013** Purchase up to $6 billion (par value) of available-for-sale (AFS) securities with maturity dates between September 30, 2013, and December 31, 2016, subject to the following additional restrictions: no more than $4 billion (par value) of such securities shall have maturity dates beyond December 31, 2014; no more than $3 billion (par value) of such securities shall have maturity dates beyond December 31, 2015; and no more than $3 billion (adjusted par value) of such securities shall consist of Treasury Inflation-Protected Securities (TIPS).
	Strategy Changes for 3rd Quarter 2013
	Purchase up to <u>$12 billion</u> (par value) of <u>Treasury</u> securities with maturity dates between <u>December 31, 2013</u> and <u>June 30, 2018</u>, subject to the following additional <u>provisions</u>: all <u>newly purchased securities will be designated as AFS</u>; and no more than $3 billion (adjusted par value) of such securities shall consist of TIPS.
NATIONAL LIQUIDATION FUND	**Strategy for 2nd Quarter 2013** 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 2013
	No strategy changes for the third quarter of 2013.

Executive Summary of 2013 Budget and Expenditures
by Major Expense Category
Through June 30, 2013
(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	$1,184,356	$581,110	$561,242	97%	($19,868)
Outside Services - Personnel	279,238	123,944	109,766	89%	(14,178)
Travel	109,248	53,242	45,103	85%	(8,139)
Buildings	91,634	42,849	39,533	92%	(3,316)
Equipment	83,490	38,242	20,607	54%	(17,635)
Outside Services - Other	18,029	8,916	8,034	90%	(882)
Other Expenses	16,644	7,292	5,814	80%	(1,478)
Total Ongoing Operations	**$1,782,639**	**$855,594**	**$790,099**	**92%**	**($65,495)**
Receivership Funding					
Salaries & Compensation	$188,858	$94,483	$87,347	92%	($7,136)
Outside Services - Personnel	592,500	287,847	191,996	67%	(95,851)
Travel	22,079	11,035	5,358	49%	(5,677)
Buildings	37,418	19,492	16,439	84%	(3,053)
Equipment	10,687	3,865	2,092	54%	(1,773)
Outside Services - Other	6,386	3,193	2,577	81%	(616)
Other Expenses	42,072	21,035	11,859	56%	(9,176)
Total Receivership Funding	**$900,000**	**$440,951**	**$317,668**	**72%**	**($123,283)**
Total Corporate Operating Budget	**$2,682,639**	**$1,296,546**	**$1,107,767**	**85%**	**($188,779)**
Investment Budget [1]	**$27,173**	**$10,125**	**$11,118**	**110%**	**$993**
Grand Total	**$2,709,812**	**$1,306,671**	**$1,118,885**	**86%**	**($187,786)**

1) Budgets for investment projects are approved on a multi-year basis; the year-to-date budget amount reflects the 2013 spending estimates for approved projects.   Detailed quarterly reports on the status of those projects are provided separately to the Board by the Capital Investment Review Committee for all information technology projects.

Executive Summary of 2013 Budget and Expenditures by Budget Component and Division/Office Through June 30, 2013 (Dollars in Thousands)					
Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
Corporate Operating Budget					
Resolutions & Receiverships	$779,124	$390,054	$270,821	69%	($119,233)
Risk Management Supervision	548,331	269,980	257,955	96%	(12,025)
Legal	297,921	146,224	139,174	95%	(7,050)
Administration	266,890	125,686	118,469	94%	(7,217)
Information Technology	269,515	123,463	106,471	86%	(16,992)
Depositor & Consumer Protection	167,398	83,865	78,796	94%	(5,069)
CIO Council	72,236	35,481	29,351	83%	(6,130)
Insurance & Research	43,897	20,824	19,253	92%	(1,571)
Complex Financial Institutions	35,639	22,976	18,691	81%	(4,285)
Finance	41,581	20,221	18,637	92%	(1,584)
Inspector General	33,722	16,678	14,608	88%	(2,070)
Executive Support [1]	31,274	15,173	12,626	83%	(2,547)
Corporate University - Corporate	23,506	11,593	10,247	88%	(1,346)
Corporate University - CEP	19,173	8,741	7,385	84%	(1,356)
Executive Offices [2]	11,247	5,587	5,283	95%	(304)
Government Litigation	1,000	0	0	N/A	0
Corporate Unassigned	40,183	0	0	N/A	0
Total, Corporate Operating Budget	**$2,682,639**	**$1,296,546**	**$1,107,767**	**85%**	**($188,779)**
Investment Budget [3]					
Information Technology	$17,205	$7,266	$7,482	103%	$216
Administration	8,723	2,413	3,413	141%	1,000
Corporate University - Corporate	605	100	144	144%	44
Risk Management Supervision	373	322	72	22%	(250)
Depositor & Consumer Protection	236	0	4	N/A	4
Resolutions & Receiverships	32	24	3	13%	(21)
Total, Investment Budget [3]	**$27,173**	**$10,125**	**$11,118**	**110%**	**$993**
Combined Division/Office Budgets					
Resolutions & Receiverships	$779,156	$390,078	$270,824	69%	($119,253)
Risk Management Supervision	548,704	270,302	258,027	95%	(12,275)
Legal	297,921	146,224	139,174	95%	(7,050)
Administration	275,613	128,099	121,882	95%	(6,217)
Information Technology	286,720	130,729	113,953	87%	(16,776)
Depositor & Consumer Protection	167,634	83,865	78,800	94%	(5,065)
CIO Council	72,236	35,481	29,351	83%	(6,130)
Insurance & Research	43,897	20,824	19,253	92%	(1,571)
Complex Financial Institutions	35,639	22,976	18,691	81%	(4,285)
Finance	41,581	20,221	18,637	92%	(1,585)
Inspector General	33,722	16,678	14,608	88%	(2,070)
Executive Support [1]	31,274	15,173	12,626	83%	(2,547)
Corporate University - Corporate	24,111	11,693	10,391	89%	(1,302)
Corporate University - CEP	19,173	8,741	7,385	84%	(1,356)
Executive Offices [2]	11,247	5,587	5,283	95%	(304)
Government Litigation	1,000	0	0	N/A	0
Corporate Unassigned	40,183	0	0	N/A	0
Grand Total	**$2,709,812**	**$1,306,671**	**$1,118,885**	**86%**	**($187,786)**

1) Executive Support includes the Offices of Minority and Women Inclusion, Communications, 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 2013 spending estimates for approved projects. Detailed quarterly reports on the status of those projects are provided separately to the Board by the Capital Investment Review Committee for all information technology projects.