FDIC Federal Deposit Insurance Corporation

Deputy to the Chairman and Chief Financial Officer

September 30, 2024

MEMORANDUM TO: The Board of Directors

FROM: E. Marshall Gentry
Deputy to the Chairman
and Chief Financial Officer

SUBJECT: Third Quarter 2024 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended September 30, 2024.

Executive Summary

- During the third quarter of 2024, the Deposit Insurance Fund (DIF) balance increased to $133.1 billion as of September 30, 2024, up $3.9 billion from the June 30, 2024, balance of $129.2 billion. The quarterly increase was primarily due to assessment revenue of $3.0 billion, interest on U.S. Treasury (UST) securities of $1.1 billion, and negative provision for insurance losses of $274 million, partially offset by operating expenses of $594 million.

- The reserve ratio—the fund balance relative to insured deposits—increased by four basis points in the third quarter to 1.25 percent.

- Through September 30, 2024, overall FDIC Operating Budget expenditures were below the year-to-date (YTD) budget by 12 percent ($257.5 million). This consisted of underspending of $179.6 million (10 percent) in the Ongoing Operations budget component and $76.9 million (48 percent) in the Receivership Funding budget component. The largest contributor to the underspending in Ongoing Operations was a $73.9 million (6 percent) variance in the Salaries and Compensation major expense category, primarily resulting from vacancies in budgeted positions. Every other major expense category except Travel had variances of at least 10 percent. Underspending in Receivership Funding was principally because of lower than expected resolution activity and because the final settlement expenses paid to the acquiring institution by the Silicon Valley Bridge Bank receivership were substantially lower than the amount that had been accrued for those expenses at the end of 2023.

I. Financial Results (See pages 9 – 10 for detailed data and charts.)

Deposit Insurance Fund

- For the nine months ending September 30, 2024, the DIF's comprehensive income totaled $11.3 billion compared to a comprehensive loss of $8.9 billion for the same period last year. The year-over-year change of $20.2 billion was primarily due to a $21.5 billion decrease in provision for insurance losses, partially offset by a $1.4 billion decrease in assessment revenue.

- The provision for insurance losses was negative $1.8 billion for the first nine months of 2024 primarily due to a $1.9 billion reduction in estimated losses for the three large banks that failed in 2023. This decrease in estimated losses resulted mainly from better than expected net recoveries from asset dispositions, net increases in asset valuations, unanticipated collections from non-assets, and interest earned on receivership cash, which was partially offset by an adjustment of prior year loss estimates. Of the $1.9 billion reduction, $1.5 billion represents a decrease in estimated losses on uninsured deposits that must be recovered through a special assessment on insured depository institutions pursuant to the statutory systemic risk determination in 2023. Accordingly, the special assessments receivable for the recovery of the estimated loss on uninsured deposits was reduced by $1.5 billion with a corresponding reduction to assessment revenue. As a result, assessment revenue declined by $1.4 billion in the first three quarters of 2024 as compared to the same period last year ($8.2 billion in 2024 vs. $9.7 billion in 2023).

Assessments

- During September, the DIF recognized assessment revenue of $3.3 billion for the estimate of third quarter 2024 insurance coverage. Additionally, the DIF recognized a $48 million adjustment for lower-than-estimated collections for the second quarter 2024 insurance coverage, which decreased assessment revenue.

- On September 30, 2024, the FDIC collected $3.2 billion in DIF assessments for second quarter 2024 insurance coverage and $2.1 billion in special assessments.

II. Investment Results (See pages 11 – 12 for detailed data and charts.)

DIF Investment Portfolio

- On September 30, 2024, the total liquidity (also total market value) of the DIF investment portfolio stood at $88.92 billion, up $8.93 billion from its June 30, 2024, balance of $79.99 billion. During the quarter, resolution-related outlays and operating expenses were less than deposit insurance assessment collections, interest revenue, and receivership dividends.

- On September 30, 2024, the DIF investment portfolio's yield was 4.826 percent, down 58 basis points from its 5.410 percent yield on June 30, 2024.

- In accordance with the approved third quarter 2024 DIF portfolio investment strategy, staff purchased 9 conventional Treasury securities with a total par value of $20.00 billion, a weighted average yield of 4.721 percent, and a weighted average maturity of 0.62 years.

III. <u>Budget Results</u> (See pages 13 – 14 for detailed data.)

Approved Budget Modifications

The 2024 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2024 FDIC Operating Budget. In September, the CFO approved adjustments to the 2024 Ongoing Operations budgets of several divisions and offices as follows:

- The reallocation of $1,375,000 from the Corporate Unassigned contingency reserve to the Legal Division, to administer the contract of the Independent Transformation Monitor, who will monitor and audit the FDIC's implementation of recommendations from the Action Plan for a Safe, Fair, and Inclusive Work Environment (Action Plan) on behalf of the Board.
- The reprogramming of $1,100,000 in surplus funding from the Division of Administration's (DOA) Buildings major expense category to the Office of the Chief Operating Officer's Outside Services-Personnel major expense category, to provide funding for contractual services to advise and assist the FDIC in its implementation of culture change initiatives in the Action Plan, including the implementation of recommendations from the independent third-party review and the Office of the Inspector General.

No changes were approved during the quarter to the Receivership Funding budgets of divisions and offices.

Following these third quarter budget modifications, the balance in the Corporate Unassigned contingency reserve for the Ongoing Operations budget component was $19.4 million, and the balance in the Corporate Unassigned contingency reserve for the Receivership Funding budget component remained unchanged at $132.4 million.

Approved Staffing Modifications

The 2024 Budget Resolution delegated to the CFO the authority to modify approved 2024 staffing authorizations for divisions and offices, provided those modifications do not increase the total approved 2024 FDIC Operating Budget. The CFO approved numerous modifications to 2024 division and office staffing authorizations in the third quarter, as enumerated below:

- In July, the CFO approved the following mid-year adjustments to 2024 staffing authorizations of selected divisions and offices:

    - An increase of seven permanent positions and a net increase of one non-permanent position in the Division of Risk Management Supervision (RMS). This included the addition of two permanent executive management positions to support an approved reorganization of the Large Bank Supervision Branch; one permanent Special Assistant position to support the Deputy Director, Operational Risk; one permanent Senior Review Examiner position, Anti-Money Laundering (AML) Section, to support work related to implementation of the AML Act of 2020; two permanent Senior Exam Specialist positions in the Dallas and San Francisco regions to address an increased number of large and complex banks in those regions; one permanent Quantitative Risk Analyst position in the Atlanta region to increase the capacity to evaluate risk modeling for a very large FDIC-supervised IDI; and four non-permanent Assistant Regional Director (ARD) positions, one each for the Dallas, Kansas City, New York and San Francisco regions, to improve supervisory spans of control. Three vacant authorized non-permanent positions were eliminated, including a Senior Contract Oversight Manager position, a Contracts Manager position, and a Review Examiner position.

- An increase of five permanent positions in the Division of Depositor and Consumer Protection (DCP). This included two permanent positions in the Administrative Management and Operations Branch to manage and coordinate the Financial Management Scholars and Financial Institution Intern programs, and three permanent positions to support expanded economic inclusion activities in the Consumer and Community Affairs Branch in the Atlanta, Dallas and San Francisco regions.

- An increase of five permanent positions in DOA. This included two positions in the Acquisitions Services Branch, one to provide subject matter expertise in the development of a new acquisitions system and supporting acquisition processes, and one to help oversee the FDIC's purchase card program; and three positions in the Corporate Services Branch (CSB), one to support the development of the Virtual Event Management Platform, one to support leasing activities at headquarters, and one to help the Deputy Director for Corporate Services oversee CSB's various technology programs and initiatives.

- An increase of four permanent positions and one non-permanent position in Corporate University. This included two permanent positions in the Dallas Learning Center to deliver courses on inclusive leadership; two permanent supervisory positions to support implementation of an approved reorganization, one to oversee a team of eight Bank Examination Training Specialists and one to oversee a team of course administration specialists and regional training coordinators in the Corporate Learning Programs Section; and one non-permanent instructor position to support temporarily-elevated training workload in support of DCP.

- An increase of four permanent positions in the Legal Division. This included one permanent Deputy Executive Secretary and Senior Counsel position for the Office of the Executive Secretary to provide direct supervisory oversight of the Board Operations Unit and the Ethics and ADR Unit; one Senior Attorney position to support increased Alternative Dispute Resolution workload associated with a substantial increase in the number of Equal Employment Opportunity (EEO) complaints submitted to the Office of Minority and Women Inclusion (OMWI); and two Senior Counsel positions in the Enforcement Section to support increased workload associated with deposit insurance misrepresentation matters.

- An increase of one permanent position and two non-permanent positions in OMWI. This included one permanent position in the Diversity and Inclusion Branch to assist with increased workload associated with data requests; one non-permanent Management Analyst position in the Director's Office to assist with significantly increased operational and administrative tasks, and one non-permanent EEO Specialist position in the EEO Compliance and Training Branch to support workload resulting from an increase in EEO complaints.

- An increase of one permanent Senior IT specialist position in the Division of Information Technology (DIT) to address enterprise logging requirements.

- An increase of one permanent position in the Office of Communications (OCOM) to develop and implement a communications strategy related to workplace culture improvement and a hybrid workplace.

- An increase of two non-permanent positions in the Office of the Chief Information Security Officer (OCISO) to support increased audit activity, policy updates, and Federal Information Security Modernization Act (FISMA) reporting.

- A decrease of 20 vacant non-permanent positions budgeted in the Receivership Funding component of the Division of Resolutions and Receiverships (DRR).

- In August, the CFO approved the following adjustments to 2024 staffing authorizations of selected divisions and offices:

  - An increase of four permanent positions in DCP. This included one Senior Community Affairs Specialist (Quality Assurance and Data Reporting) to support the Assistant Director for Consumer Affairs with data analysis and reporting for the nationwide economic inclusion program; two positions in the Policy and Research Branch in Washington to assess the effects of climate-related financial risks on vulnerable communities; and one Technical Writer/Editor position in Washington to support the Associate Director for Consumer Affairs with bilingual publications and other materials generated in connection with the FDIC's consumer financial literacy program.

  - An increase of one Communications Specialist position in the Legal Division in Washington to help improve internal communications.

  - An increase of two non-permanent Information Security Analysts in the Division of Complex Institution Supervision and Receiverships (CISR) in the Information Technology and Security section to prevent the unauthorized release of sensitive resolution plan information submitted by large insured financial institutions.

  - An increase of two non-permanent Internal Ombudsman Specialist positions in the Office of Internal Ombudsman (IO) to provide the IO with additional resources to address currently-elevated casework.

- In September, the CFO approved the following adjustments to 2024 staffing authorizations:

  - An increase of two permanent Human Resources positions in DOA to address the increased level of workload for the Reasonable Accommodation (RA) Program.

  - An increase of two permanent ARD positions in the New York and San Francisco Regional Offices of DCP to provide enhanced managerial oversight of field offices and to reduce current ARD spans of control in those regional offices.

  - An increase of one non-permanent position in CU to oversee and coordinate the delivery of anti-harassment training for FDIC employees in conjunction with implementation of the Action Plan.

  - An increase of one non-permanent Business Technology Analyst Subject Matter Expert position in RMS to support the RMS Business Process Modernization project for up to six years.

Spending Variances

Significant spending variances by major expense category and division or office are discussed below. Significant spending variances for the quarter ending September 30, 2024, are defined as those that either (1) exceeded the YTD budget for a major expense category or division/office by more than $1 million and represented more than two percent of the major expense category or total division/office budget; or (2) were under the YTD budget for a major expense category or division/office by more than $7 million and represented more than seven percent of the major expense category or total division/office budget.

Significant Spending Variances by Major Expense Category

<u>Ongoing Operations</u>

Overall spending for the Ongoing Operations budget component was $179.6 million, or 10 percent, below the YTD budget through the third quarter of 2024. There were significant spending variances in three expense categories:

- Spending in the Outside Services – Personnel major expense category was under budget by $39.5 million, or 13 percent. The variance was largely attributable to underspending in the following divisions and offices:
  - DIT underspent its YTD budget by $15.5 million ($11.0 million in initiatives and $4.5 million in operations). Initiatives underspending was principally related to pausing two projects, the Interagency Exam Project and the migration of Financial/HR systems to a cloud environment. Numerous other projects also experienced project delays (53 of 62 remaining projects show underspending). Principal areas of underspending in operations were for infrastructure and platform services.
  - DOA underspent its YTD budget by $8.4 million, largely due to delays in awarding contracts for human resources, acquisition, and facilities management technology support; lower-than-planned contractor staffing for the implementation of electronic Official Personnel Folders; and underspending in special event support due to delays in implementing the Virtual Event Management Platform. The underspending also reflected lower-than-budgeted Student Residence Center support and payroll support.
  - The Legal Division underspent its YTD budget by $4.1 million because of lower-than-projected expenses for outside counsel, due largely to slower-than-anticipated proceedings in one major litigation matter.
  - DRR underspent its YTD budget by $3.5 million due to lower than anticipated expenses for Cyber Incident Response Advisory Services, Digital Assets Advisory Services, Closing Teams Support, Modeling and Analytics Services, and Other Real Estate Infrastructure Maintenance Fees due to contractor delays and the reclassification of some fees from Ongoing Operations to Receivership Funding, based on work performed during the year.
  - OCISO underspent its YTD budget by $1.9 million ($1.0 million in ongoing operations and $0.9 million in initiatives). Operations underspending was primarily attributable to contractor turnover and the decision to handle some sensitive issues with FDIC staff. Initiative underspending was related to delays in a cloud security project and delays in DIT projects with security components.
  - RMS underspent its YTD budget by $1.6 million, largely due to RMS' decision not to pursue a contract to provide contingent third-party support for risk management examinations.
- Spending in the Buildings major expense category was under budget by $30.9 million, or 31 percent, largely due to delayed contract awards and long lead times for receiving equipment for major repairs and capital improvements at FDIC-owned buildings; delays in beginning leasehold improvements for the Atlanta and Dallas Regional Office Expansions and for Field Office Modernization projects; slower-than-expected progress on minor improvements and routine maintenance at FDIC-owned buildings; and delayed receipt of deliverables from Architecture and Engineering vendors.
- Spending in the Equipment major expense category was under budget by $28.8 million, or 23 percent. DIT underspent its YTD budget by $14.4 million ($11.6 million for operations and $2.8 million for initiatives). The

main driver for the operations variance was delays in contracting for subscriptions and delivery of equipment. DOA underspent its YTD equipment budget by $13.2 million, largely due to delayed furniture delivery for Field Office Modernization, delayed furniture orders for Headquarters due to delays in space planning decisions, and project delays on the Dallas and Atlanta Regional Office Expansions. The underspending was also due to delays in acquiring online subscriptions for the FDIC Library and lower-than-planned spending on subscriptions for the virtual recruitment platform.

Receivership Funding

The Receivership Funding component of the 2024 FDIC 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 and other expenses required to ensure readiness without regard to whether failures occur.

Overall spending for the Receivership Funding budget component was $76.9 million, or 48 percent, below budget through the third quarter of 2024.

There were significant spending variances in three major expense categories through the end of the third quarter:

- Spending in the Salaries and Compensation category was under budget by $17.5 million, or 54 percent. The variance was largely attributable to YTD underspending of $14.8 million in DRR due to vacancies in budgeted non-permanent positions. DRR has decided not to fill many of those previously-authorized positions.

- Spending in the Outside Services – Personnel category was under budget by $22.5 million, or 19 percent. The variance was largely attributable to YTD underspending of $24.5 million in DRR due to lower than budgeted pre-failure and failure activity. Underspending in the category was partially offset by YTD overspending of $4.9 million in the Legal Division related to expenses incurred for pending and upcoming litigation.

- Spending in the Other Expenses category was under budget by $29.5 million. This reflected YTD underspending in DRR because the final settlement expenses paid to the acquiring institution by the Silicon Valley Bridge Bank receivership were substantially lower than the amount that was accrued for those expenses at the end of 2023.

Office of Inspector General

There were no significant spending variances through the third quarter of 2024 in the Office of Inspector General (OIG) budget component.

Significant Spending Variances by Division/Office[1]

There were four organizations with significant spending variances through the end of third quarter:

- DRR underspent its YTD budget by $88.5 million, or 40 percent, including $17.1 million in its Ongoing Operations budget and $71.4 million in its Receivership Funding budget. The underspending in the Ongoing Operations budget component included $12.9 million in the Salaries and Compensation major expense category due to vacancies in budgeted positions, and $3.5 million in the Outside Services-Personnel category, as detailed above. The underspending in the Receivership Funding budget component included $14.8 million in Salaries and Compensation major expense category, $24.5 million in the Outside Services-Personnel category, and $29.5 million in the Other Expenses category, as detailed above.

- DOA underspent its YTD budget by $58.4 million, or 20 percent, predominantly in its Ongoing Operations budget. This included $8.4 million in the Outside Services-Personnel major expense category, $30.6 million in the Buildings major expense category, and $13.2 million in the Equipment major expense category for the reasons stated above. The underspending also included $3.3 million in the Salaries and Compensation major expense category due to vacancies in budgeted positions and $1.4 million in underspending in the Outside Services-Other major expense category due to lower-than-expected recruitment-related purchasing, mail expenses, and shipping activity.

- DIT underspent its YTD budget by $41.2 million, or 12 percent, including $36.9 million in its Ongoing Operations budget and $4.3 million in its Receivership Funding budget. The biggest contributors to the underspending in the Ongoing Operations budget component were underspending of $15.5 million in the Outside Services - Personnel major expense category, as explained above; underspending of $14.4 million in the Equipment major expense category, as explained above; and underspending of $7.6 million in the Salaries and Compensation major expense category due to a high number of vacancies in budgeted positions. Underspending in the Receivership Funding budget component included $3.0 million in the Equipment major expense category and $1.1 million in the Outside Services-Personnel major expense category because of lower-than-projected expenses related to the 2023 bank failures.

- CISR underspent its YTD budget by $11.9 million, or 13 percent, primarily due to underspending of $8.7 million in its Salaries and Compensation major expense category due to vacancies in budgeted positions.

[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.

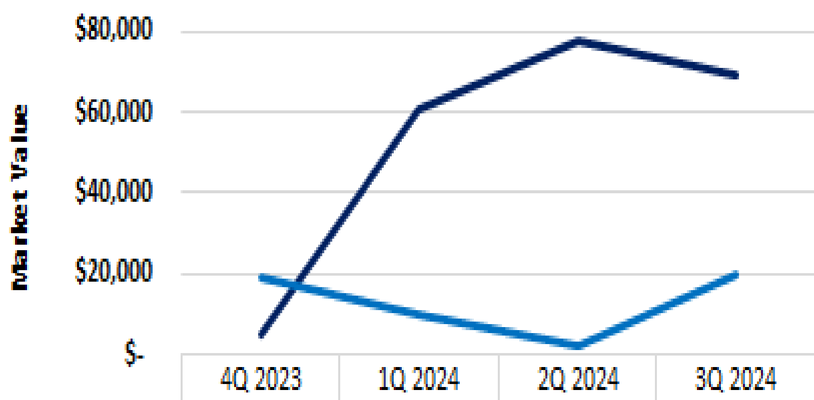
Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Sep-24	Jun-24	Quarterly Change	Sep-23	Year-Over-Year Change
Cash and cash equivalents	$ 68,976	$ 77,447	$ (8,471)	$ 30,230	$ 38,746
Investment in U.S. Treasury securities	19,840	2,497	17,343	52,215	(32,375)
Assessments receivable	3,308	3,288	20	3,273	35
Special assessments receivable	14,722	17,062	(2,340)	16,274	(1,552)
Interest receivable on investments and other assets, net	156	65	91	350	(194)
Receivables from resolutions, net	37,297	55,265	(17,968)	158,395	(121,098)
Property and equipment, net	311	306	5	368	(57)
Operating lease right-of-use assets	88	72	16	79	9
Total Assets	$ 144,698	$ 156,001	$ (11,303)	$ 261,184	$ (116,486)
Accounts payable and other liabilities	474	532	(58)	401	73
Operating lease liabilities	109	93	16	100	9
Liabilities due to resolutions	10,583	25,835	(15,252)	140,311	(129,728)
Postretirement benefit liability	256	256	0	232	24
Contingent liability for anticipated failures	165	50	115	801	(636)
Contingent liability for litigation losses	0	0	0	0	0
Total Liabilities	$ 11,587	$ 26,765	$ (15,178)	$ 141,845	$ (130,258)
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	31	(3)	34	(667)	698
FYI: Unrealized postretirement benefit (loss) gain	10	10	0	27	(17)
Fund Balance	$ 133,111	$ 129,236	$ 3,875	$ 119,339	$ 13,772

Changes in the DIF Portfolio Composition

($ in Millions)



	4Q 2023	1Q 2024	2Q 2024	3Q 2024
UST Overnight Investments	$4,816	$61,033	$77,431	$68,950
Investment in UST Securities	$18,929	$9,953	$2,497	$19,840
Yield-to-Maturity	4.659	5.377	5.410	4.826
Duration	0.20	0.02	0.00	0.11

Since 2023, much of the DIF portfolio was held in overnight investments. However, beginning in the third quarter of 2024, the FDIC began extending the duration of the DIF portfolio.

Fund Financial Results – continued

($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund				
	Sep-24	Jun-24	Quarterly Change	Sep-23	Year-Over-Year Change
Assessments	$ 8,225	$ 5,204	$ 3,021	$ 9,658	$ (1,433)
Interest on U.S. Treasury securities	2,894	1,776	1,118	2,162	732
Other revenue	77	54	23	24	53
Total Revenue	$ 11,196	$ 7,034	$ 4,162	$ 11,844	$ (648)
Operating expenses	1,767	1,173	594	1,522	245
Provision for insurance losses	(1,846)	(1,572)	(274)	19,672	(21,518)
Insurance and other expenses	3	2	1	5	(2)
Realized loss on sale of investments	0	0	0	1,842	(1,842)
Total Expenses and Losses	$ (76)	$ (397)	$ 321	$ 23,041	$ (23,117)
Net Income	$ 11,272	$ 7,431	$ 3,841	$ (11,197)	$ 22,469
Unrealized gain (loss) on U.S. Treasury securities, net	61	27	34	2,318	(2,257)
Unrealized postretirement benefit gain (loss)	0	0	0	0	0
Comprehensive Income (Loss)	$ 11,333	$ 7,458	$ 3,875	$ (8,879)	$ 20,212

Receivership Selected Statistics September 2024 vs. September 2023

	DIF		
($ in millions)	**Sep-24**	**Sep-23**	***Change***
Total Receiverships	61	103	(42)
Assets in Liquidation	$ 34,036	$ 79,673	$ (45,637)
YTD Collections	$ 50,429	$ 175,621	$ (125,192)
YTD Dividend/Other Pmts - Cash	$ 50,722	$ 40,273	$ 10,449

Beginning with the second quarter 2024 assessment collection period, the special assessment will initially be collected at an annual rate of approximately 13.4 basis points over eight quarterly assessment periods.

Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	9/30/24	6/30/24	Change
Par Value	$88,950	$79,950	$9,000
Amortized Cost	$88,759	$79,950	$8,809
Total Market Value (including accrued interest)	$88,924	$79,989	$8,935
Primary Reserve [1]	$88,924	$79,989	$8,935
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity	4.826%	5.410%	-0.584%
Weighted Average Maturity (in years)	0.12	0.00	0.12
Effective Duration (in years)			
Total Portfolio	0.11	0.00	0.11
Available-for-Sale Securities [2]	0.49	0.08	0.41

[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] Excludes any overnight investments.

Summary of Other Corporate Investment Portfolios (Dollar Values in Millions)			
	9/30/24	6/30/24	Change
FRF-FSLIC			
Book Value [3]	$983	$970	$13
Yield-to-Maturity	4.79%	5.37%	-0.58%
Weighted Average Maturity	overnight	overnight	no change

[3] 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)			
	9/30/24	6/30/24	Change
Book Value [4]	$7,188	$8,336	($1,148)
Effective Annual Yield	4.95%	5.41%	-0.46%
Weighted Average Maturity (in days)	9	1	8

[4] 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 3rd Quarter 2024**
	Purchase up to $20 billion (par value) short- term Treasury Securities with maturities between 6-months and 2-years based on shape and slope of the yield curve.
	Strategy changes for the 4th Quarter 2024
	Purchase up to $30 billion (par value) short- term Treasury Securities with maturities between 6-months and 2-years based on shape and slope of the yield curve.
NATIONAL LIQUIDATION FUND	**Strategy for the 3rd Quarter 2024**
	Maintain a minimum balance of $0.25 billion in the FHLBNY overnight account. Invest excess funds in Government MMFs and agency discount notes of less than 12-month maturities.
	No strategy changes for the 4th Quarter 2024
	Maintain a minimum balance of $0.25 billion in the FHLBNY overnight account. Invest excess funds in Government MMFs and agency discount notes of less than 12-month maturities.

Executive Summary of 2024 Budget and Expenditures by Budget Component and Major Expense Category Through September 30, 2024 (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	$ 1,707,929	$ 1,259,680	$ 1,185,735	94%	$ (73,945)
Outside Services - Personnel	434,245	308,685	269,180	87%	(39,505)
Travel	71,986	53,810	51,437	96%	(2,373)
Buildings	140,492	98,341	67,452	69%	(30,889)
Equipment	169,775	126,170	97,359	77%	(28,811)
Outside Services - Other	20,437	14,935	13,016	87%	(1,920)
Other Expenses	16,133	12,240	10,094	82%	(2,146)
Total Ongoing Operations *	**$ 2,560,997**	**$ 1,873,861**	**$ 1,694,273**	**90%**	**$ (179,588)**
Receivership Funding					
Salaries & Compensation	$ 43,509	$ 32,196	$ 14,652	46%	$ (17,544)
Outside Services - Personnel	287,503	116,110	93,619	81%	(22,491)
Travel	4,305	3,238	978	30%	(2,260)
Buildings	949	711	75	11%	(636)
Equipment	11,299	7,863	3,343	43%	(4,521)
Outside Services - Other	362	271	301	111%	30
Other Expenses	2,074	1,555	(27,958)	(1798%)	(29,513)
Total Receivership Funding *	**$ 350,000**	**$ 161,945**	**$ 85,011**	**52%**	**$ (76,934)**
Office of Inspector General					
Salaries & Compensation	$ 44,471	$ 33,712	$ 33,917	101%	$ 204
Outside Services - Personnel	1,787	1,340	647	48%	(693)
Travel	985	739	1,011	137%	272
Buildings	0	0	5	0%	5
Equipment	2,674	2,005	1,013	51%	(992)
Outside Services - Other	40	30	110	365%	80
Other Expenses	581	436	594	136%	159
Total Office of Inspector General *	**$ 50,537**	**$ 38,262**	**$ 37,296**	**97%**	**$ (966)**
Total FDIC Operating Budget *	**$ 2,961,535**	**$ 2,074,068**	**$ 1,816,580**	**88%**	**$ (257,488)**

* Totals may not foot due to rounding.

Executive Summary of 2024 Budget and Expenditures by Division/Office Through September 30, 2024 (Dollars in Thousands)

Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
FDIC Operating Budget					
Risk Management Supervision	$ 703,031	$ 519,692	$ 501,854	97%	$ (17,838)
Information Technology	468,789	351,374	310,151	88%	(41,223)
Administration	409,251	292,630	234,210	80%	(58,420)
Depositor & Consumer Protection	241,977	177,932	170,560	96%	(7,372)
Legal	222,338	163,607	154,854	95%	(8,753)
Resolutions & Receiverships	293,289	219,176	130,687	60%	(88,489)
Complex Institution Supervision & Resolution	126,132	93,431	81,519	87%	(11,912)
Insurance & Research	70,634	51,421	46,474	90%	(4,947)
Inspector General	50,537	38,262	37,296	97%	(966)
Chief Information Security Officer	56,525	41,111	38,353	93%	(2,758)
Executive Support [1]	48,122	35,540	28,658	81%	(6,882)
Finance	46,072	34,182	32,135	94%	(2,047)
Corporate University - Corporate	33,743	24,232	23,393	97%	(839)
Executive Offices [2]	27,364	22,517	19,393	86%	(3,124)
Risk Management & Internal Control	11,923	8,959	7,044	79%	(1,915)
Corporate Unassigned [3]	151,809	0	0	0%	0
Total FDIC Operating Budget [4]	**$ 2,961,535**	**$ 2,074,068**	**$ 1,816,580**	**88%**	**$ (257,488)**

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, Appointive 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, and Chief Information Officer/Chief Privacy Officer.
3) This includes a $19.4 million contingency reserve in the Ongoing Operations budget component and a $132.4 million contingency reserve in the Receivership Funding budget component to meet unanticipated budget requirements that may arise during the year.
4) Totals may not foot due to rounding.