Federal Deposit Insurance Corporation

Deputy to the Chairman and Chief Financial Officer

September 30, 2023

MEMORANDUM TO: The Board of Directors

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

SUBJECT: Third Quarter 2023 CFO Report to the Board

The attached report highlights the FDIC's financial activities and results for the quarter ended September 30, 2023.

Executive Summary

- During the third quarter of 2023, the Deposit Insurance Fund (DIF) balance increased to $119.3 billion as of September 30, 2023, up $2.4 billion from the June 30, 2023 balance of $117.0 billion. The quarterly increase was primarily due to assessment revenue of $3.2 billion partially offset by an increase in the provision for insurance losses of $1.2 billion and an impairment loss on U.S. Treasury (UST) securities of $272 million. The increase in the provision for insurance losses was due to a $620 million net increase to the estimated losses for the 2023 bank failures and a $581 million increase in the contingent liability for anticipated failures. The $620 million net increase in estimated losses for the 2023 bank failures reflects updated asset recovery estimates, shared-loss payment estimates and higher costs of liabilities assumed by the receiverships.

- The reserve ratio increased by two basis points to 1.13 percent (from a restated reserve ratio of 1.11 percent as of June 30), as insured deposits increased by just 0.1 percent during the quarter.

- During the third quarter of 2023, the FDIC was named receiver for one failed institution, Heartland Tri-State Bank. The assets at inception for Heartland Tri-State totaled approximately $122 million with an estimated loss of $54 million. The corporate cash outlay during the third quarter for this institution was $46 million.

- Through September 30, 2023, overall FDIC Operating Budget expenditures were below the year-to-date (YTD) budget by about $244.4 million, or 11 percent. This variance was primarily the result of underspending of $180.7 million (11 percent) in the Ongoing Operations budget component and $63.5 million (13 percent) in the Receivership Funding component. Ongoing Operations expenditures were at or below 87 percent of YTD budget in every non-salary expense category. Receivership expenditures continue to be under the YTD budget primarily due to delays in the payment of settlement expenses associated with the three large bank failures earlier this year.

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

Deposit Insurance Fund

- For the nine months ending September 30, 2023, the DIF's comprehensive loss totaled $8.9 billion compared to comprehensive income of $2.3 billion for the same period last year. This $11.2 billion year-over-year change was primarily due to a $19.7 billion increase in provision for insurance losses, partially offset by a $3.5 billion increase in assessment revenue and a $5.6 billion increase in market valuation adjustments on UST securities.

- Total realized losses on the sale/impairment of UST securities totaled $1.8 billion for the first nine months of 2023.

- The provision for insurance losses was $19.7 billion for the first nine months of 2023, primarily resulting from approximately $19 billion in estimated losses (attributable to the DIF) for the four failures that occurred in 2023.

- The year-over-year increase in assessment revenue was largely attributable to a 2 basis point increase in assessment rates beginning with first quarter 2023 insurance coverage increasing the likelihood that the reserve ratio would reach 1.35 basis points by the statutory deadline, consistent with the amended DIF restoration plan.

Assessments

- During September, the DIF recognized assessment revenue of $3.3 billion for the estimate of third quarter 2023 insurance coverage. Additionally, the DIF recognized a $48 million adjustment for lower-than-estimated collections for the second quarter 2023 insurance coverage, which decreased assessment revenue.

- On September 29, 2023, the FDIC collected $3.2 billion in DIF assessments for second quarter 2023 insurance coverage.

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

DIF Investment Portfolio

- On September 30, 2023, the total liquidity (also total market value) of the DIF investment portfolio stood at $82.76 billion, up $3.71 billion from its June 30, 2023, balance of $79.05 billion. During the quarter, deposit insurance assessment collections, interest revenue and receivership dividends exceeded resolution-related outlays and operating expenses.

- On September 30, 2023, the DIF investment portfolio's yield was 4.689 percent, up 64 basis points from its 4.046 percent yield on June 30, 2023.

- In accordance with the approved third quarter 2023 DIF portfolio investment strategy, staff invested in overnight securities only.

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

Approved Budget Modifications

The 2023 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2023 FDIC Operating Budget. In August, the CFO approved adjustments to the 2023 Ongoing Operations budgets of several divisions and offices as follows:

- The reprogramming of a total of $37,053 from regular salaries to corporate manager awards in the Division of Administration (DOA), Division of Depositor and Consumer Protection (DCP), Division of Risk Management Supervision (RMS), Division of Finance (DOF), Corporate University (CU), and Office of Communications (OCOM) to fund awards for CG supervisors who became corporate managers under the new managerial pay system implemented in June. The awards pools for non-supervisory CG employees were not changed.

- The realignment of $40,000 in the Legal Division from regular salaries to awards to recognize employee efforts related to the three large regional bank failures that occurred in early 2023.

Following these third quarter budget modifications, the balance in the Corporate Unassigned contingency reserve for the Ongoing Operations budget component remained unchanged at $15.0 million. There is no contingency reserve for the Receivership Funding budget component.

Approved Staffing Modifications

The 2023 Budget Resolution delegated to the CFO the authority to modify approved 2023 staffing authorizations for divisions and offices, as long as those modifications did not increase the total approved 2023 FDIC Operating Budget. The CFO approved the following modifications to staffing authorizations during the third quarter, in accordance with that delegated authority:

- In July, the CFO approved the following mid-year adjustments to the 2023 staffing authorizations of selected divisions and offices:

    - An increase of nine permanent and five non-permanent positions in RMS. This included seven permanent positions to establish a second Risk Monitoring section in Washington to provide enhanced monitoring and oversight of large banks, two permanent IT examiner positions, three non-permanent Assistant Regional Director positions in the Atlanta, Chicago, and Kansas City regions, and two non-permanent Case Manager positions in the Chicago Region to promote succession management.

    - An increase of nine permanent positions in DCP, including four permanent positions to address increases in the volume and complexity of examinations and consultation activities, two positions to enhance policy formulation for addressing the risks posed by technological innovations, two Special Assistants to provide support for Deputy Directors, and one position in the Administrative Operations Branch to support resource planning, recruiting, and diversity and inclusion initiatives.

    - An increase of seven permanent positions in the Division of Complex Institution Supervision and Resolution (CISR). This included three positions to increase capacity for international coordination, two positions to increase capacity in the Qualified Financial Contracts section, and two positions in the Receivership Operations Section to augment CISR's capacity to handle non-deposit claims in the event of a Title II failure.

- An increase of four permanent positions in CU including a transfer of three permanent regional training specialist positions from DOA to CU, consistent with the transfer of the regional support function to CU, and one Contract Oversight Manager position to improve contract oversight and administration.

- An increase of 106 non-permanent positions in the Division of Resolutions and Receiverships (DRR) to address the substantial post-resolution workload resulting from the three large regional bank failures that occurred in early 2023.

- An increase of two permanent positions in the Division of Insurance and Research to increase capacity in the Large Bank Pricing Section of the Financial Risk Management Branch.

- An increase of three permanent positions in the Office of Chief Information Security Officer (OCISO), including two positions for Information System Security Managers to support interactions with divisions and offices, and one Continuous Diagnostics Mitigation position to serve as a full-time project manager to help fortify FDIC systems and networks.

- An increase of eight permanent positions and 15 non-permanent positions in the Legal Division to address increased workload, including post-resolution work related to the large regional bank failures that occurred in early 2023.

- An increase of five permanent positions in DOF, including three positions to build enhanced cash management and funding expertise in the branch and increase capacity to support ongoing assessment workload, one accountant position to support increased receivership workload, and one position to support ongoing budget formulation and execution workload.

- An increase of one permanent position in the Office of Minority and Women Inclusion to provide leadership for the recruiting, hiring, and retention of individuals who identify as Hispanic/Latino.

- In August, the CFO approved the following adjustments to the 2023 staffing authorizations:

  - An increase of one permanent position in the Legal Division to address increased e-Discovery and data management workload in connection with enforcement work.

  - An increase of 79 permanent community bank examiner positions in RMS, resulting from changes to the National Examiner Staffing Model.

Subsequent to these third quarter adjustments, authorized 2023 staffing for the Corporation totaled 6,628 (6,325 permanent and 303 non-permanent).

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the quarter ending September 30, 2023, 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

Ongoing Operations

Overall spending for the Ongoing Operations budget component was $180.7 million, or 11 percent, below budget through the third quarter in 2023. There were significant spending variances in four major expense categories:

- Spending in the Outside Services – Personnel major expense category was under budget by $35.7 million, or 13 percent. The variance was largely attributable to underspending in the following divisions and offices:
  - The Division of Information Technology (DIT) underspent its YTD budget by $10.6 million, primarily due to delays in project starts and onboarding contracts.
  - DOA underspent its YTD budget by $8.6 million. This was mostly due to delays in awarding and staffing contracts supporting key initiatives, including upgrading facilities-related information systems and implementing electronic Official Personnel Folders (eOPF). It also reflects underspending on contracts supporting recurring operations, largely due to understaffing on human resources and acquisition services support contracts.
  - OCOM underspent its year-to-date budget by roughly $4.0 million, largely due to lower-than-expected spending for contractor support in planning the nationwide Deposit Insurance Awareness Campaign, which launched in early October.
  - DRR underspent its YTD budget by $3.6 million because expenses related to having closing teams available on a contingent basis for potential bank failures, which were budgeted in the Ongoing Operations budget component, were charged to the Receivership Funding budget component because the closing teams worked on actual bank failures. In addition, award of a contract for configuration of the Joint Venture Transaction platform was delayed to Q4.
  - OCISO underspent its YTD budget by $2.9 million due to unexpected vacancies in contractor positions supporting continuing operations.
- Spending in the Travel major expense category was under budget by $27.3 million, or 43 percent, primarily because of lower-than-budgeted spending by RMS and DCP for exam-related travel as well as training and relocation travel.
- Spending in the Buildings and Leased Space expense category was under budget by $27.1 million, or 31 percent, primarily due to delays by landlords in obtaining construction services for field office buildouts; delays by DOA in awarding contracts for major capital improvement projects; lower-than-expected interior construction activity in Headquarters and Regional Offices; and delays in awarding contracts for architecture and engineering and Headquarters moving and storage services.
- Spending in the Equipment expense category was under budget by $27.0 million, or 23 percent, mostly due to delays in starting projects and awarding contracts for hardware purchases and software maintenance and subscriptions in DIT; and delays by DOA in acquiring furniture for Field Office Modernization projects and routine furniture replacement at Headquarters.

Receivership Funding

The Receivership Funding budget component includes funding for expenses that are incurred in conjunction with institution failures and the management and disposition of the assets and liabilities of the ensuing receiverships, except for salary and benefits expenses for permanent employees assigned to the receivership management function and other expenses required to ensure readiness without regard to whether failures occur.

Overall spending for the Receivership Funding budget component was $63.5 million, or 13 percent, below budget through the third quarter of 2023. There were significant spending variances in two major expense categories:

- Spending in the Outside Services – Personnel category was over-budget by $91.0 million, or 44 percent. This variance was primarily driven by expenses for asset sales, loan servicing, and other receivership management activities resulting from the three large regional bank failures in early 2023. Funds will be realigned from surpluses in DRR's Other Expenses budget to cover the shortfall.

- Spending in the Other Expenses category was under budget by $145.6 million, or 54 percent, due in part to delays by DRR in finalizing settlement expenses for payroll, leave entitlement, and other administrative expenses for the three large regional bank failures that occurred in early 2023.

Office of Inspector General

There were no significant spending variances through the third quarter in the 2023 Office of Inspector General (OIG) budget component.

Significant Spending Variances by Division/Office[1]

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

- DRR underspent its YTD budget by $55.4 million, or 11 percent, including $7 million in its Ongoing Operations budget and $48.4 million in its Receivership Funding budget. The underspending in the Ongoing Operations budget component included $2.4 million in the Salaries and Compensation expense category due to vacancies in budgeted permanent positions, and $3.6 million in the Outside Services-Personnel expense category, as explained above. The underspending in the Receivership Funding budget component was largely attributable to underspending in the Other Expenses category, partially offset by overspending in the Outside Services-Personnel expense category, as explained above.

- DOA underspent its YTD budget by $51.0 million, or 19 percent. This included underspending of $9.6 million in the Outside Services-Personnel major expense category, $27.0 million in the Buildings and Leased Space major expense category, and $10.5 million in the Equipment major expense category, for the reasons described above.

- DIT underspent its YTD budget by a total of $41.0 million, or 13 percent in the Ongoing Operations budget component. This included $10.6 million in the Outside Services - Personnel major expense category and $15.1 million in the Equipment major expense category for the reasons described above. In the Receivership Funding budget component, this included $5.3 million in the Outside Services - Personnel major expense

[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.

category and $4.1 million in the Equipment major expense category due to updated plans for data storage related to the three large regional bank failures in early 2023.

- RMS underspent its YTD budget by $34.5 million, or 7 percent, primarily attributable to underspending of $15.8 million in the Salaries and Compensation major expense category due to higher-than-anticipated vacancies in budgeted positions and $16.3 million in the Travel major expense due to lower-than-projected exam travel.

- DCP underspent its YTD budget by $13.9 million, or 9 percent, primarily attributable to underspending of $7.2 million in the Salaries and Compensation major expense category due to higher-than-anticipated vacancies in budgeted positions and $5.5 million in the Travel major expense category due to lower-than-projected exam travel.

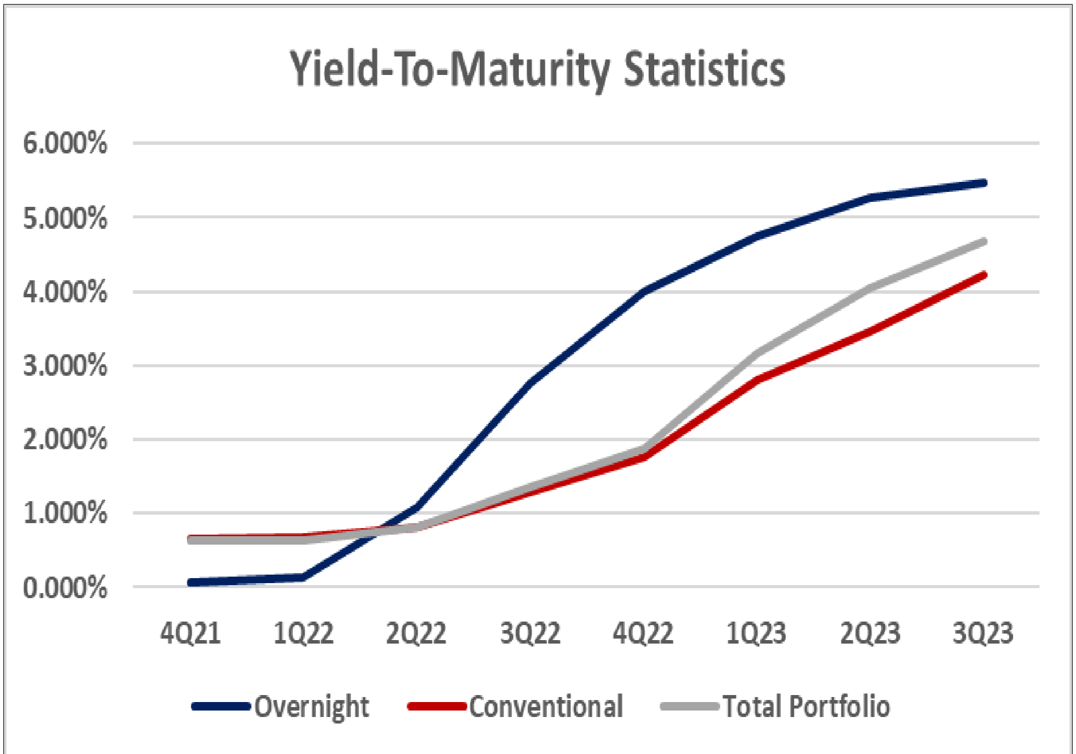
- The Legal Division underspent its YTD budget by $12.4 million, or 10 percent, including $8.1 million in its Ongoing Operations budget and $4.2 million in its Receivership Funding budget. The underspending in the Ongoing Operations budget component included $6.1 million in the Salaries and Compensation major expense category due to higher-than-anticipated vacancies in budgeted positions. The underspending in the Receivership Funding budget component was primarily due to the lower-than-projected litigation expenses.

- OCOM underspent its YTD budget by $7.9 million, or 43 percent, primarily due to underspending of $4.0 million in the Outside Services - Personnel major expense category, as explained above, and $3.1 million in the Outside Services - Other major expense category, due to lower-than-projected spending on media purchases to support the Deposit Insurance Awareness Campaign.

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund				
	Sep-23	Jun-23	Quarterly Change	Sep-22	Year-Over-Year Change
Cash and cash equivalents	$ 30,230	$ 25,353	$ 4,877	$ 5,767	$ 24,463
Investment in U.S. Treasury securities	52,215	53,459	(1,244)	116,572	(64,357)
Assessments receivable	3,273	3,231	42	2,101	1,172
Special assessments receivable	16,274	15,776	498	0	16,274
Interest receivable on investments and other assets, net	350	286	64	745	(395)
Receivables from resolutions, net	158,395	159,468	(1,073)	590	157,805
Property and equipment, net	368	366	2	355	13
Operating lease right-of-use assets	79	81	(2)	98	(19)
Total Assets	$ 261,184	$ 258,020	$ 3,164	$ 126,228	$ 134,956
Accounts payable and other liabilities	401	256	145	259	142
Operating lease liabilities	100	101	(1)	114	(14)
Liabilities due to resolutions	140,311	140,242	69	0	140,311
Postretirement benefit liability	232	232	0	332	(100)
Contingent liability for anticipated failures	801	220	581	65	736
Contingent liability for litigation losses	0	1	(1)	1	(1)
Total Liabilities	$ 141,845	$ 141,052	$ 793	$ 771	$ 141,074
FYI: Unrealized gain (loss) on U.S. Treasury securities, net	(667)	(1,007)	340	(3,459)	2,792
FYI: Unrealized postretirement benefit (loss) gain	27	27	0	(83)	110
Fund Balance	$ 119,339	$ 116,968	$ 2,371	$ 125,457	$ (6,118)



The portfolio's yield has experienced a dramatic shift with rising interest rates over the last year. This quarter's increase can be attributed to both the Federal Open Market Committee's last rate hike, a heavy concentration of funds in the overnight portfolio, and taking an impairment on certain securities in the conventional portfolio.

Fund Financial Results - continued

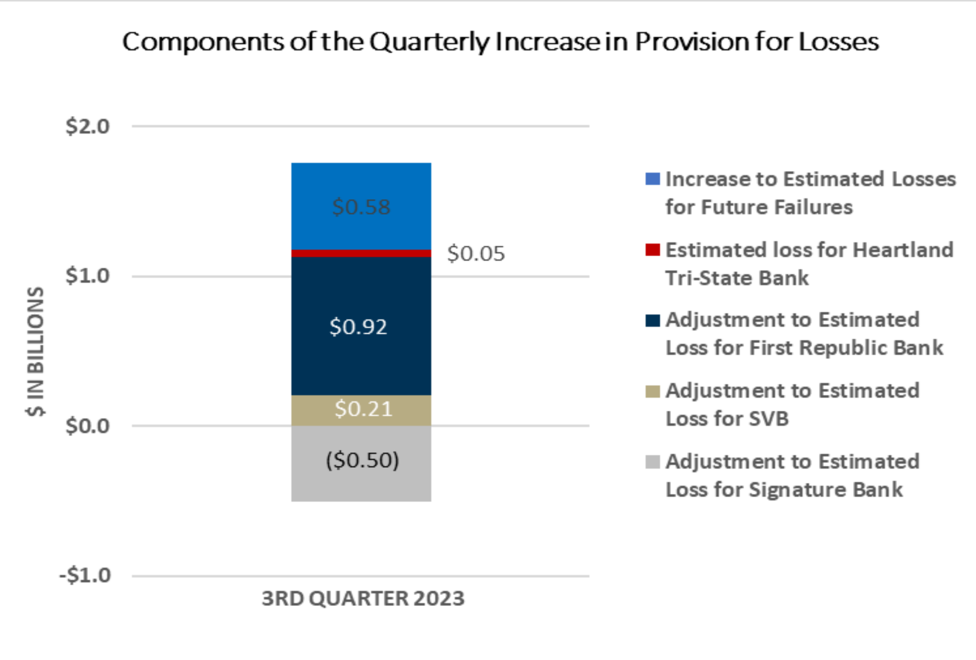
($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund				
	Sep-23	Jun-23	Quarterly Change	Sep-22	Year-Over-Year Change
Assessments	$ 9,658	$ 6,433	3,225	$ 6,169	$ 3,489
Interest on U.S. Treasury securities	2,162	1,334	828	748	1,414
Return of unclaimed insured deposits	16	15	1	38	(22)
Other revenue	8	5	3	6	2
Total Revenue	$ 11,844	$ 7,787	$ 4,057	$ 6,961	$ 4,883
Operating expenses	1,522	1,005	517	1,368	154
Provision for insurance losses	19,672	18,435	1,237	(35)	19,707
Insurance and other expenses	5	5	0	2	3
Realized loss on sale of investments	1,842	1,570	272	0	1,842
Total Expenses and Losses	$ 23,041	$ 21,015	$ 2,026	$ 1,335	$ 21,706
Net Income	$ (11,197)	$ (13,228)	$ 2,031	$ 5,626	$ (16,823)
Unrealized gain (loss) on U.S. Treasury securities, net	2,318	1,978	340	(3,310)	5,628
Unrealized postretirement benefit gain (loss)	0	0	0	0	0
Comprehensive Income	$ (8,879)	$ (11,250)	$ 2,371	$ 2,316	$ (11,195)

Selected Financial Data	FSLIC Resolution Fund				
	Sep-23	Jun-23	Quarterly Change	Sep-22	Year-Over-Year Change
Cash and cash equivalents	$ 956	$ 944	$ 12	$ 914	$ 42
Accumulated deficit	(124,513)	(124,525)	12	(124,555)	42
Total resolution equity	957	945	12	914	43
Total revenue	34	22	12	7	27
Operating expenses	0	0	0	0	0
Losses related to thrift resolutions	0	0	0	0	0
Net Income (Loss)	$ 34	$ 22	$ 12	$ 7	$ 27

Receivership Selected Statistics September 2023 vs. September 2022

	DIF			FRF			ALL FUNDS		
($ in millions)	Sep-23	Sep-22	*Change*	Sep-23	Sep-22	*Change*	Sep-23	Sep-22	*Change*
Total Receiverships	103	156	(53)	0	0	0	103	156	(53)
Assets in Liquidation	$ 79,673	$ 48	79,625	$ 0	$ 0	$ 0	79,673	$ 48	$ 79,625
YTD Collections	$ 175,621	$ 133	175,488	$ 0	$ 0	$ 0	175,621	$ 133	$ 175,488
YTD Dividend/Other	$ 40,273	$ 417	$ 39,856	$ 0	$ 0	$ 0	$ 40,273	$ 417	$ 39,856



During the 3rd quarter 2023, the provision for insurance losses increased by $1.2 billion to $19.7 billion at 9/30/23. The total estimated losses for the three large regional bank failures in 2023 rose by $1.1 billion to $35.2 billion as of quarter-end. The portion of the estimated losses that are attributable to uninsured deposits ($16.3 billion) will be recovered from the banking industry through a special assessment.

Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	9/30/23	6/30/23	Change
Par Value	$84,380	$80,909	$3,471
Amortized Cost	$83,434	$79,776	$3,658
Total Market Value (including accrued interest)	$82,759	$79,046	$3,713
Primary Reserve [1]	$82,759	$79,046	$3,713
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Yield-to-Maturity	4.689%	4.046%	0.643%
Weighted Average Maturity (in years)	0.80	1.00	-0.20
Effective Duration (in years)			
Total Portfolio	0.76	0.96	-0.20
Available-for-Sale Securities [2]	1.21	1.40	-0.19

[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)			
	9/30/23	6/30/23	Change
FRF-FSLIC			
Book Value [4]	$931	$918	$13
Yield-to-Maturity	5.40%	5.19%	0.21%
Weighted Average Maturity	overnight	overnight	no change

[4] Due to the current short-term nature of this portfolio, its respective Par, Book, and Market Values are identical for reporting purposes.

National Liquidation Fund (NLF) Investment Portfolio Summary (Dollar Values in Millions)			
	9/30/23	6/30/23	Change
Book Value [5]	$4,438	$6,377	($1,939)
Effective Annual Yield	5.43%	5.16%	0.27%
Weighted Average Maturity (in days)	2	4	(2)

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

Investment Strategies	
DEPOSIT INSURANCE FUND	**Strategy for the 3rd Quarter 2023**
	Maintain a minimum balance of $8 billion in the overnight account. Excess funds will be used to purchase overnight securities only.
	Strategy changes for the 4th Quarter 2023
	Purchase overnight securities only. Sell, if needed, with regard to the shape and slope of the yield curve.
NATIONAL LIQUIDATION FUND	**Strategy for the 3rd Quarter 2023**
	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 6-month maturities.
	Strategy for the 4th Quarter 2023
	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 6-month maturities.

Executive Summary of 2023 Budget and Expenditures by Budget Component and Major Expense Category Through September 30, 2023 (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	$1,501,707	$1,108,281	$1,052,418	94.96%	($55,863)
Outside Services - Personnel	381,256	273,249	237,559	86.94%	(35,689)
Travel	86,431	63,147	35,849	56.77%	(27,299)
Buildings	124,179	88,266	61,155	69.29%	(27,110)
Equipment	156,093	116,474	89,439	76.79%	(27,035)
Outside Services - Other	20,687	14,218	9,350	65.76%	(4,868)
Other Expenses	15,642	12,343	9,470	76.72%	(2,873)
Total Ongoing Operations *	**$2,285,994**	**$1,675,978**	**$1,495,241**	**89.22%**	**($180,737)**
Receivership Funding					
Salaries & Compensation	$24,742	$9,291	$4,692	50.50%	($4,599)
Outside Services - Personnel	355,547	205,042	296,090	144.41%	91,049
Travel	3,032	2,336	2,027	86.78%	(309)
Buildings	405	274	91	33.21%	(183)
Equipment	8,611	6,461	2,486	38.48%	(3,975)
Outside Services - Other	1,371	865	1,006	116.26%	141
Other Expenses	431,291	269,628	123,986	45.98%	(145,643)
Total Receivership Funding *	**$825,000**	**$493,898**	**$430,379**	**87.14%**	**($63,519)**
Office of Inspector General					
Salaries & Compensation	41,500	31,426	30,793	97.98%	(634)
Outside Services - Personnel	1,484	940	689	73.30%	(251)
Travel	1,594	926	939	101.46%	14
Buildings	0	0	0		0
Equipment [1]	2,198	1,520	1,609	105.87%	89
Outside Services - Other	0	0	99		99
Other Expenses	1,309	495	1,031	208.39%	536
Total Office of Inspector General *	**$48,085**	**$35,307**	**$35,160**	**99.58%**	**($147)**
Total FDIC Operating Budget *	**$3,159,079**	**$2,205,182**	**$1,960,780**	**88.92%**	**($244,402)**

* Totals may not foot due to rounding.
1) The OIG year-to-date expenses have been reduced by approximately $1.8 million to reflect expenses that were incurred in 2022.

Executive Summary of 2023 Budget and Expenditures by Division/Office Through September 30, 2023 (Dollars in Thousands)

Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
FDIC Operating Budget					
Risk Management Supervision	$ 641,879	$ 473,615	$ 439,106	93%	$ (34,509)
Information Technology	438,728	325,883	284,896	87%	(40,987)
Administration	358,005	262,114	211,146	81%	(50,968)
Depositor & Consumer Protection	213,671	157,857	143,977	91%	(13,880)
Legal	173,632	127,836	115,461	90%	(12,375)
Resolutions & Receiverships	842,560	498,402	442,984	89%	(55,418)
Complex Institution Supervision & Resolution	165,303	131,979	123,141	93%	(8,838)
Insurance & Research	66,891	49,213	43,483	88%	(5,730)
Inspector General [1]	48,085	35,307	35,160	100%	(147)
Chief Information Security Officer	53,066	38,613	33,964	88%	(4,649)
Executive Support [2]	48,244	35,030	24,319	69%	(10,711)
Finance	41,108	30,484	29,178	96%	(1,306)
Corporate University - Corporate	28,088	20,480	18,069	88%	(2,411)
Executive Offices [3]	14,773	10,707	8,883	83%	(1,824)
Risk Management & Internal Control	10,034	7,663	7,012	92%	(651)
Corporate Unassigned [4]	15,013	0	0	0%	0
Total FDIC Operating Budget [5]	**$ 3,159,079**	**$ 2,205,182**	**$ 1,960,780**	**89%**	**$ (244,402)**

1) The OIG year- to- date expenses have been reduced by approximately $1.8 million to reflect expenses that were incurred in 2022.
2) Executive Support includes the Offices of Minority and Women Inclusion, Communications, Ombudsman, Legislative Affairs, and Financial Institution Adjudication.
3) Executive Offices include the offices of the Chairman, Vice Chairman, Independent Director, Deputy to the Chairman and Chief Operating Officer, Deputy to the Chairman and Chief Financial Officer, Deputy to the Chairman for Policy, Deputy to the Chairman for External Affairs, Deputy to the Chairman for Financial Stability, and Chief Information Officer/Chief Privacy Officer.
4) This reflects a contingency reserve in the Ongoing Operations budget component to meet unanticipated budget requirements that may arise during the year.
5) Totals may not foot due to rounding.