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

February 7, 2005

MEMORANDUM TO: The Board of Directors

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

Fred Selby
Director, Division of Finance

SUBJECT: Fourth Quarter 2004 CFO Report to the Board

The attached report highlights the Corporation's financial activities and results for the twelve months ending December 31, 2004.

Executive Summary

- Overall, the deposit insurance funds remained financially sound and exhibited healthy earnings during 2004. Additionally, the estimated level of probable and reasonably estimable failure activity at year-end is at historically low levels for both insurance funds. However, as a result of changes in loss provisions during the prior year and reductions in unrealized gains on available-for-sale securities in the current year, there is a significant decline in year-over-year comprehensive income for BIF and a moderate decline for SAIF.

- The decision to expedite the liquidation of the remaining non-cash assets of the FSLIC Resolution Fund (FRF) continues to yield tangible results. During 2004, the book value of FRF assets in liquidation declined by 49 percent and now stands at only $64 million.

- Operating- and investment-related expenses ran below budget by 8 percent and 10 percent, respectively. The variance with respect to the operating budget expenses was primarily the result of limited resolutions and receivership activities, including newly initiated bank closings during the year. A detailed report on the status of the investment-related expenses, except Virginia Square – Phase II, is provided separately to the Board by the Capital Investment Review Committee.

- Staff believes that the Treasury yield environment will reflect greater-than-normal economic uncertainties over the near term. Assuming that the nascent economic recovery continues, an attendant rise in yields will result in lower unrealized gains for BIF's and SAIF's current holdings of available-for-sale (AFS) securities. However, new investments could be made at these anticipated higher yields that would increase portfolio yields.

On the pages following is an assessment of each of the three major finance areas: financial statements, investments, and budget.

Summary Trends and Results	
Financial Results	Comments
I. Financial Statements	• Reserve Ratios are still well above the 1.25 designated reserve ratio (DRR) with losses in both BIF and SAIF now hovering at historically low levels. If insured deposit growth increases to historical averages, it may result in lower reserve ratios going forward. • OPEX coverage ratio (Interest Revenue/Operating Expenses), which had been on the decline, appears to be leveling off and may head higher with the potential for investment yield increases and steady-to-lower operating expenses.
II. Investments	• Consensus forecasts predict a marked increase in shorter-term Treasury yields. However, uncertainties about the strength of the economic recovery or market sentiments that increases in the Fed funds rate will keep inflation in check could result in longer-term yields remaining at current historically low levels for at least the near term. • If yields do increase, this could lead to increased interest revenue over the long run. Over the short run, increasing yields would likely accelerate the erosion of existing unrealized gains on AFS securities. However, regardless of changes in yields, these unrealized gains will be reduced due to the passage of time.
III. Budget	• The 2004 Corporate Operating Budget provided $1.090 billion in spending authority for 2004. Overall spending for the Corporation during the year was $1.004 billion, which was 8 percent below the budgeted amount. The majority of this variance occurred in the Receivership Funding component of the budget. • Approximately $986 million was spent in the Ongoing Operations component of the budget, which was about $29 million (3 percent) below the budgeted level. However, spending in the 4th quarter of 2004 exceeded the quarterly budget by $19 million in the Ongoing Operations component of the Corporate Operating Budget. Payments for contracted services exceeded the quarter's budget by nearly $13 million and the recording of $7 million for employee buyout acceptances were the major contributors to the result. • Approximately $18 million was spent in the Receivership Funding component of the budget, which was about $57 million (76 percent) below the budgeted level. • The attached tables (on pages 12 - 13) for the twelve months ending December 31, 2004, compare actual expenditures to the approved Corporate Operating Budget by major expense category and budget component. In addition, there is a comparison of actual expenditures in the combined operating and investment budgets to the budget/estimates by division/office. • On December 7, 2004, the Board revised the 2004 year-end authorized staff from 5,425 to 5,329. No change was made to the 2004 Corporate Operating Budget. • Approximately $12 million in Investment Budget funds that was estimated to be used in 2004, was not spent and will be available for expenditures in future

Summary Trends and Results	
Financial Results	Comments
	periods, in accordance with the board resolutions. • Significant future savings are anticipated from workforce reshaping efforts now underway, however, the bulk of those savings will not be realized until 2006 and beyond.
Overall	• Insurance fund balance sheets and income statements continue to show solid results. • Both insurance funds are experiencing strong cash flows. • Both the bank and thrift industries are projected to remain relatively healthy in 2005.

I. Corporate Fund Financial Statement Results (See pages 8 - 9 for detailed data and charts.)

BIF

- The BIF fund balance grew about 3 percent during 2004 to end the year at $34.8 billion.

- For the twelve months ending December 31, 2004, BIF's comprehensive income was $1.0 billion, which is substantially lower than the $1.7 billion reported in 2003. This reduction is primarily due to a significantly smaller negative adjustment of $269 million to the provision for losses in 2004, compared to a negative $931 million adjustment for the same period last year—a $662 million difference.

- BIF reported a decrease in unrealized gains on available-for-sale securities in 2004 of $112 million. BIF has experienced such declines for both of the past two years. This decrease is largely due to the fact that interest rates increased and reached a plateau in late 2003 after dropping sharply in 2002 and early 2003. Despite the modest decrease in unrealized gains in 2004, cumulative unrealized gains in the fund remained high at $690 million.

SAIF

- The SAIF fund balance grew approximately 4 percent during 2004 to end the year at $12.7 billion.

- For the twelve months ending December 31, 2004, SAIF's comprehensive income was $480 million. This is slightly lower than the $493 million reported in 2003. This reduction is primarily due to lower earnings on U.S. Treasury obligations of $6 million in 2004 when compared to last year.

- SAIF reported a decrease of $36 million in unrealized gains on available-for-sale securities in 2004. This change can be attributed to the same Treasury market conditions cited in the BIF analysis above.

FRF

- During 2004, the book value of FRF assets was reduced from $125 million to $64 million —a reduction of approximately 49 percent. In 2005, staff anticipates further reducing this balance by an additional $30 million.

- For the twelve months ending December 31, 2004, FRF received $83 million in tax benefit sharing agreement collections. There are eight such agreements remaining, down from 18 at the beginning of 2004.

II. Investments Results and Prospective Strategies (See pages 10 - 11 for detailed data and charts.)

BIF

- The book value of the BIF investment portfolio increased year-to-date by approximately 3.08 percent—from $32.237 billion on December 31, 2003, to $33.231 billion on December 31, 2004.

- During the fourth quarter of 2004, taking advantage of the rise in yields of short- to intermediate-maturity securities, staff purchased for the BIF portfolio new securities with a total par value of $2.700 billion, a weighted average maturity of 1.97 years, and a weighted average yield of 2.97 percent. At the end of the quarter, the effective duration of the BIF portfolio was 2.30 years.

- The BIF investment portfolio's return for the year ended December 31, 2004, was 2.831 percent or approximately 87 basis points greater than the return of the benchmark, the Merrill Lynch 1-10 Year U.S. Treasury Index, which earned 1.964 percent for the year.

SAIF

- The book value of the SAIF investment portfolio increased year-to-date by approximately 3.76 percent—from $11.528 billion on December 31, 2003, to $11.962 billion on December 31, 2004.

- During the fourth quarter of 2004, taking advantage of the rise in yields of short- to intermediate-maturity securities, staff purchased for the SAIF portfolio new securities with a total par value of $1.000 billion, a weighted average maturity of 2.02 years, and a weighted average yield of 2.98 percent. At the end of the quarter, the effective duration of the SAIF portfolio was 2.53 years.

- The SAIF investment portfolio's return for the year ended December 31, 2004, was 2.862 percent or approximately 90 basis points greater than the return of the benchmark, the Merrill Lynch 1-10 Year U.S. Treasury Index, which earned 1.964 percent for the year.

The Treasury Market

- The Treasury yield curve flattened significantly over 2004, with yields on short- to intermediate-maturity Treasury securities rising and the yields on longer-maturity Treasury securities remaining virtually unchanged.

- The ten-year Treasury note is currently trading within a range with yields holding between 4.0 and 4.3 percent. This trading range appears to be a result of market sentiment that over the near term, economic growth will be restrained and inflationary pressures will remain contained.

Prospective Strategies

- The current investment strategies provide the flexibility to purchase a wide range of different Treasury securities with varying maturities, depending on Treasury market conditions and developments during the first quarter of 2005, while at the same time ensuring that the portfolios maintain sufficient liquidity.

III. Budget Results (See pages 12 - 13 for detailed data.)

Significant Spending Variances by Major Expense Category[1]

Ongoing Operations

- Outside Services-Personnel expenditures were $6.8 million, or 5 percent, less than budgeted. This variance was largely attributable to information technology planning and development delays, system enhancement cancellations, and lower-than-anticipated contractor labor rates for IT infrastructure operational services.

- Travel expenditures were $5.0 million, or 11 percent, less than budgeted. The majority of this variance was in the Division of Supervision and Consumer Protection and was attributable to unused travel funds resulting from vacant positions, higher-than-anticipated leave taken in the summer, and changes in travel patterns. Additionally, spending for reassignment travel was lower than anticipated.

- Building expenditures were $5.1 million, or 6 percent, less than budgeted, primarily due to delays in spending approximately $2.9 million for capital improvements that were not completed in 2004 and $2.2 million for major repair projects that experienced contracting delays.

- Equipment expenditures were $4.3 million, or 10 percent, less than budgeted, primarily due to lower-than-budgeted unit costs for personal computers purchased for the Office of Inspector General ($1.3 million), and another $1.3 million ordered in 2004 but received in early January 2005.

[1] Significant spending variances for the twelve months ending December 31, 2004, are defined as those that exceed the annual budget or those that are under the authorized budget by more than $1 million and represent more than three percent of that budget.

- Outside Services - Other expenditures were $1.3 million, or 10 percent, greater than budgeted due to the unanticipated costs of revising and reprinting insurance brochures and the printing and mailing of financial institution letters that were originally expected to be distributed electronically.

- Other Expenses were $1.8 million, or 16 percent, less than budgeted largely due to reduced spending for off-site conferences and occupational training in the Division of Supervision and Consumer Protection.

Receivership Funding

- Salary and Compensation expenditures for overtime were $3.4 million, or 91 percent, less than budgeted, primarily due to less resolution activity than budgeted during the year.

- Outside Services-Personnel expenditures were $45.7 million, or 74 percent, less than budgeted, primarily due to less resolution activity than budgeted during the year.

- Travel expenditures were $4.9 million, or 89 percent, less than budgeted, primarily due to less resolution activity than budgeted during the year.

- Buildings expenditures were $1.5 million, or 83 percent, less than budgeted, primarily due to less resolution activity than budgeted during the year.

Significant Spending Variances by Division/Office[2]

- The Division of Resolutions and Receiverships spent $48.7 million, or 37 percent, less than budgeted. This was largely the result of contractual service expenses in the Receivership Funding portion of its budget that were $39.8 million lower than were budgeted due to significantly less resolution activity workload than was anticipated.

- The Division of Information Resources Management spent $15.5 million, or 7 percent, less than budgeted, primarily due to lower than budgeted spending for "Equipment and Outside Services – Personnel." Equipment purchases for the infrastructure modernization investment project and software maintenance and equipment expenditures in the Ongoing Operations component of the budget were made more slowly than anticipated. Lower than anticipated contractor labor rates and reductions arising from contractor turnover without replacements also contributed to this variance.

- The Legal Division spent $9.5 million, or 10 percent, less than budgeted. This was largely the result of contractual service expenses in the Receivership Funding portion of its budget that were $5.5 million lower than budgeted due to significantly less resolution activity than was budgeted for during the year. Approximately $3.0 million of the variance was attributable to vacant authorized positions that were budgeted, but not filled in a timely manner.

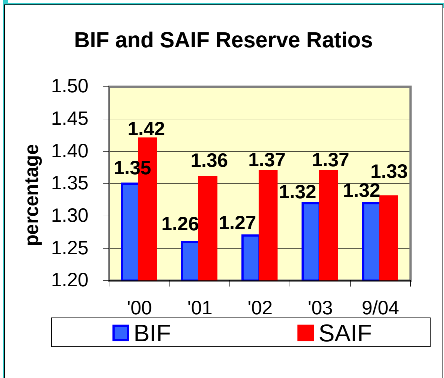
[2] Information on division/office variances reflects variances in both the Corporate Operating and Investment portions of the budget.

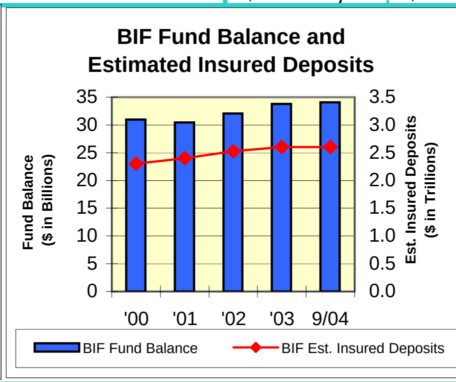
- The Division of Insurance and Research spent $9.4 million, or 23 percent, less than budgeted. This was largely the result of slower than anticipated spending for contractor costs associated with the development of the Central Data Repository (CDR) and extended vacancies in budgeted positions during the year.

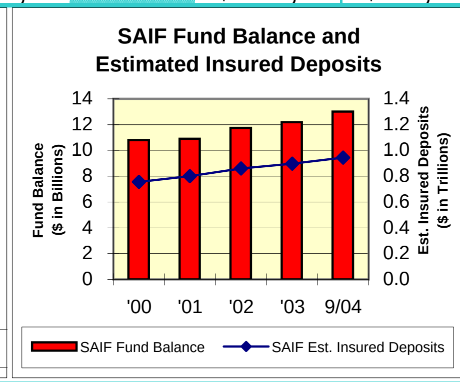
- The Corporate University spent $1.9 million, or 15 percent, less than budgeted. This was largely the result of the reprioritizing and rescheduling of various projects and extended vacancies in budgeted positions during the year.

FDIC FUND FINANCIAL RESULTS

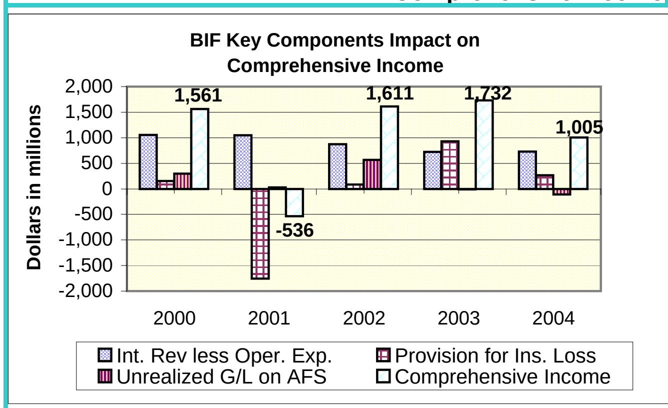
Balance Sheet	BIF Dec-04	BIF Dec-03	SAIF Dec-04	SAIF Dec-03
Cash & cash equivalents - unrestricted	$ 1,822	$ 2,544	$ 644	$ 827
Cash & other assets - restricted for SAIF member exit fees	na	na	328	319
Investment in U.S. Treasury obligations, net:	32,108	30,503	11,556	10,976
Interest receivable on investments and other assets, net	602	551	201	189
Receivables from resolutions, net	375	511	347	273
Property, buildings and other capitalized assets, net	357	288	na	na
Total Assets	**$ 35,264**	**$ 34,397**	**$ 13,076**	**$ 12,584**
Accounts payable and other liabilities	269	232	26	21
Contingent Liabilities: future failures	8	178	2	3
Contingent Liabilities: litigation losses & other	200	205	0	1
SAIF member exit fees & investment proceeds held in	na	na	328	319
Total Liabilities	**$ 477**	**$ 615**	**$ 356**	**$ 344**
FYI: Unrealized gain on available-for-sale securities	690	802	238	274
FUND BALANCE	**$ 34,787**	**$ 33,782**	**$ 12,720**	**$ 12,240**

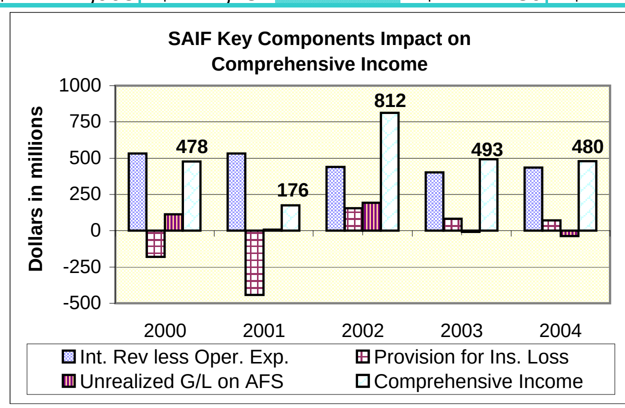






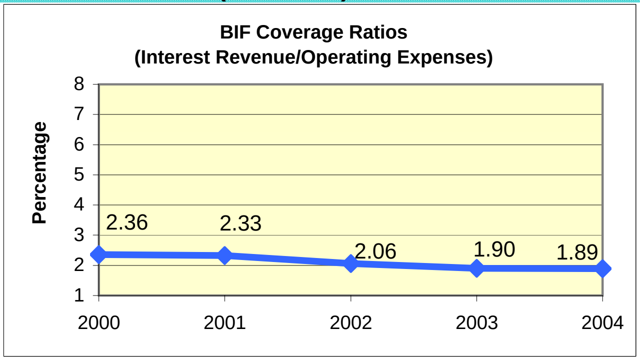
Income Statement	BIF Dec-04	BIF Dec-03	SAIF Dec-04	SAIF Dec-03
Assessments earned	$ 95	$ 80	$ 9	$ 15
Interest earned on investment securities	1,553	1,530	555	532
Other revenue	28	16	0	0
Total Revenue	**$ 1,676**	**$ 1,626**	**$ 564**	**$ 547**
Operating expenses (includes depreciation expense)	822	805	120	129
Provision for insurance losses	(269)	(931)	(72)	(82)
Other expenses	6	10	0	0
Total Expenses & Losses	**$ 559**	**$ (116)**	**$ 48**	**$ 47**
Net Income	**$ 1,117**	**$ 1,742**	**$ 516**	**$ 500**
Unrealized (loss)/gain on available-for-sale securities	(112)	(10)	(36)	(7)
YTD Comprehensive Income	**$ 1,005**	**$ 1,732**	**$ 480**	**$ 493**

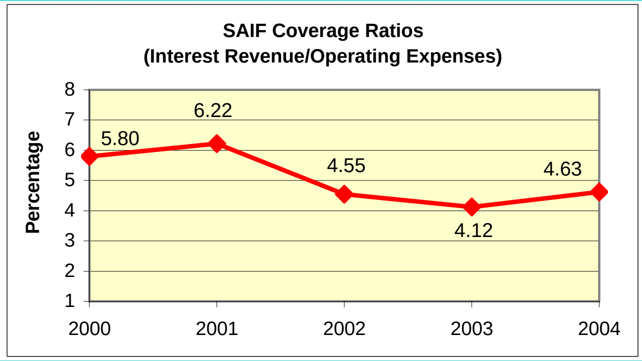




FDIC FUND FINANCIAL RESULTS

Income Statement - (continued)



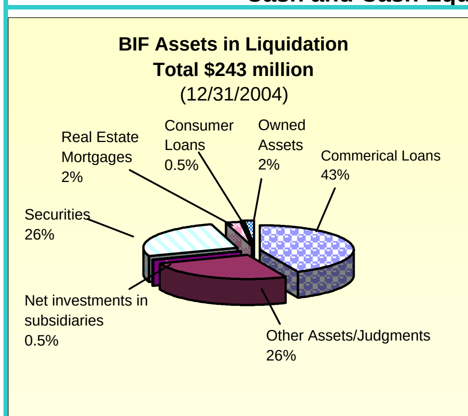


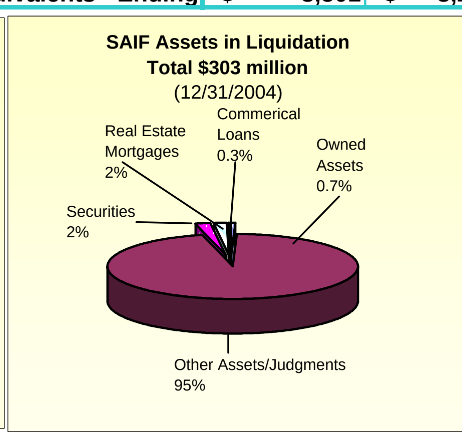
Statements of Cash Flows

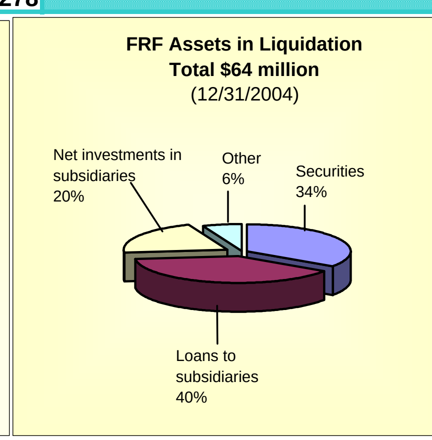
	BIF		SAIF	
	12/31/04	12/31/03	12/31/04	12/31/03
Net Income	**$ 1,117**	**$ 1,742**	**$ 516**	**$ 500**
Amortization of U.S. Treasury obligations (unrestricted)	737	456	262	156
TIIS Inflation Adjustment	(182)	(115)	(61)	(39)
Depreciation on property and equipment	54	55	na	na
Provision for losses	(269)	(931)	(72)	(82)
Terminations\ adjustments of work-in-process accounts	1	0	na	na
Net change in operating assets and liabilities	197	92	(2)	(3)
Net Cash Provided by Operating Activities	**$ 1,655**	**$ 1,299**	**$ 643**	**$ 532**
Investments matured and sold	9,175	5,580	3,050	1,745
Investments purchased (includes purchase of property and equipment)	(11,552)	(8,942)	(4,051)	(3,313)
Net Cash Used by Investing Activities	**$ (2,377)**	**$ (3,362)**	**$ (1,001)**	**$ (1,568)**
Net decrease in cash and cash equivalents	(722)	(2,063)	(358)	(1,036)
Cash and cash equivalents at beginning of year	2,544	4,607	1,059	2,095
Unrestricted Cash and Cash Equivalents - Ending	na	na	**$ 644**	**$ 827**
Restricted Cash and Cash Equivalents - Ending	na	na	**$ 57**	**$ 232**
Cash and Cash Equivalents - Ending	**$ 1,822**	**$ 2,544**	**$ 701**	**$ 1,059**

FSLIC Resolution Fund (FRF) - Statements of Cash Flows

	12/31/04	12/31/03
Net Income	$ 158	$ 52
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for losses	(7)	(33)
Net change in operating assets and liabilities	(49)	85
Net Cash Provided by Operating Activities	**102**	**104**
Investment in securitization-related assets acquired from receiverships	116	6
Net Cash Used by Investing Activities	**116**	**6**
Net Cash Provided (Used) by Financing Activities	**5**	**(450)**
Net increase/(decrease) in cash and cash equivalents	223	(340)
Cash and cash equivalents at beginning of year	3,278	3,618
Cash and Cash Equivalents - Ending	**$ 3,501**	**$ 3,278**







Corporate Investment Portfolio Summary

(Dollar Values in Millions)

	BIF			SAIF		
	12/31/04	12/31/03	Change	12/31/04	12/31/03	Change
Par Value	$32,198	$31,335	$863	$11,599	$11,210	$389
Book Value	$33,231	$32,237	$994	$11,962	$11,528	$434
Market Value	$34,623	$34,206	$417	$12,529	$12,295	$234
Portfolio Liquidity [1]	$12,872	$17,612	($4,740)	$3,827	$5,141	($1,314)
Liquidity Target Floor	$11,000	$15,000	($4,000)	$3,000	$4,000	($1,000)
Portfolio Liquidity % of Total Portfolio	36.6%	50.7%	(14.1%)	30.1%	41.2%	(11.1%)
Year-to-Date Total Return (Portfolio)	2.831%	3.042%	NA	2.862%	3.010%	NA
Year-to-Date Total Return (Benchmark) [2]	1.964%	2.131%	NA	1.964%	2.131%	NA
Total Return Variance in basis points	87	91	NA	90	88	NA
Yield-to-Maturity [3]	4.66%	4.65%	0.01%	4.69%	4.63%	0.06%
Weighted Average Maturity (in years)	2.98	2.67	0.31	3.22	3.08	0.14
Effective Duration (in years) [4]						
Total Portfolio	2.30	2.00	0.30	2.53	2.36	0.17
Available-for-Sale Securities	2.09	1.82	0.27	2.27	2.08	0.19
Held-to-Maturity Securities	2.57	2.43	0.14	2.79	2.79	0.00

[1] Portfolio liquidity is the total market value (including accrued interest) of overnight investments, available-for-sale securities, and held-to-maturity securities maturing within three months.

[2] The benchmark is the total return of the Merrill Lynch 1-10 Year U.S. Treasury Index.

[3] The yield-to-maturity includes the potential yield of Treasury inflation-indexed securities (TIIS), which assume an average year-over-year increase in CPI of 2.2% as of 12/31/04 and 2.4% as of 12/31/03.

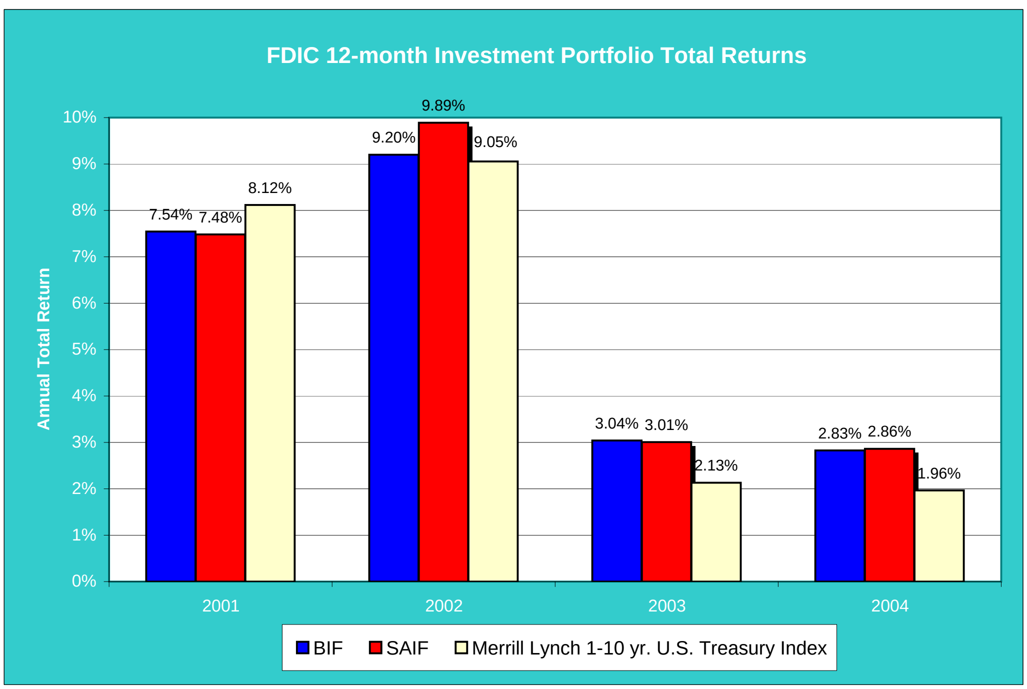
[4] For each TIIS, a 60% factor is applied to its real yield duration to arrive at an estimated effective duration. As a percentage of market value, TIIS constituted 19.26% of the BIF portfolio and 17.93% of the SAIF portfolio as of December 31, 2004, and 18.96% of the BIF portfolio and 17.77% of the SAIF portfolio as of December 31, 2003.

National Liquidation Fund (NLF) Investment Portfolio Summary

(Dollar Values in Millions)

	12/31/04	12/31/03	Change
Book Value [5]	$612	$677	($65)
Yield-to-Maturity	2.25%	1.07%	1.18%
Weighted Average Maturity (in days)	41.0	31.0	10.0

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



Approved Investment Strategy

BANK INSURANCE FUND

Current Strategy as of 4th Quarter 2004*

Maintain a $150 million target floor overnight investment balance.

Strategically invest all available funds in excess of the target overnight investment balance, which may include purchasing conventional Treasury securities within the zero- to ten-year maturity sector, purchasing Treasury inflation-indexed securities (TIIS) within the three- to ten-year maturity sector, and/or purchasing callable Treasury securities with final maturities not to exceed 12 years, subject to the following limitations:

- → **TIIS should not total more than $6.5 billion (adjusted par value) by Quarter End;**
- → **Available-for-sale (AFS) securities should not total more than $9.0 billion (par) by Quarter End; and**
- → **All newly purchased AFS securities should have maturities of six years or less.**

Moreover, staff will strive to maintain a $11 billion target floor liquidity balance.

Strategy Changes for 1st Quarter 2005

The upper limit on the allowable investment maturities for conventional Treasuries increased from ten to 12 years; target floor liquidity balance reduced to $10 billion; and, AFS securities limit lowered to $8 billion.

SAVINGS ASSOCIATION INSURANCE FUND

Current Strategy as of 4th Quarter 2004*

Maintain a $50 million target floor overnight investment balance.

Strategically invest all available funds in excess of the target overnight investment balance, which may include purchasing conventional Treasury securities within the zero- to ten-year maturity sector, purchasing TIIS within the three- to ten-year maturity sector, and/or purchasing callable Treasury securities with final maturities not to exceed 12 years, subject to the following limitations:

- → **TIIS should not total more than $2.4 billion (adjusted par value) by Quarter End;**
- → **AFS securities should not total more than $2.5 billion (par value) by Quarter End; and**
- → **All newly purchased AFS securities should have maturities of six years or less.**

Moreover, staff will strive to maintain a $3.0 billion target floor liquidity balance.

Strategy Changes for 1st Quarter 2005

The upper limit on allowable investment maturities for conventional Treasuries increased from ten to 12 years and AFS securities limit lowered to $2.4 billion.

NATIONAL LIQUIDATION FUND

Current Strategy as of 4th Quarter 2004

Maintain a $30 million target floor overnight investment balance.

Strategically invest the remaining funds in the zero- to 12-month maturity sector.

Strategy Changes for 1st Quarter 2005

None

* The fourth quarter investment strategy was succesffully implemented as highlighted in the Executive Summary.

Executive Summary of 2004 Budget and Expenditures
by Major Expense Category
Through December 31, 2004
(Dollars in Thousands)

Major Expense Category	YTD Budget	YTD Expenditures	% of Budget Used	Variance
Corporate Operating Budget				
Ongoing Operations				
Salaries & Compensation	$678,925	$671,561	99%	($7,364)
Outside Services - Personnel	137,684	130,908	95%	(6,776)
Travel	45,829	40,863	89%	(4,966)
Buildings	83,650	78,553	94%	(5,097)
Equipment	44,584	40,274	90%	(4,310)
Outside Services - Other	13,261	14,533	110%	1,272
Other Expenses	11,070	9,261	84%	(1,809)
Total Ongoing Operations	**$1,015,003**	**$985,953**	**97%**	**($29,050)**
Receivership Funding				
Salaries & Compensation	$3,750	$334	9%	($3,416)
Outside Services - Personnel	61,550	15,887	26%	(45,663)
Travel	5,450	592	11%	(4,858)
Buildings	1,800	310	17%	(1,490)
Equipment	250	32	13%	(218)
Outside Services - Other	600	153	26%	(447)
Other Expenses	1,600	722	45%	(878)
Total Receivership Funding	**$75,000**	**$18,030**	**24%**	**($56,970)**
Total Corporate Operating Budget	**$1,090,003**	**$1,003,983**	**92%**	**($86,020)**
Investment Budget [1]	**$120,253**	**$108,193**	**90%**	**($12,060)**
Grand Total	**$1,210,256**	**$1,112,176**	**92%**	**($98,080)**

[1] Budgets for investment projects are approved on a multi-year basis; the "Year-to-Date Budget" amount reflects the 2004 spending estimates
Capital Investment Review Committee (CIRC) reports to the Board quarterly on the status of each investment project, including budget vari

Executive Summary of 2004 Budget and Expenditures by Budget Component and Division/Office Through December 31, 2004 (Dollars in Thousands)

Division/Office	YTD Budget	YTD Expenditures	% of Budget Used	Variance
Corporate Operating Budget				
Supervision & Consumer Protection	$379,747	$374,300	99%	($5,447)
Information Resources Management	165,728	154,749	93%	(10,978)
Administration	171,351	170,903	100%	(448)
Resolutions & Receiverships	130,196	80,867	62%	(49,329)
Legal	97,288	87,908	90%	(9,380)
Insurance & Research	33,579	28,562	85%	(5,017)
Finance	27,019	26,894	100%	(125)
Inspector General	27,821	26,829	96%	(992)
Corporate University	12,154	10,289	85%	(1,865)
Executive Support [1]	14,774	13,706	93%	(1,068)
Executive Offices [2]	6,116	5,762	94%	(354)
Government Litigation	24,231	23,214	96%	(1,017)
Total Corporate Operating Budget	**$1,090,003**	**$1,003,983**	**92%**	**($86,020)**
Investment Budget [3]				
Supervision & Consumer Protection	$1,904	$1,563	82%	($341)
Information Resources Management	65,761	61,225	93%	(4,537)
Administration	22	141	641%	119
Resolutions & Receiverships	785	1,449	185%	664
Legal	428	350	82%	(78)
Insurance & Research	6,649	2,293	34%	(4,356)
Finance	4,150	3,957	95%	(193)
Virginia Square Phase II	40,554	37,215	92%	(3,338)
Total Investment Budget [3]	**$120,253**	**$108,193**	**90%**	**($12,060)**
Combined Division/Office Budgets				
Supervision & Consumer Protection	$381,651	$375,863	98%	($5,788)
Information Resources Management	231,489	215,974	93%	(15,515)
Administration	171,373	171,044	100%	(329)
Resolutions & Receiverships	130,981	82,316	63%	(48,665)
Legal	97,716	88,258	90%	(9,458)
Insurance & Research	40,228	30,855	77%	(9,373)
Finance	31,169	30,851	99%	(318)
Inspector General	27,821	26,829	96%	(992)
Corporate University	12,154	10,289	85%	(1,865)
Executive Support [1]	14,774	13,706	93%	(1,068)
Executive Offices [2]	6,116	5,762	94%	(354)
Government Litigation	24,231	23,214	96%	(1,017)
Virginia Square Phase II	40,553	37,215	92%	(3,338)
Grand Total	**$1,210,256**	**$1,112,176**	**92%**	**($98,080)**

[1] Executive Support includes the Offices of Diversity and Economic Opportunity, Public Affairs, Ombudsman, Legislative Affairs, and Enterprise Risk Management.

[2] Executive Offices include the Chairman, Vice Chairman, Board of Directors, Chief Operating Officer, and Chief Financial Officer.

[3] Budgets for investment projects are approved on a multi-year basis; the "Year-to-Date Budget" amount reflects the 2004 spending estimates for approved projects. The Capital Investment Review Committee (CIRC) reports to the Board quarterly on the status of each investment project, including budget variances.