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

November 3, 2011

MEMORANDUM TO: The Board of Directors

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

Craig Jarvill
Director, Division of Finance

SUBJECT: Third Quarter 2011 CFO Report to the Board

The attached report highlights the Corporation's financial activities and results for the quarter ended September 30, 2011.

Executive Summary

- During the third quarter of 2011, the Deposit Insurance Fund (DIF) balance increased by $3.9 billion, from $3.9 billion to $7.8 billion. This quarterly increase was primarily due to $3.6 billion in assessment revenue and a $763 million decrease in the provision for insurance losses, partially offset by $433 million in operating expenses. Since the beginning of 2010, the fund balance has increased for seven consecutive quarters a total of $28.7 billion.

- During the third quarter of 2011, the FDIC was named receiver for 26 failed institutions. The combined assets at inception for these institutions totaled approximately $12.0 billion with a total estimated loss of $2.5 billion. The corporate cash outlay during the third quarter for these failures was approximately $2.1 billion.

- Through September 30, 2011, overall Corporate Operating Budget expenditures were below budget by 24 percent ($659 million). This variance was primarily the result of lower-than-budgeted spending in the Receivership Funding component for contractual services and operations at the site of failed financial institutions.

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

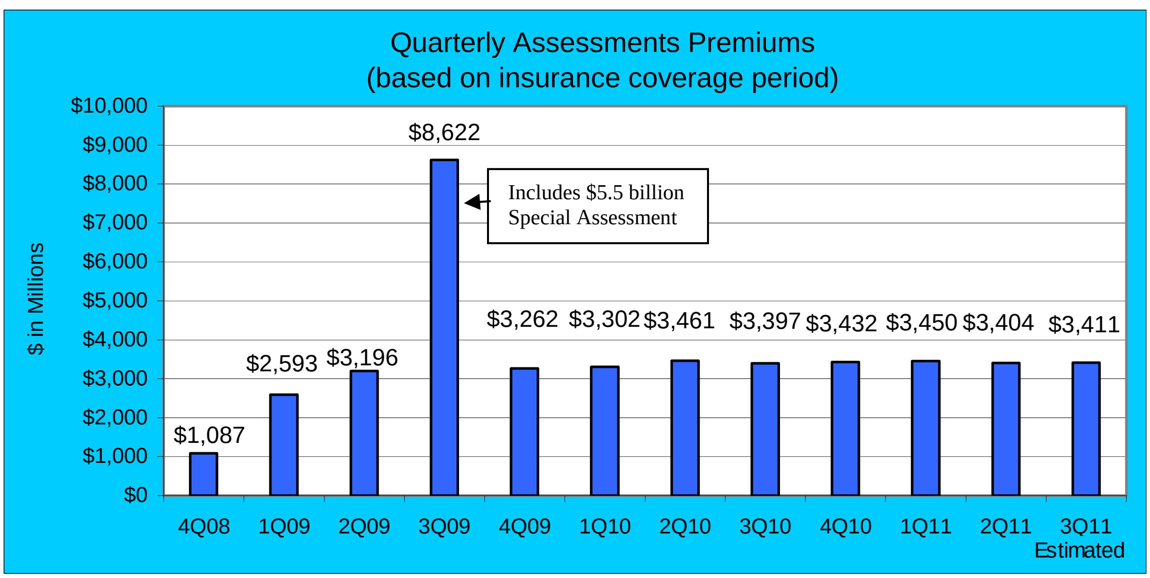
Deposit Insurance Fund (DIF)

- For the nine months ended September 30, 2011, the DIF's comprehensive income totaled $15.2 billion compared to comprehensive income of $12.9 billion for the same period last year. This $2.3 billion year-over-year increase was primarily due to a $2.7 billion decrease in the provision for insurance losses and a $177 million increase in assessments earned, partially offset by a $471 million unrealized loss on trust preferred securities, and a $150 million increase in operating expenses.

- The provision for insurance losses was negative $5.9 billion for the nine months ended September 30, 2011. The negative provision primarily resulted from a reduction in the contingent loss reserve due to the improvement in the financial condition of institutions that were previously identified to fail and a reduction in the estimated losses for prior year failures where recent liquidation activity yielded recoveries higher than previously estimated.

Assessments

- During the third quarter 2011, the DIF recognized $3.6 billion in assessment revenue. For third quarter 2011 insurance coverage, $3.2 billion was recognized for those institutions that prepaid assessments, and $231 million was recorded as a receivable from those institutions that did not prepay assessments. An additional $226 million in assessment revenue was recognized for the difference between the actual amount of assessments for second quarter 2011 coverage versus the estimated amount that was recognized at June 30, 2011.



- On September 30, 2011, the FDIC collected $198 million in DIF assessments for second quarter 2011 insurance coverage. Through the third quarter 2011, the DIF has recognized $10.3 billion in assessment revenue. DIF Unearned Revenue (remaining prepaid assessments) totals $20.4 billion at September 30, 2011.

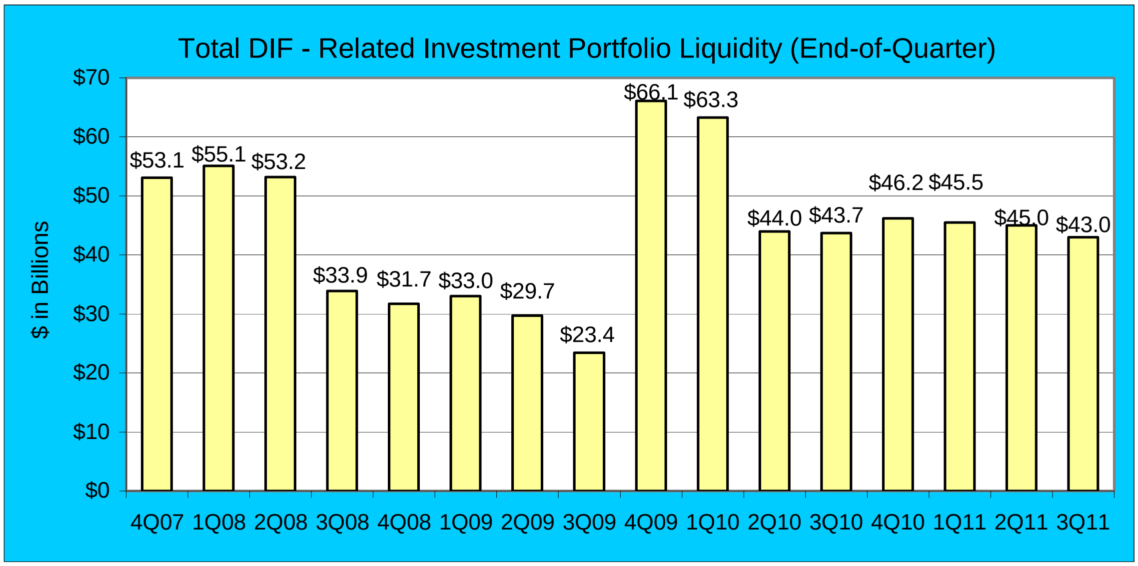
- Effective April 1, 2011, the FDIC redefined the assessment base used for calculating deposit insurance assessments from estimated insured deposits (adjusted domestic deposits) to average consolidated total assets minus average tangible equity (measured as Tier 1 capital).

The assessment collection made on September 30, 2011, was based on the revised calculation.

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

DIF Investment Portfolio

- The total liquidity (total market value including accrued interest) of all DIF-related investment portfolios stood at $42.9 billion on September 30, 2011, down from $46.2 billion on December 31, 2010, led by the decline in the DIF investment portfolio as discussed below.



- The DIF investment portfolio's total market value decreased by $4.0 billion during the first nine months of 2011, and totaled $35.6 billion on September 30, 2011. The decrease was primarily the result of having to fund 74 bank failures during the first nine months of 2011. However, it should be noted that 48 of these failures were resolved as cash-conserving shared-loss transactions, requiring substantially lower initial resolution payments, thus helping to mitigate the decline in the DIF portfolio's balance. Moreover, during the first nine months of 2011, the DIF received $7.4 billion in dividends and other payments from its receiverships, thus mitigating the DIF portfolio's decline.

- On September 30, 2011, the DIF investment portfolio's yield was 0.38 percent, down 2 basis points from its December 31, 2011, yield of 0.40 percent. The DIF investment portfolio's total return for the year-to-date period was 29 basis points, about 569 basis points less than the 5.97 percent total return of its benchmark, the Merrill Lynch 1–10 Year Treasury Index (Index). Given that most longer-maturity Treasury yields decreased (that is, Treasury security prices rose) during the first nine months of the year, the DIF portfolio's large balances of comparatively low yielding overnight investments and short-term Treasury bills and notes could not keep pace with the rise in Treasury prices, hence the underperformance compared to the Index (on average, the Index has longer-duration conventional Treasury securities).

Other Corporate Investment Portfolios

- On September 30, 2011, the Debt Guarantee Program (DGP) investment portfolio stood at about $7.4 billion (total market value), up from its December 31, 2010, balance of $6.6 billion.

This increase was principally due to the net transfer of just over $700 million from the DIF portfolio to the DGP portfolio (year-to-date), reversing payments made by the DGP to the DIF for Transaction Account Guarantee Program claims. At quarter end, the DGP portfolio had a yield to maturity of 0.21 percent and a weighted average maturity (WAM) of 0.37 years. In accordance with the approved third quarter 2011 investment strategy for the DGP portfolio, staff purchased two short-maturity Treasury securities during the third quarter of 2011. The securities had a total par value of $600 million, a weighted average yield of 0.20 percent, and a WAM of 0.75 years.

III. <u>Budget Results</u> (See pages 12-14 for detailed data.)

Approved Budget Modifications

The 2011 Budget Resolution delegated to the Chief Financial Officer (CFO) and selected other officials the authority to make certain modifications to the 2011 Corporate Operating Budget. In accordance with the authority delegated by the Board of Directors, the CFO in July 2011 approved the reallocation of existing budget authority within the Ongoing Operations and Receivership Funding components of the 2011 Corporate Operating Budget following the mid-year reassessment of actual and projected spending and the second quarter analysis of spending for salaries, bonuses, and fringe benefits. The budgets for all major expense categories and most divisions and offices were adjusted. As a result of these adjustments, the Corporate Unassigned contingency reserve was reduced by $15 million, to $2 million, in the Ongoing Operations component and increased by $94 million, to $111 million in the Receivership Funding component. None of these modifications changed the total 2011 Corporate Operating Budget as approved by the Board in December 2010 (and amended by the Board in January 2011).

Approved Staffing Modifications

The 2011 Budget Resolution delegated to the CFO the authority to modify approved 2011 staffing authorizations for divisions and offices, as long as those modifications did not increase the total approved 2011 Corporate Operating Budget. Changes approved by the CFO in accordance with the authority delegated to him by the Board of Directors are shown on page 12.

Spending Variances

Significant spending variances by major expense category and division/office are discussed below. Significant spending variances for the nine months ending September 30, 2011, are defined as those that either (1) exceed the YTD budget by $1 million and represent more than 2 percent of a major expense category or total division/office budget; or (2) are under the YTD budget for a major expense category or division/office by an amount that exceeds $2 million and represents more than 4 percent of the major expense category or total division/office budget.

Significant Spending Variances by Major Expense Category

<u>Ongoing Operations</u>

There were significant spending variances in four of the seven major expense categories in the Ongoing Operations component of the 2011 Corporate Operating Budget through the third quarter.

- Outside Services – Personnel expenditures were $33 million, or 17 percent, less than budgeted. The Office of Complex Financial Institutions (CFI) spent $8 million less than budgeted, which was largely due to delays in defining contract requirements while CFI focused on filling its authorized FDIC positions. The Division of Resolutions and Receiverships (DRR) spent $6 million less than budgeted which was due to lower than anticipated expenses for business process improvements, financial advisory services for a recovery and resolution project, and miscellaneous web, IT, and data management projects. In addition, funds originally anticipated for an internal review will not be used. Also, $5 million budgeted in September for reimbursement to the Department of Justice (DOJ) for goodwill litigation expenses was not used; DOJ has determined that it will not require additional funding in FY 2011. The Division of Information Technology (DIT) spent $4 million less than budgeted, which was largely due to contractor staff not being brought on-board as quickly as anticipated.

- Equipment expenditures were approximately $6 million, or 9 percent, less than budgeted. DIT spent $4 less than budgeted primarily due to delays in software procurements. The variance will diminish once invoices for these contracts are received and paid. In addition, the Division of Administration (DOA) spent $2 million less than budgeted which was due to lower-than-anticipated online library information services; postponement of equipment purchases for the disaster recovery site in Richmond; and delays in purchasing furniture, fixture and equipment (FF&E) until later in the year.

- Outside Services – Other expenditures were approximately $6 million, or 33 percent, less than budgeted. The Office of Public Affairs (OPA) spent $3 million less than budgeted, which was largely due to a decision to redirect the office's attention from the overdraft awareness campaign to newer initiatives such as the unbanked/underbanked survey and resolution authority for systemically important financial institutions. DOA spent $3 million less than budgeted because of lower than expected mail-related services, significant savings from extending the performance period for the express mail services contract, and lower negotiated insurance rates.

- Other Expenses were $4 million, or 27 percent, less than budgeted. The variance was mostly due to significant underutilization of the Professional Learning Accounts by employees in order to focus on meeting their ongoing workload priorities.

Receivership Funding

The Receivership Funding component of the 2011 Corporate Operating Budget includes funding for expenses that are incurred in conjunction with institution failures and the management and disposition of the assets and liabilities of the ensuing receiverships, except for salary and benefits and related expenses for permanent employees assigned to the receivership management function.

There were significant spending variances in all major expense categories through the third quarter in the Receivership Funding component of the 2011 Corporate Operating Budget:

- Salaries and Compensation ($20 million, or 8 percent, less than budgeted).

- Outside Services-Personnel ($358 million, or 37 percent, less than budgeted).

- Travel ($13 million, or 34 percent, less than budgeted).

- Buildings ($101 million, or 59 percent, less than budgeted).

- Equipment ($5 million, or 36 percent, less than budgeted).

- Outside Services-Other ($11 million, or 55 percent, less than budgeted).

- Other Expenses ($79 million, or 64 percent, less than budgeted).

All of these variances were attributable to the fact that there were fewer insured institution failures during the first nine months of the year than anticipated when the 2011 Receivership Funding budget was developed.

Significant Spending Variances by Division/Office[1]

Ten organizations had significant spending variances through the end of the third quarter:

- DRR spent $571 million, or 40 percent, less than budgeted, which was mostly due to less-than-budgeted spending for resolution and receivership activities, as explained above.

- DOA spent $17 million, or 8 percent, less than budgeted. This variance was largely attributable to fewer-than-expected bank closings and the smaller average size of the failing banks; a decrease in background investigations resulting from reduced on-site contract staff; a decrease in records management services; reduced mail costs which was due to lower than expected mail related services; significant savings from extending the performance period for the express mail services; significant savings from lower negotiated insurance rates; and lower than budgeted expenses for online library information services.

- DIT spent $16 million, or 8 percent, less than budgeted. This variance was largely attributable to lower support for failed financial institutions and delays in planned software procurements by DIT.

- The Legal Division spent $12, or 5 percent, less than budgeted. This variance included approximately $8 million in under spending for Salaries & Compensation ($3 million in Ongoing Operations and $5 million in Receivership Funding) due to attrition and slower-than-projected hiring to fill budgeted positions.

- CFI spent $9 million, or 36 percent, less than budgeted. This variance was attributable to lower-than-budgeted spending for contract services, as explained above.

- The Corporation's Executive Support Offices spent approximately $7 million, or 25 percent, less than budgeted. This variance was mostly attributable to lower-than-budgeted expenses in OPA for the overdraft awareness campaign, as explained above.

- The OIG spent $63 million, or 22 percent, less than budgeted, because it has been operating under a continuing resolution since the fourth quarter of last year, which precluded the OIG from filling vacant positions and executing certain procurement actions as originally planned.

- None of the $5 million budgeted for Government litigation was spent, because DOJ determined that it had sufficient FDIC funds remaining from FY 2011 to pay for all projected FY 2012 expenses associated with defensive goodwill litigation.

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

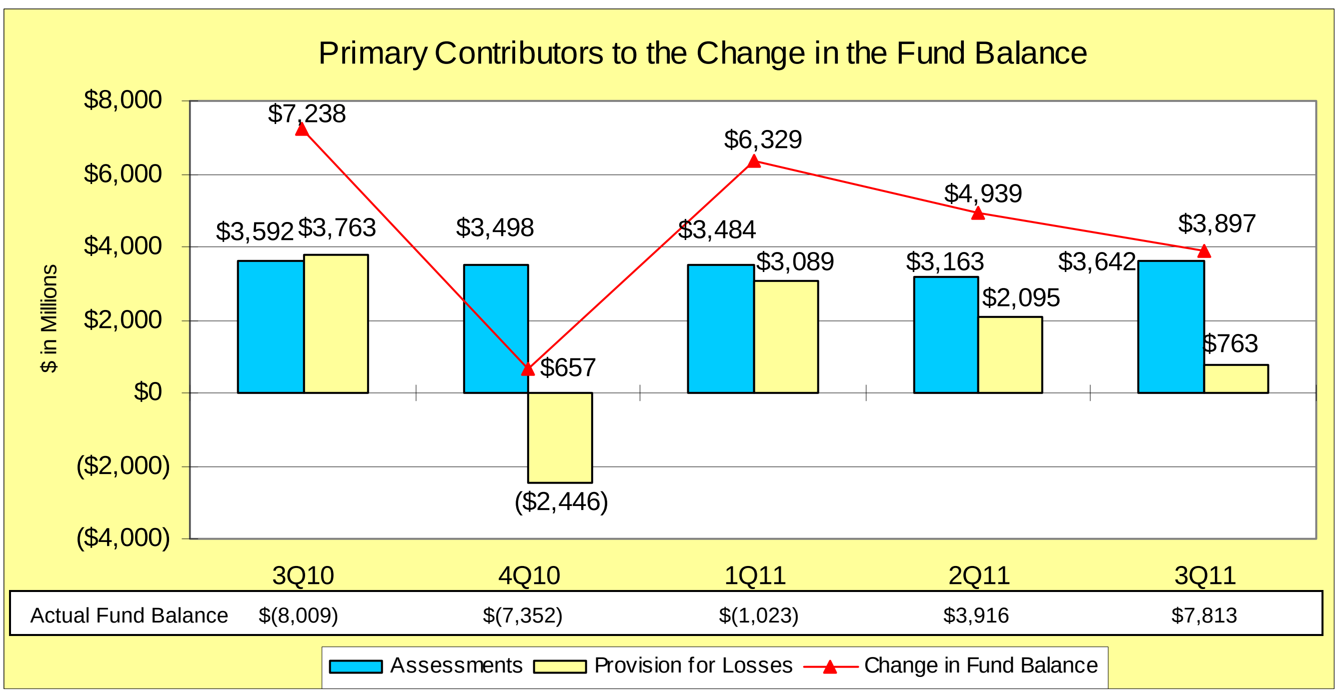
- The Executive Offices spent $3 million, or 44 percent, less than budgeted. This variance included approximately $2 million in under spending for Outside Services-Personnel due to the fact that we had not yet been billed by GAO for 2010 audit work.

- The Division of Finance (DOF) spent $3 million, or 11 percent, less than budgeted. This variance was attributable to lower than expected requirements for contractor services for temporary DOF accounting and auditing work.

Fund Financial Results

($ in Millions)

Balance Sheet	Deposit Insurance Fund Sep-11	Jun-11	Quarterly Change	Sep-10	Year-Over-Year Change
Cash and cash equivalents	$ 9,929	$ 16,631	$ (6,702)	$ 22,701	$ (12,772)
Cash and investments - restricted - systemic risk	7,393	7,363	30	6,158	1,235
Investment in U.S. Treasury obligations, net	25,370	20,820	4,550	14,727	10,643
Trust preferred securities	2,179	2,346	(167)	2,315	(136)
Assessments receivable, net	231	205	26	248	(17)
Receivables and other assets - systemic risk	1,834	1,901	(67)	3,007	(1,173)
Interest receivable on investments and other assets, net	320	279	41	163	157
Receivables from resolutions, net	29,316	29,126	190	49,684	(20,368)
Property and equipment, net	401	405	(4)	386	15
Total Assets	$ 76,973	$ 79,076	$ (2,103)	$ 99,389	$ (22,416)
Accounts payable and other liabilities	369	382	(13)	369	-
Unearned revenue - prepaid assessments	20,360	23,787	(3,427)	33,370	(13,010)
Liabilities due to resolutions	31,492	30,912	580	42,796	(11,304)
Deferred revenue - systemic risk	9,101	9,131	(30)	8,729	372
Postretirement benefit liability	166	166	-	145	21
Contingent liability for anticipated failures	7,247	10,349	(3,102)	21,267	(14,020)
Contingent and actual liability for systemic risk	125	133	(8)	422	(297)
Contingent liability for litigation losses	300	300	-	300	-
Total Liabilities	$ 69,160	$ 75,160	$ (6,000)	$ 107,398	$ (38,238)
FYI: Unrealized gain (loss) on U.S. Treasury investments, net	41	62	(21)	40	1
FYI: Unrealized gain (loss) on trust preferred securities	218	385	(167)	353	(135)
FYI: Unrealized postretirement benefit (loss) gain	(19)	(19)	-	(3)	(16)
Fund Balance	$ 7,813	$ 3,916	$ 3,897	$ (8,009)	$ 15,822



Fund Financial Results - continued

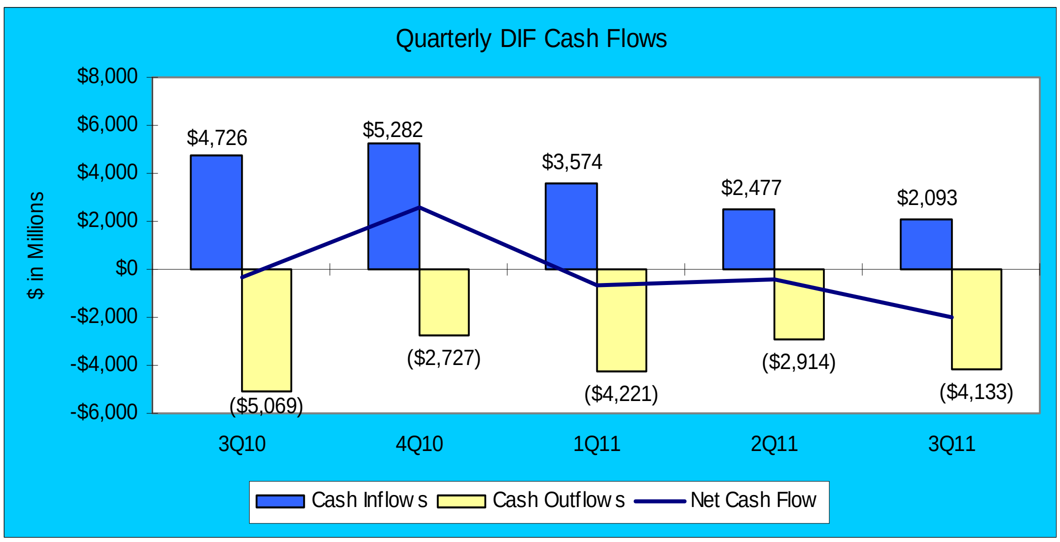
($ in Millions)

Income Statement (year-to-date)	Deposit Insurance Fund				
	Sep-11	Jun-11	Quarterly Change	Sep-10	Year-Over-Year Change
Assessments earned	$ 10,289	$ 6,647	$ 3,642	$ 10,112	$ 177
Systemic risk revenue	(35)	(25)	(10)	(418)	383
Interest on U.S. Treasury obligations	95	65	30	166	(71)
Other revenue	232	147	85	173	59
Total Revenue	$ 10,581	$ 6,834	$ 3,747	$ 10,033	$ 548
Operating expenses	1,291	858	433	1,141	150
Systemic risk expenses	(35)	(25)	(10)	(418)	383
Provision for insurance losses	(5,947)	(5,184)	(763)	(3,294)	(2,653)
Insurance and other expenses	3	1	2	2	1
Total Expenses and Losses	$ (4,688)	$ (4,350)	$ (338)	$ (2,569)	$ (2,119)
Net Income (Loss)	15,269	11,184	4,085	12,602	2,667
Unrealized gain (loss) on U.S. Treasury investments, net	14	35	(21)	(102)	116
Unrealized gain (loss) on trust preferred securities	(118)	49	(167)	353	(471)
Unrealized postretirement benefit gain (loss)	-	-	-	-	-
Comprehensive Income (Loss)	$ 15,165	$ 11,268	$ 3,897	$ 12,853	$ 2,312

Selected Financial Data	FSLIC Resolution Fund				
	Sep-11	Jun-11	Quarterly Change	Sep-10	Year-Over-Year Change
Cash and cash equivalents	$ 3,528	$ 3,525	$ 3	$ 3,541	$ (13)
Accumulated deficit	(124,275)	(124,278)	3	(124,288)	13
Total resolution equity	3,551	3,548	3	3,560	(9)
Total revenue	6	3	3	11	(5)
Operating expenses	3	2	1	3	-
Goodwill litigation expenses	33	33	-	2	31
Payment/Recovery of tax benefits	26	26	-	(58)	84
Net Income (Loss) gain	$ (51)	$ (54)	$ 3	$ 60	$ (111)

Receivership Selected Statistics September 2011 vs. September 2010

	DIF			FRF			ALL FUNDS		
	Sep-11	Sep-10	*Change*	Sep-11	Sep-10	*Change*	Sep-11	Sep-10	*Change*
Total Receiverships	409	306	103	7	8	(1)	416	314	102
Assets in Liquidation	$ 22,379	$ 34,882	$ (12,503)	$ 22	$ 28	$ (6)	$ 22,401	$ 34,910	$ (12,509)
YTD Collections	$ 9,869	$ 15,821	$ (5,952)	$ 8	$ 13	$ (5)	$ 9,877	$ 15,834	$ (5,957)
YTD Dividend/Other Pymts - Cash	$ 7,389	$ 8,597	$ (1,208)	$ -	$ -	$ -	$ 7,389	$ 8,597	$ (1,208)



- For the past five quarters, the DIF's liquidity decreased by $0.9 B (cash inflows of $18.2 B less cash outflows of $19.1 B).
- Cash inflows consist of gross dividends, interest revenue, and assessments. Cash outflows consist of resolution related outlays and operating expenses.
- On average resolution related outlays comprised 89% of all DIF cash outflows. These outlays include initial wires to acquirers, initial wire payments to receiverships, payoffs of brokered deposits, shared loss payments to receiverships, and deposit payouts.

Deposit Insurance Fund Portfolio Summary (Dollar Values in Millions)			
	9/30/11	12/31/10	Change
Par Value	$34,925	$39,430	($4,505)
Amortized Cost	$35,356	$39,483	($4,127)
Total Market Value (including accrued interest)	$35,554	$39,550	($3,996)
Primary Reserve [1]	$35,554	$39,550	($3,996)
Primary Reserve % of Total Portfolio	100.0%	100.0%	0.0%
Year-to-Date Total Return (Portfolio)	0.286%	0.196%	not applicable
Year-to-Date Total Return (Benchmark) [2]	5.972%	5.219%	not applicable
Total Return Variance (in basis points)	(568.6)	(502.3)	not applicable
Yield-to-Maturity [3]	0.38%	0.40%	(0.02%)
Weighted Average Maturity (in years)	0.58	0.16	0.42
Effective Duration (in years) [4]			
Total Portfolio	0.55	0.15	0.40
Available-for-Sale Securities	0.77	0.46	0.31
Held-to-Maturity Securities [5]	not applicable	not applicable	not applicable

[1] Primary Reserve 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-Protected Securities (TIPS), which presently assumes an average 1.8% annual increase in the CPI over the remaining life of each TIPS.

[4] For each TIPS, an estimated 80 percent "yield beta" factor is applied to its real yield duration to arrive at an estimated effective duration.

[5] In early August 2008, management reclassified all of the DIF portfolio's HTM securities as AFS securities effective as of June 30, 2008, because the FDIC could no longer assert it had the positive intent and ability to hold its HTM securities until their maturity dates.

Summary of Other Corporate Investment Portfolios (Dollar Values in Millions)			
	9/30/11	12/31/10	Change
Debt Guarantee Program			
Par Value	$7,301	$6,630	$671
Book Value	$7,359	$6,646	$713
Total Market Value (including accrued interest)	$7,393	$6,647	$746
Yield-to-Maturity	0.21%	0.10%	0.11%
Weighted Average Maturity (in years)	0.37	0.14	0.23
FRF-FSLIC			
Book Value [6]	$3,374	$3,397	($23)
Yield-to-Maturity	0.00%	0.05%	(0.05%)
Weighted Average Maturity	overnight	overnight	no change

[6] 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)			
	9/30/11	12/31/10	Change
Book Value [7]	$17,214	$17,506	(292)
Effective Annual Yield	0.10%	0.13%	(0.03%)
Weighted Average Maturity (in days)	18	6	12

[7] Due to the short-term nature of the NLF, the portfolio's book and market values are identical for reporting purposes.

Investment Strategies	
Deposit Insurance Fund	**Strategy for the 3rd Quarter 2011** Purchase up to $15 billion (par value) of available-for-sale (AFS) securities with maturity dates between December 31, 2011, and June 30, 2014, subject to the following additional restrictions: no more than $10 billion (par value) of such securities shall have maturity dates beyond June 30, 2012; and no more than $5 billion (par value) of such securities shall have maturity dates beyond June 30, 2013; and no more than $5 billion of such securities shall consist of Treasury Inflation-Protected Securities. **Strategy Changes for 4th Quarter 2011** Purchase up to $12 billion (par value) of available-for-sale (AFS) securities with maturity dates between March 31, 2012, and September 30, 2014, subject to the following additional restrictions: no more than $8 billion (par value) of such securities shall have maturity dates beyond September 30, 2012; and no more than $4 billion (par value) of such securities shall have maturity dates beyond September 30, 2013; and no more than $6 billion of such securities shall consist of Treasury Inflation-Protected Securities.
Debt Guarantee Program	**Strategy for 3rd Quarter 2011** Purchase up to $2 billion (par value) of AFS securities with maturity dates between December 31, 2011, and June 30, 2014. **Strategy Changes for 4th Quarter 2011** Purchase up to $3 billion (par value) of AFS securities with maturity dates between March 31, 2012, and September 30, 2014.
National Liquidation Fund	**Strategy for 3rd Quarter 2011** Maintain an overnight deposit target floor balance within a range of $100 million to $300 million. Strategically invest the remaining funds in the zero- to 12-month maturity sector. **Strategy Changes for 4th Quarter 2011** No strategy changes for the fourth quarter of 2011

Approved Staffing Modifications by Division/Office July 1 through September 30, 2011				
Division/Office	Permanent	Non-Permanent	Total	Description
Authorized Staffing @ 7/1/11	**5,772**	**3,592**	**9,364**	
Depositor and Consumer Protection	13	(5)	8	The CFO approved the transfer of seven permanent positions from RMS to DCP and the transfer of five non-permanent positions from DCP to RMS. In addition, three positions in the Compliance and the CRA Examinations branch; two positions in the Consumer Research and Examination Support branch; and one position in the DCP's Policy branch were authorized by the CFO.
Risk Management Supervision	(7)	(108)	(115)	In addition to the transfer of positions to/from DCP indicated above, the CFO approved an increase of three non-perm positions for the ETS project. In addition, 106 non-permanent examiners and ten non-permanent supervisory examiners positions were eliminated as workload conditions moderated.
Insurance and Research	7	1	8	The CFO approved an increase of seven permanent and one non-perm positions in conjunction with the transfer from the OTS to the FDIC of the Thrift Financial Report (TFR) functions and staff.
Information Technology	2	0	2	The CFO approved an increase of two IT security positions to support enhancements to the IT security program.
Legal	2	0	2	The CFO approved an increase of two positions in conjunction with the transfer from the OTS to the FDIC of interagency Administrative Law Judge (ALJ) functions transferred in accordance with provisions of the Dodd-Frank Act.
Subtotal of changes	**17**	**(112)**	**(95)**	
Authorized Staffing @ 9/30/11	**5,789**	**3,480**	**9,269**	

Executive Summary of 2011 Budget and Expenditures
by Major Expense Category
Through September 30, 2011
(Dollars in Thousands)

Major Expense Category	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
Corporate Operating Budget					
Ongoing Operations					
Salaries & Compensation	$1,091,454	$783,176	$762,178	97%	($20,999)
Outside Services - Personnel	262,110	188,974	156,279	83%	(32,695)
Travel	104,988	75,613	73,094	97%	(2,519)
Buildings	80,693	59,273	57,798	98%	(1,475)
Equipment	89,160	64,941	58,842	91%	(6,099)
Outside Services - Other	24,609	18,239	12,216	67%	(6,023)
Other Expenses	21,665	14,355	10,481	73%	(3,872)
Total Ongoing Operations	**$1,674,679**	**$1,204,571**	**$1,130,888**	**94%**	**($73,683)**
Receivership Funding					
Salaries & Compensation	$330,679	$240,767	$221,270	92%	($19,497)
Outside Services - Personnel	1,402,772	978,158	620,152	63%	(358,006)
Travel	48,727	36,567	24,004	66%	(12,563)
Buildings	217,994	170,740	70,156	41%	(100,585)
Equipment	20,224	13,240	8,444	64%	(4,796)
Outside Services - Other	26,516	19,654	8,928	45%	(10,727)
Other Expenses	155,517	123,507	44,491	36%	(79,016)
Total Receivership Funding	**$2,202,429**	**$1,582,633**	**$997,445**	**63%**	**($585,188)**
Total Corporate Operating Budget	**$3,877,108**	**$2,787,203**	**$2,128,333**	**76%**	**($658,870)**
Investment Budget [1]	**$8,151**	**$5,366**	**$4,840**	**90%**	**($526)**
Grand Total	**$3,885,259**	**$2,792,569**	**$2,133,173**	**76%**	**($659,396)**

1) Budgets for investment projects are approved on a multi-year basis; the year-to-date budget amount reflects the 2011 spending estimates for approved projects.

Executive Summary of 2011 Budget and Expenditures by Budget Component and Division/Office Through September 30, 2011 (Dollars in Thousands)					
Division/Office	Annual Budget	YTD Budget	YTD Expenditures	% of YTD Budget Used	YTD Variance
Corporate Operating Budget					
Risk Management Supervision	$528,363	$380,475	$375,878	99%	($4,597)
Depositor & Consumer Protection	148,190	105,701	105,198	100%	(503)
Information Technology	267,390	189,128	173,723	92%	(15,405)
Administration	285,289	211,501	194,436	92%	(17,065)
Resolutions & Receiverships	1,894,658	1,436,752	865,965	60%	(570,786)
Legal	313,954	229,749	217,751	95%	(11,998)
Insurance & Research	41,390	29,293	27,331	93%	(1,963)
Finance	38,434	28,071	24,882	89%	(3,189)
Inspector General	40,200	28,415	22,078	78%	(6,337)
Corporate University - CEP	22,598	16,577	14,852	90%	(1,725)
Corporate University - Corporate	22,759	16,179	15,407	95%	(772)
Executive Support [1]	37,155	26,979	20,364	75%	(6,615)
Executive Offices [2]	9,669	7,701	4,350	56%	(3,351)
Complex Financial Institutions	38,790	25,935	16,659	64%	(9,276)
Government Litigation	4,796	4,796	9	0%	(4,787)
CIO Council	70,562	49,951	49,450	99%	(501)
Corporate Unassigned	112,912	0	0	N/A	0
Total, Corporate Operating Budget	**$3,877,108**	**$2,787,203**	**$2,128,333**	**76%**	**($658,870)**
Investment Budget [3]					
Information Technology	$8,151	$5,366	$4,840	90%	($526)
Total, Investment Budget [3]	**$8,151**	**$5,366**	**$4,840**	**90%**	**($526)**
Combined Division/Office Budgets					
Risk Management Supervision	$528,363	$380,475	$375,878	99%	($4,597)
Depositor & Consumer Protection	148,190	105,701	105,198	100%	(503)
Information Technology	275,541	194,494	178,563	92%	(15,931)
Administration	285,289	211,501	194,436	92%	(17,065)
Resolutions & Receiverships	1,894,657	1,436,752	865,965	60%	(570,786)
Legal	313,954	229,749	217,751	95%	(11,998)
Insurance & Research	41,390	29,293	27,331	93%	(1,963)
Finance	38,434	28,071	24,882	89%	(3,189)
Inspector General	40,200	28,415	22,078	78%	(6,337)
Corporate University - CEP	22,598	16,577	14,852	90%	(1,725)
Corporate University - Corporate	22,759	16,179	15,407	95%	(772)
Executive Support [1]	37,155	26,979	20,364	75%	(6,615)
Executive Offices [2]	9,669	7,701	4,350	56%	(3,351)
Complex Financial Institutions	38,790	25,935	16,659	64%	(9,276)
Government Litigation	4,796	4,796	9	0%	(4,787)
CIO Council	70,562	49,951	49,450	99%	(501)
Corporate Unassigned	112,912	0	0	N/A	0
Grand Total	**$3,885,259**	**$2,792,569**	**$2,133,173**	**76%**	**($659,396)**

1) Executive Support includes the Offices of Minority and Women Inclusion, Public Affairs, Ombudsman, Legislative Affairs, Enterprise Risk Management, and International Affairs.

2) Executive Offices include the offices of the Chairman, Vice Chairman, Independent Director, Deputy to the Chairman and Chief Operating Officer, Deputy to the Chairman and Chief Financial Officer, and Deputy to the Chairman for External Affairs.

3) Budgets for investment projects are approved on a multi-year basis; the year-to-date budget amount reflects the 2011 spending estimates for approved projects.