
IV.

FDIC Budget and Spending

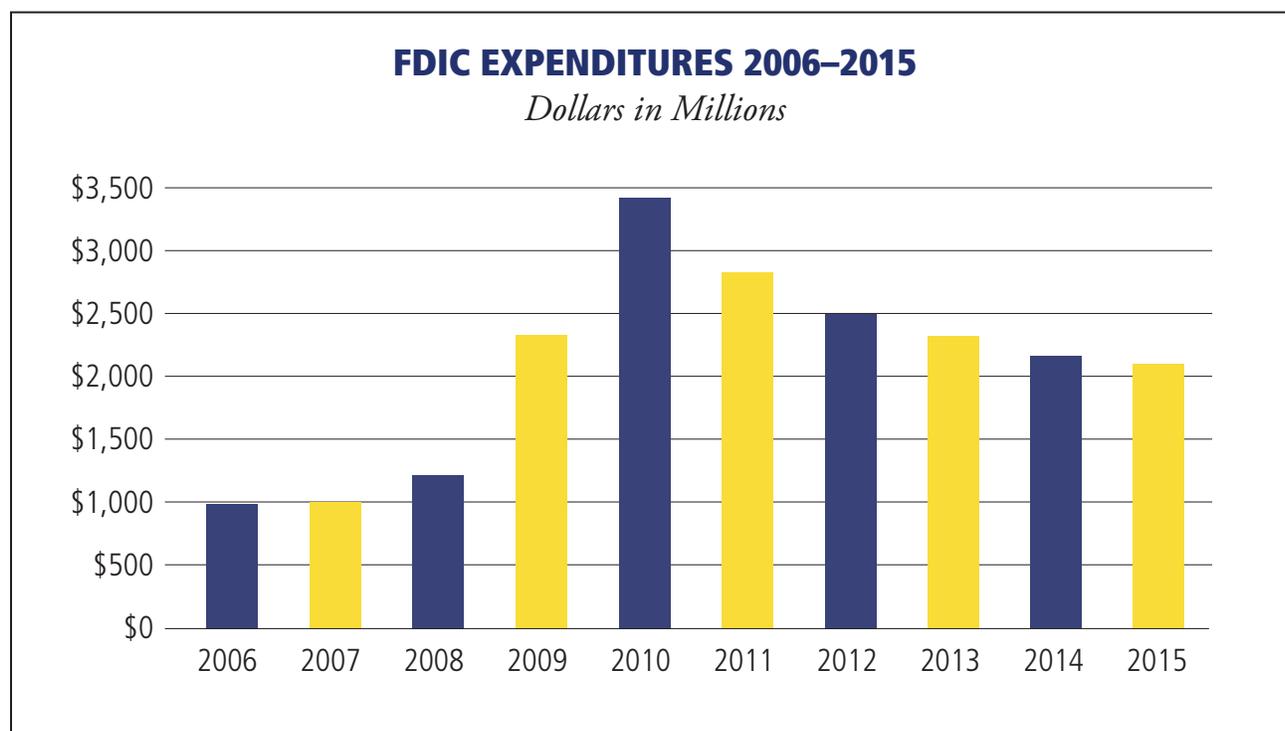
CORPORATE OPERATING BUDGET

The FDIC segregates its corporate operating budget and expenses into two discrete components: ongoing operations and receivership funding. The receivership funding component represents expenses resulting from financial institution failures and is, therefore, largely driven by external forces, while the ongoing operations component accounts for all other operating expenses and tends to be more controllable and estimable. Corporate Operating expenses totaled \$2.1 billion in 2015, including \$1.7 billion in ongoing operations and \$0.4 billion in receivership funding. This represented approximately 93 percent of the approved budget for ongoing operations and 78 percent of the approved budget for receivership funding for the year.⁴

The Board of Directors approved a 2016 Corporate Operating Budget of approximately \$2.2 billion, consisting of \$1.8 billion for ongoing operations and

\$0.4 billion for receivership funding. The level of the approved ongoing operations budget for 2016 is approximately \$17 million (0.9 percent) higher than the 2015 ongoing operations budget, while the approved receivership funding budget is roughly \$125 million (23.8 percent) lower than the 2015 receivership funding budget.

As in prior years, the 2016 budget was formulated primarily on the basis of an analysis of projected workload for each of the Corporation's three major business lines and its program support functions. The most significant factor contributing to the decrease in the Corporate Operating Budget is the improving health of the industry and the subsequent reduction in failure-related workload. Although savings in this area are being realized, the 2016 receivership funding budget provides resources for contractor support as well as nonpermanent staffing for DRR, the Legal Division, and other organizations, should workload in these areas require an immediate response.



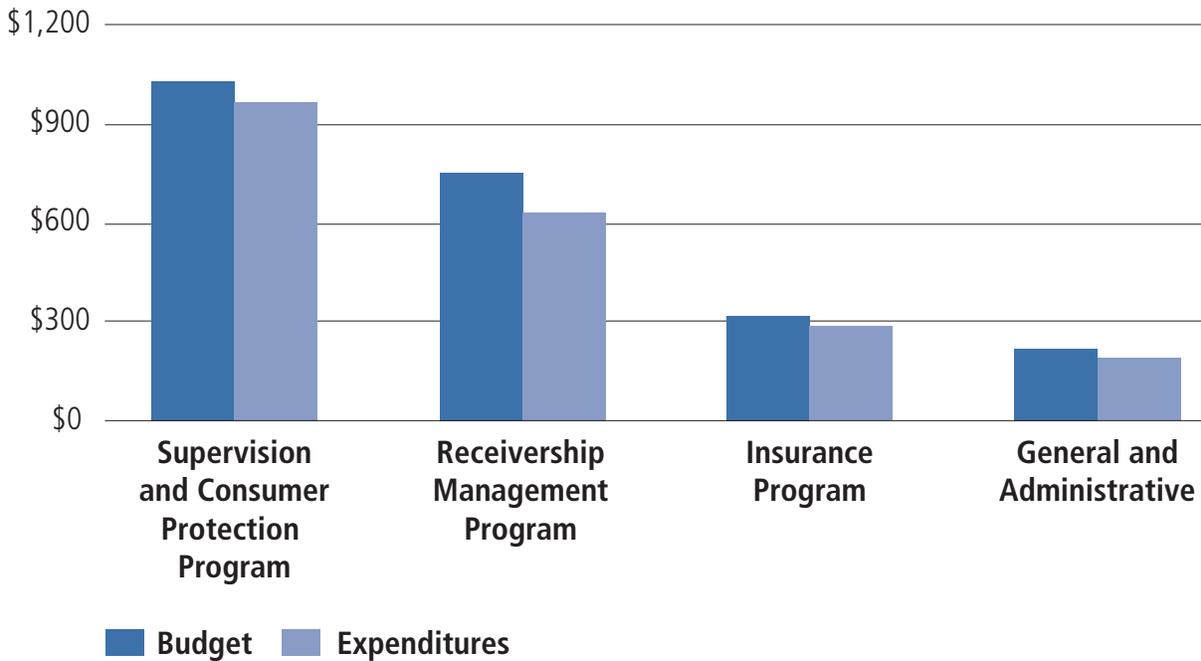
⁴ The numbers in this paragraph will not agree with the DIF and FRF financial statements because of differences in how items are classified.



2015 BUDGET AND EXPENDITURES BY PROGRAM

(including Allocated Support)

Dollars in Millions



2015 BUDGET AND EXPENDITURES BY PROGRAM

(Excluding Investments)

The FDIC budget for 2015 totaled \$2.3 billion. Budget amounts were allocated as follows: \$1.023 billion or 44.1 percent, to the Supervision and Consumer Protection program; \$749 million, or 32.3 percent, to the Receivership Management program; \$322 million, or 13.9 percent, to the Insurance

program; and \$225 million, or 9.7 percent, to Corporate General and Administrative expenditures.

Actual expenditures for the year totaled \$2.1 billion. Actual expenditures amounts were allocated as follows: \$964 million, or 46.3 percent, to the Supervision and Consumer Protection program; \$629 million, or 30.2 percent, to the Receivership Management program; \$297 million, or 14.3 percent, to the Insurance program; and \$194 million, or 9.3 percent, to Corporate General and Administrative expenditures.

INVESTMENT SPENDING

The FDIC instituted a separate Investment Budget in 2003 to provide enhanced governance of major multi-year development efforts. It has a disciplined process for reviewing proposed new investment projects and managing the construction and implementation of approved projects. Proposed IT projects are carefully reviewed to ensure that they are consistent with the Corporation's enterprise architecture. The project approval and monitoring processes also

enable the FDIC to be aware of risks to the major capital investment projects and facilitate appropriate, timely intervention to address these risks throughout the development process. An investment portfolio performance review is provided to the FDIC's Board of Directors on a quarterly basis.

From 2006–2015 investment spending totaled \$149 million, and is estimated at \$9 million for 2016.

