

IV.

BUDGET AND SPENDING



FDIC Operating Budget

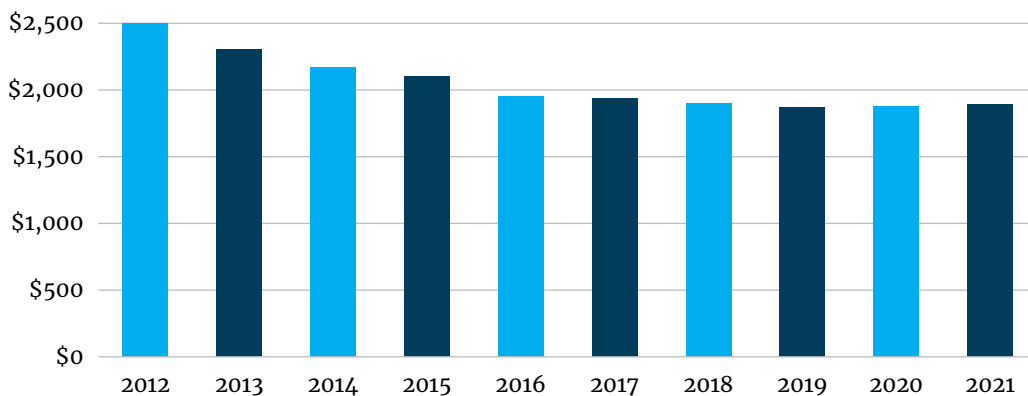
The FDIC segregates its corporate operating budget and expenses into three separate components: ongoing operations, receivership funding, and the Office of Inspector General (OIG). The receivership funding component represents expenses resulting from financial institution failures and is, therefore, largely driven by external forces and is less controllable and estimable. FDIC operating expenditures totaled \$1.9 billion in 2021, including \$1.8 billion in ongoing operations, \$41 million in receivership funding, and \$40 million for the OIG. This represented approximately 87 percent of the approved budget for ongoing operations, 23 percent of the approved budget for receivership funding, and 90 percent of the approved budget for the OIG for the year.

The approved 2022 FDIC Operating Budget of approximately \$2.3 billion consists of \$2.1 billion for ongoing operations, \$75 million for receivership funding, and \$47 million for the OIG. The level of approved ongoing operations budget for 2022 is approximately \$82 million (4 percent) higher than the 2021 ongoing operations budget, while the approved receivership funding budget is \$100 million (57 percent) lower than the 2021 receivership funding budget. The 2022 OIG budget is \$2 million (5 percent) higher than the 2021 OIG budget.

As in prior years, the 2022 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 total proposed operating budget is \$16 million (0.7 percent) lower than the 2021 FDIC Operating Budget, largely due to the elimination of the increased contingency reserves approved by the Board for 2021 to ensure the FDIC’s readiness to be able to respond quickly to potential supervisory or resolutions issues related to the ongoing pandemic.

FDIC EXPENDITURES

Dollars in Millions

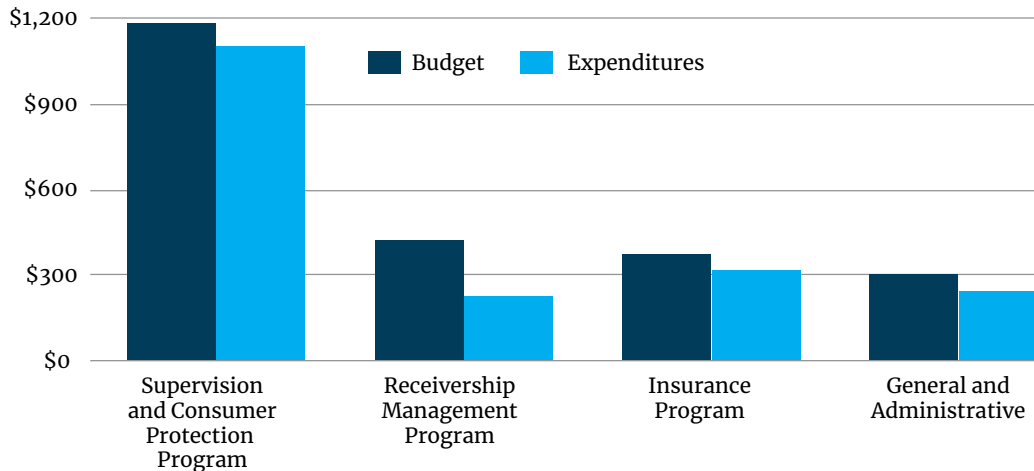


BUDGET AND SPENDING

The FDIC's Strategic Plan and Annual Performance Plan provide the basis for annual planning and budgeting for needed resources. The 2021 aggregate budget (for ongoing operations, receivership funding, OIG, and investment spending) was \$2.31 billion, while actual expenditures for the year were \$1.9 billion, about \$15 million higher than 2020 expenditures.

2021 BUDGET AND EXPENDITURES BY PROGRAM

Dollars in Millions



2021 Budget and Expenditures by Program

(EXCLUDING INVESTMENTS)

The FDIC corporate operating budget for 2021 totaled approximately \$2.3 billion. Budget amounts were allocated as follows: \$1.18 billion or 52 percent, to the Supervision and Consumer Protection program; \$421 million or 18 percent, to the Receivership Management program; \$373 million, or 16 percent, to the Insurance program; and \$303 million, or 13 percent, to Corporate General and Administrative expenditures.

Actual expenditures for the year totaled \$1.9 billion. Actual expenditures occurred as follows: \$1.1 billion, or 58 percent, to the Supervision and Consumer Protection program; \$227 million, or 12 percent, to the Receivership Management program; \$316 million, or 17 percent, to the Insurance program; and \$243 million, or 13 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 FDIC’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 2012-2021 investment spending totaled \$125 million, and is estimated at \$9 million for 2022.

