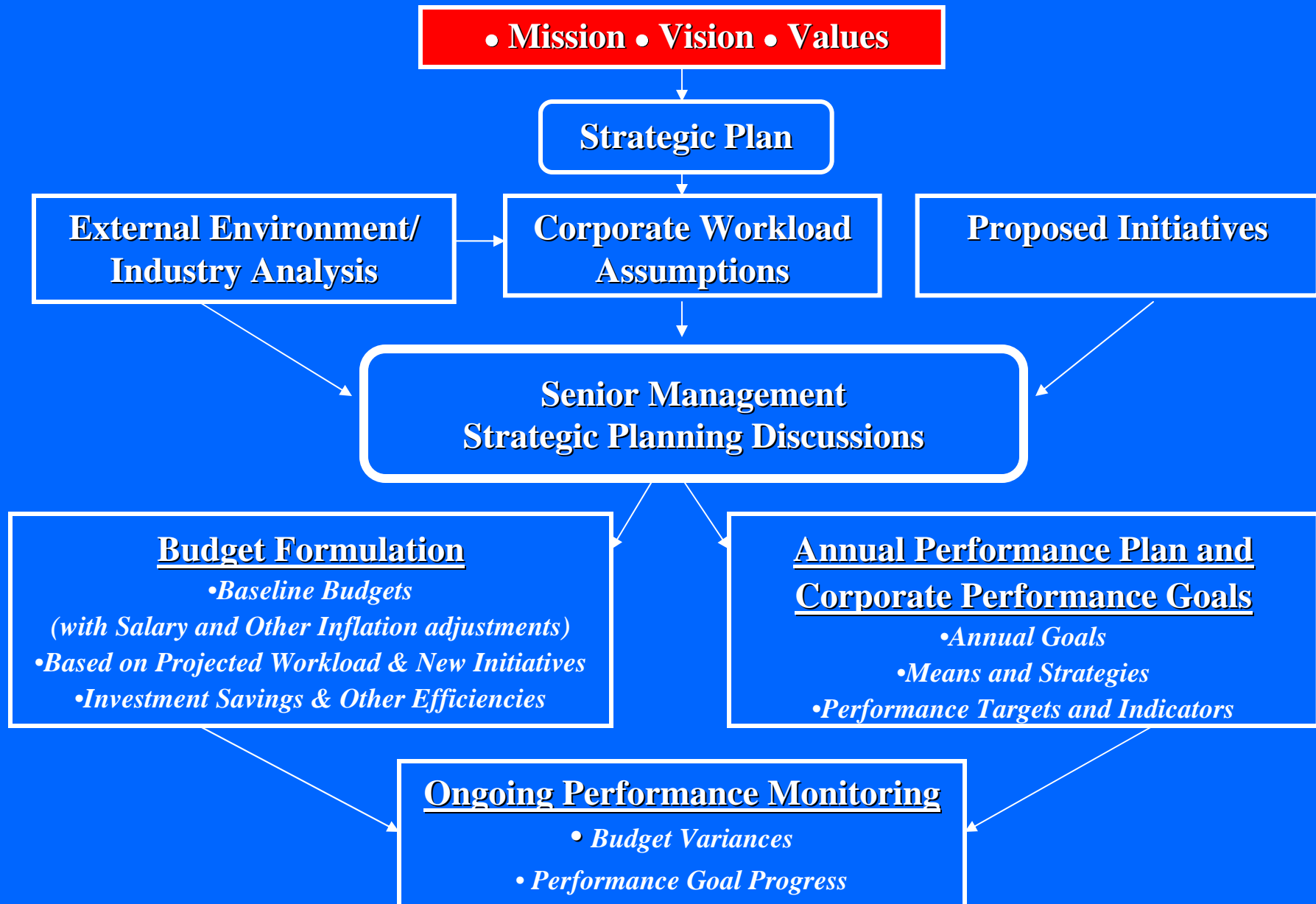


Federal Deposit Insurance Corporation

Proposed 2012 Budget

December 7, 2011

FDIC Planning and Budgeting Process



Overview

- **Total proposed 2012 budget is down 15.4% from 2011 due to a substantial reduction in failure activity.**
- **Authorized staffing is reduced by 565 positions (6%) from current 2011 authorization.**
- **Increased resources are included for implementation of new Dodd-Frank Act responsibilities.**
- **Contingent resources are included to ensure readiness in case economic conditions deteriorate.**

Major 2012 Resource Changes

- **Resolutions/Receivership Management**
 - 462 DRR positions/119 other positions are eliminated (all non-permanent).
 - Funding for contractor services is reduced by \$375 million.
 - The temporary West Coast and Midwest Satellite Offices will close in January and September 2012, respectively.

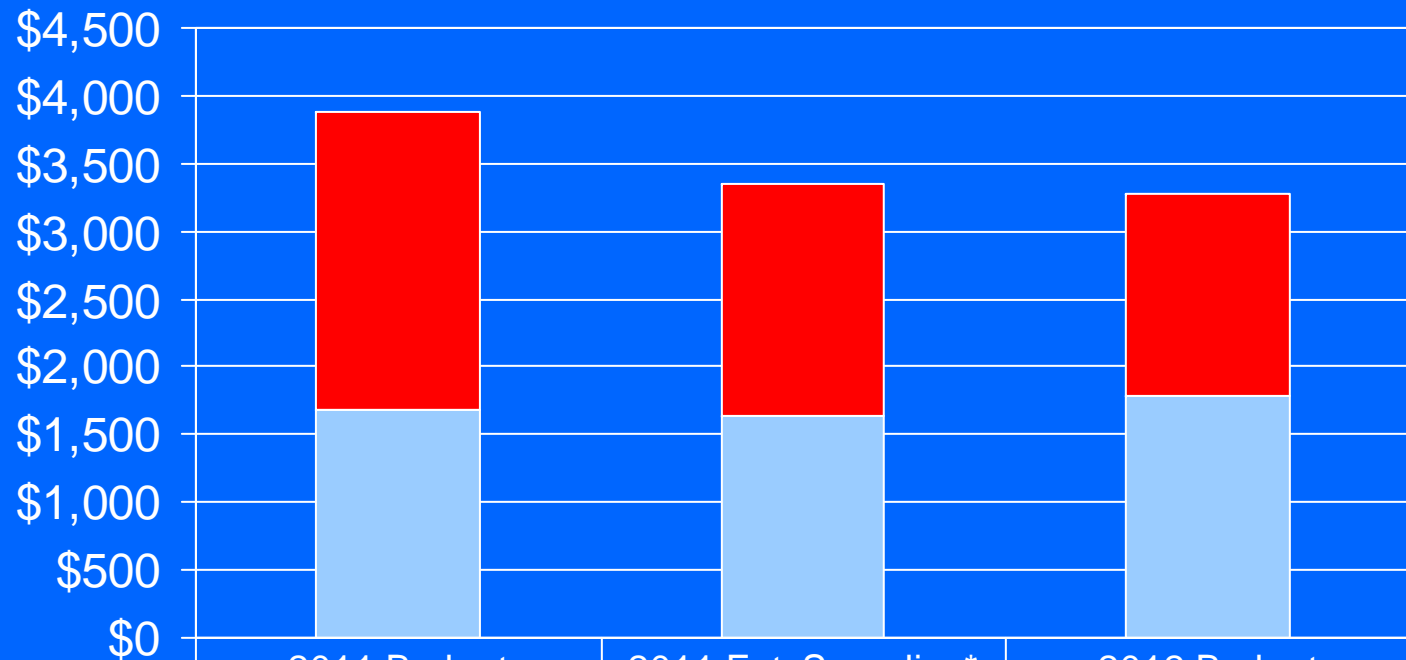
- **Supervision**
 - The number of problem/unfavorably rated institutions appears to have peaked, but limited changes are yet reflected in authorized staffing due to the continuing high number of such institutions.
 - 28 permanent positions are added for supervisory responsibilities transferred from OTS (state-chartered thrift institutions).

- **Complex Financial Institutions**
 - Resource requirements continue to be refined as new FDIC responsibilities and operational requirements become clearer.
 - 24 permanent positions are added for institutional monitoring and resolution planning.
 - Contingent contractor funding is provided.

- **Office of Corporate Risk Management established with 11 permanent positions.**

Corporate Operating Budget 2011 vs. 2012

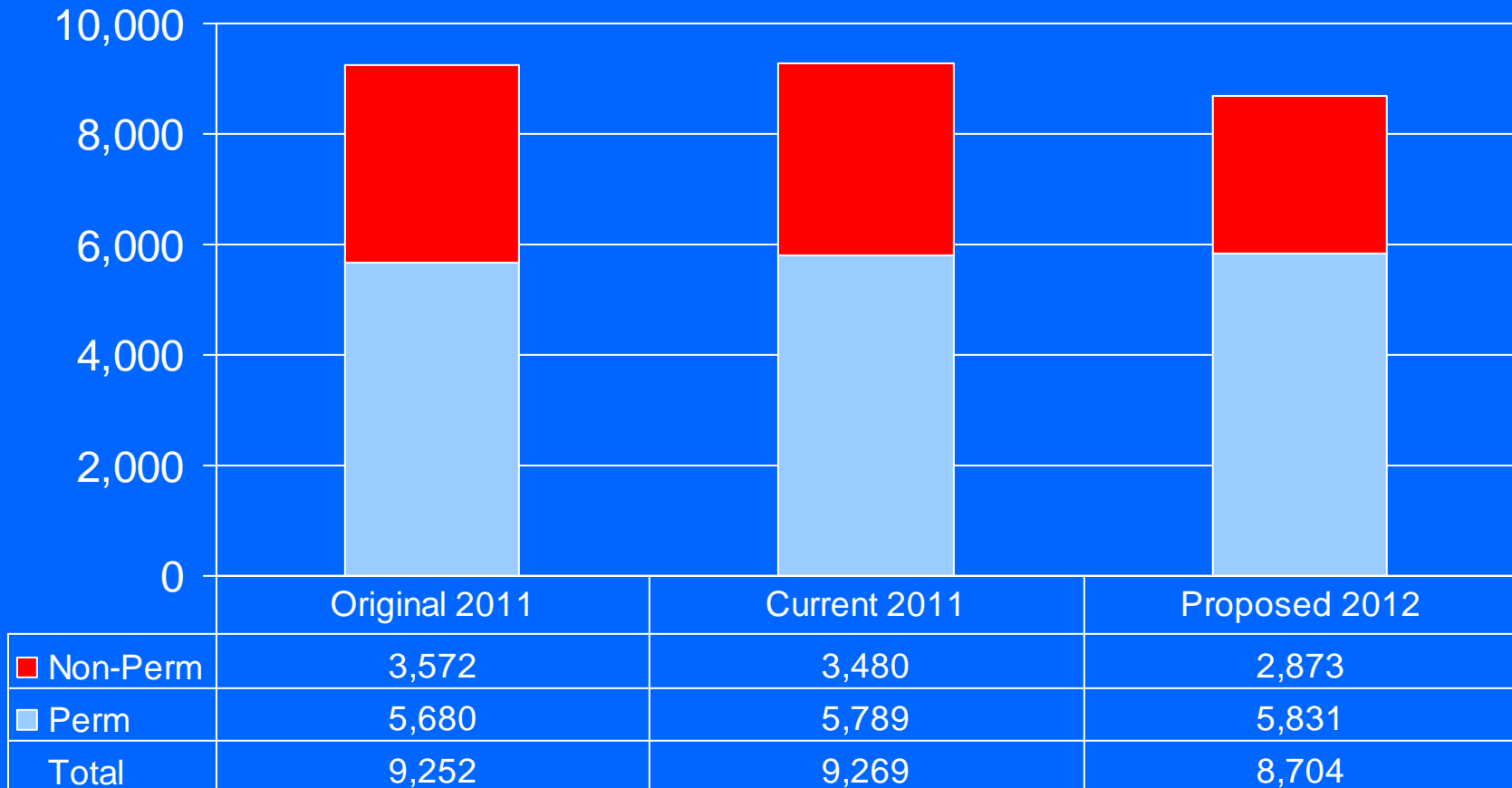
(Dollars in Millions)



	2011 Budget	2011 Est. Spending*	2012 Budget
■ Receivership Funding	\$2,202	\$1,707	\$1,500
■ Ongoing Operations	\$1,675	\$1,640	\$1,781
Total Operating Budget	\$3,877	\$3,348	\$3,281

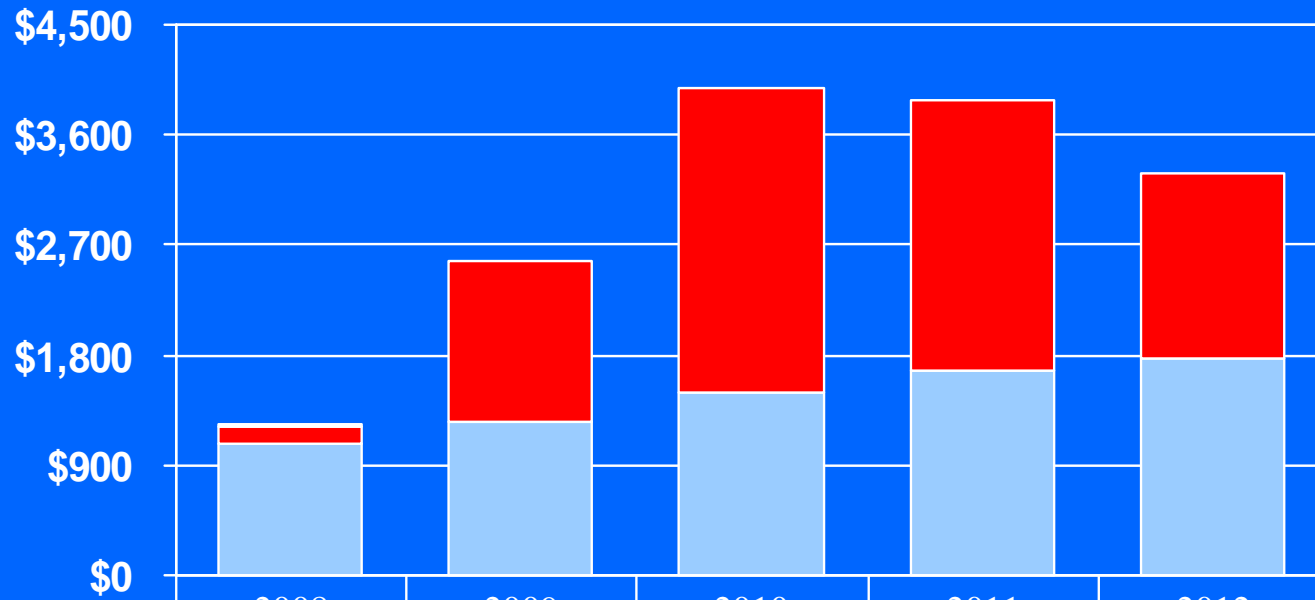
* Numbers do not appear to equal the total due to rounding.

Authorized Staffing 2011 vs. 2012



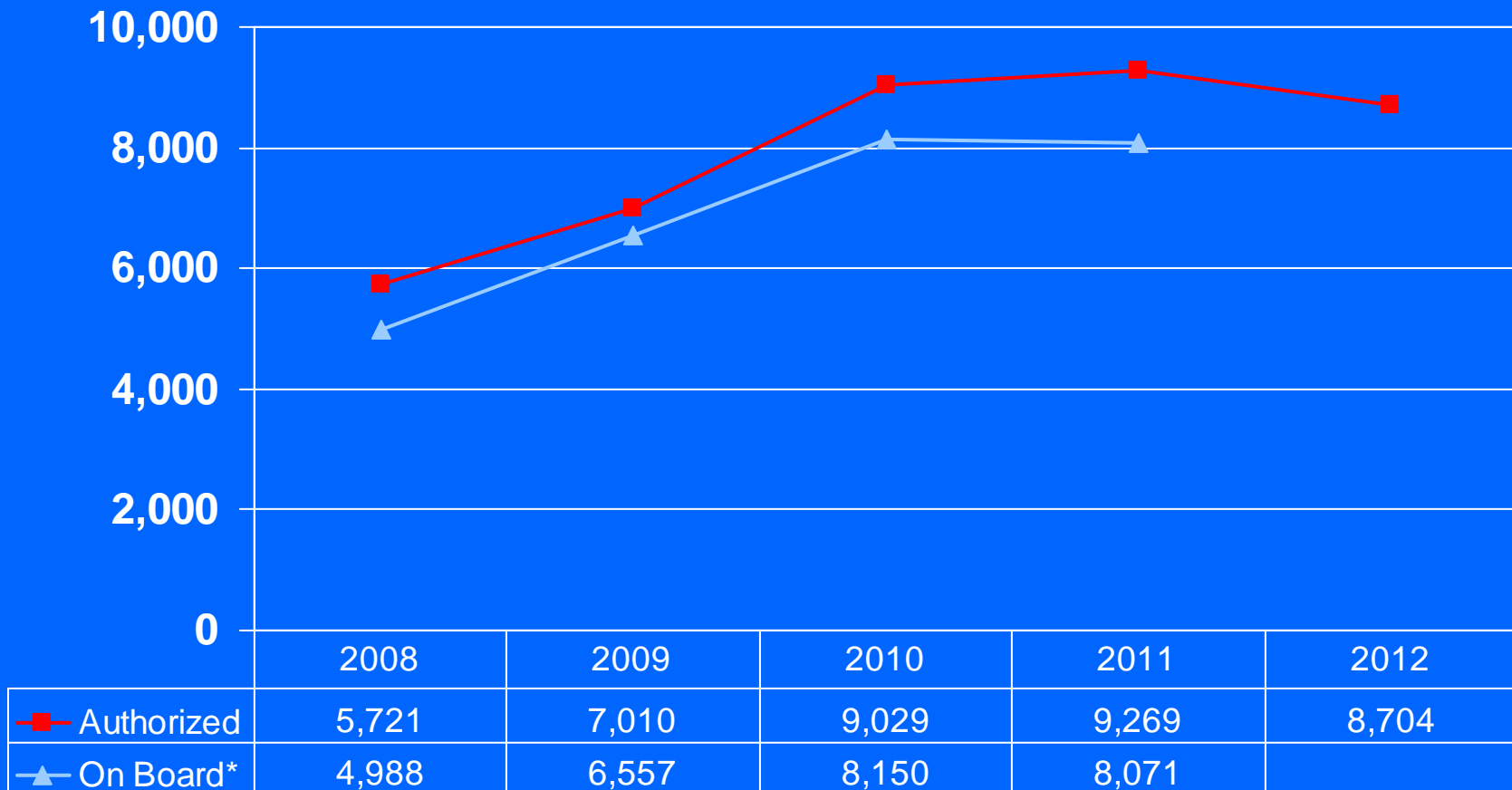
Budget Trend 2008-2012

(\$ in millions)



	2008	2009	2010	2011	2012
■ Investment Spending	\$26	\$6	\$0	\$8	\$9
■ Receivership Funding	\$150	\$1,300	\$2,500	\$2,202	\$1,500
■ Ongoing Operations	\$1,067	\$1,260	\$1,489	\$1,675	\$1,781
Total	\$1,243	\$2,566	\$3,989	\$3,885	\$3,290

Staffing Trend 2008–2012

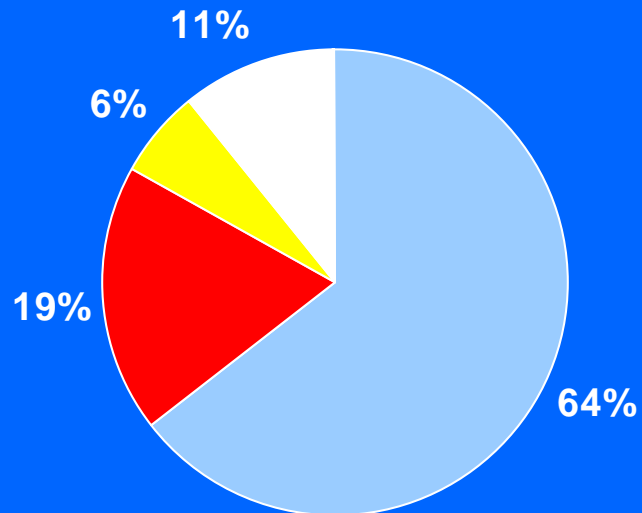


* On-Board staffing based on FTEs at year-end, except for 2011, which is as of October 31.

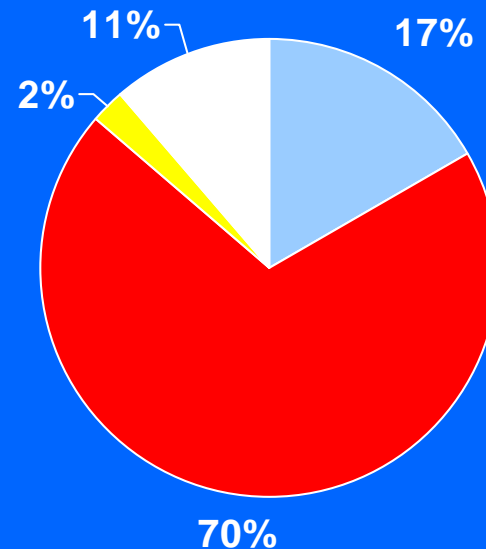
Proposed 2012 Corporate Operating Budget By Major Expense Category

(Dollars in Millions)

Ongoing Operations Budget
Total: \$1,781

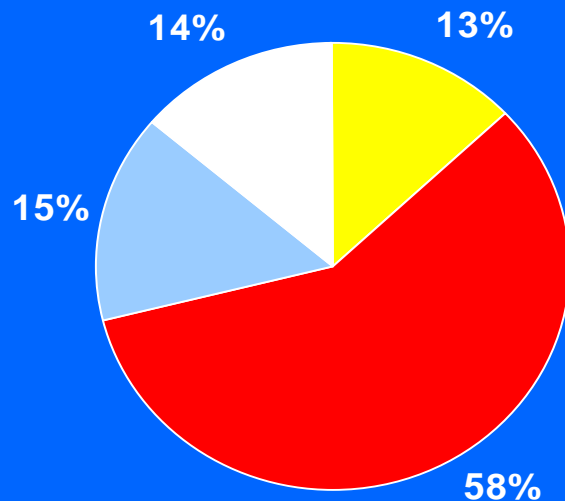


Receivership Funding Budget
Total: \$ 1,500

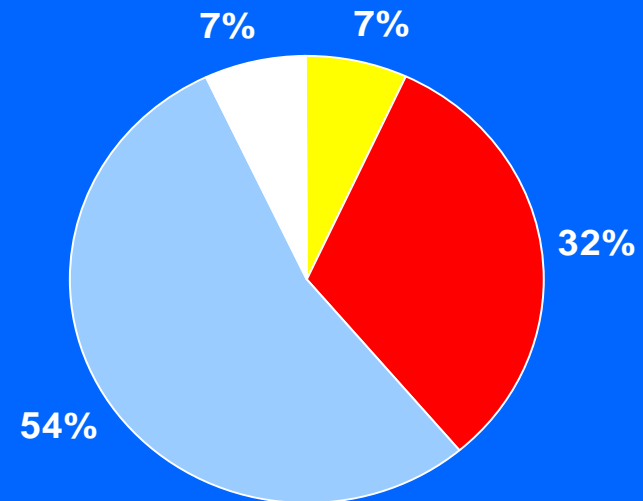


Proposed 2012 Corporate Operating Budget By Program

Ongoing Operations Budget



Total Operating Budget



Recommendations

1. Approve Proposed 2012 Corporate Operating Budget

(Dollars in Millions)

• Ongoing Operations	\$1,781
• Receivership Funding	\$1,500
• Total Corporate Operating Budget	<u>\$3,281</u>

2. Approve Proposed 2012 Authorized Staffing 8,704