FDIC Planning and Budgeting Process

- Mission • Vision • Values

Strategic Plan

External Environment/ Industry Analysis

Corporate Workload Assumptions

Proposed Initiatives

Senior Management Strategic Planning Discussions

Budget Formulation
  • Baseline Budgets (with Salary and Other Inflation adjustments)
  • Based on Projected Workload & New Initiatives
  • Investment Savings & Other Efficiencies

Annual Performance Plan and Corporate Performance Goals
  • Annual Goals
  • Means and Strategies
  • Performance Targets and Indicators

Ongoing Performance Monitoring
  • Budget Variances
  • Performance Goal Progress
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)

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Est. Spending*</th>
<th>2012 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivership Funding</td>
<td>$2,202</td>
<td>$1,707</td>
<td>$1,500</td>
</tr>
<tr>
<td>Ongoing Operations</td>
<td>$1,675</td>
<td>$1,640</td>
<td>$1,781</td>
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<tr>
<td><strong>Total Operating Budget</strong></td>
<td>$3,877</td>
<td>$3,348</td>
<td>$3,281</td>
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</table>

* Numbers do not appear to equal the total due to rounding.
Authorized Staffing
2011 vs. 2012

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Non-Perm</td>
<td>3,572</td>
<td>3,480</td>
<td>2,873</td>
</tr>
<tr>
<td>Perm</td>
<td>5,680</td>
<td>5,789</td>
<td>5,831</td>
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<tr>
<td>Total</td>
<td>9,252</td>
<td>9,269</td>
<td>8,704</td>
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</table>
Budget Trend

2008-2012

($) in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Spending</th>
<th>Receivership Funding</th>
<th>Ongoing Operations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$26</td>
<td>$150</td>
<td>$1,067</td>
<td>$1,243</td>
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<tr>
<td>2009</td>
<td>$6</td>
<td>$1,300</td>
<td>$1,260</td>
<td>$2,566</td>
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<tr>
<td>2010</td>
<td>$0</td>
<td>$2,500</td>
<td>$1,489</td>
<td>$3,989</td>
</tr>
<tr>
<td>2011</td>
<td>$8</td>
<td>$2,202</td>
<td>$1,675</td>
<td>$3,885</td>
</tr>
<tr>
<td>2012</td>
<td>$9</td>
<td>$1,500</td>
<td>$1,781</td>
<td>$3,290</td>
</tr>
</tbody>
</table>
* 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
  - Salaries & Compensation: 64%
  - Outside Services: 19%
  - Travel: 6%
  - Facilities & All Other: 11%

**Receivership Funding Budget**
- Total: $1,500
  - Salaries & Compensation: 70%
  - Outside Services: 17%
  - Travel: 2%
  - Facilities & All Other: 11%
Proposed 2012 Corporate Operating Budget By Program

Ongoing Operations Budget

- Corporate: 15%
- Supervision: 58%
- Receivership Management: 14%
- Insurance: 13%

Total Operating Budget

- Corporate: 7%
- Supervision: 32%
- Receivership Management: 54%
- Insurance: 7%
Recommendations

1. **Approve Proposed 2012 Corporate Operating Budget**

   (Dollars in Millions)

   - Ongoing Operations $1,781
   - Receivership Funding $1,500
   - Total Corporate Operating Budget $3,281

2. **Approve Proposed 2012 Authorized Staffing** 8,704