



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC BOARD APPROVES 1999 BUDGET

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today approved a 1999 budget of \$1.218 billion, an 11 percent decrease (\$148 million) from the \$1.366 billion authorized for 1998. The budget will permit the agency to pursue its supervisory plans to ensure the safety and soundness of insured financial institutions and the industry's Year 2000 compliance.

The 1999 budget continues to emphasize use of risk assessment and economic analysis as key support areas for bank supervision. However, savings are expected to be achieved through more staff reductions, further declines in liquidation and receivership operations, diminished need for legal, accounting and other contractual services and a more moderate approach to upgrading equipment.

FDIC staffing is expected to decline to approximately 7,240 positions during 1999, down from the 7,660 positions authorized for the end of 1998.

During 1999, the FDIC intends to continue in-depth reviews of state non-member banks to assess the adequacy of preparations for Year 2000 compliance and contingency planning. The FDIC expects both the Division of Supervision and the Division of Compliance and Consumer Affairs to operate at full authorized staffing during 1999. Each of these major organizational units received an appropriate budget increase.

Actual spending during 1998 is expected to be approximately \$153 million (11 percent) less than the \$1.366 billion budget. Staffing reductions and reduced contracting activity contributed to the budget savings. Despite the lower spending during 1998 and the reduced budget for 1999, the FDIC expects all divisions and offices will have the



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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resources necessary to meet targets and objectives established through the agency's strategic and performance planning process.

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