



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **FDIC Board Approves Lower 2006 Budget**

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today approved a \$1.05 billion Corporate Operating Budget for 2006, which represents a reduction of 5 percent over the 2005 operating budget. Total FDIC spending next year will decline to \$1.069 billion, as spending on multi-year investment projects previously approved by the Board falls from an estimated \$77 million in 2005 to \$19 million in 2006. Since 2002, the FDIC has reduced its annual spending by more than 12 percent while continuing to absorb increases in salary and non-personnel costs throughout the five-year period.

"The budget that the Board approved today demonstrates the FDIC's sustained commitment to the careful and judicious stewardship of the deposit insurance funds," said Steven App, Deputy to the Chairman and Chief Financial Officer. "I am particularly pleased that we were able to accomplish this budget reduction while including funding for several important new strategic initiatives in the areas of consumer protection, employee learning and development, corporate privacy, and information technology."

The approved budget provides funding for the Corporation's ongoing bank supervision program for over 5,000 state-chartered financial institutions as well as its continuing insurance and receivership management responsibilities. The FDIC insures deposits at almost 9,000 institutions nationwide.

In recent years, the FDIC has been recognized for its leadership in the areas of identity theft and financial literacy, and the budget approved by the Board today provides more funds for those activities in 2006. Funding increases were also approved for an expanded corporate privacy program to ensure the security of sensitive information held by the FDIC and a new Corporate Employee Program that will ensure the Corporation's readiness to respond quickly to problems that may emerge in the nation's banking system.



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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