

**FDIC Board Meeting;
Washington Statement of FDIC
Chairman Martin J. Gruenberg
On
Deposit Insurance Fund Report;, DC
October 21, 2014**

Similar to the staff's report from April and earlier reports, the current report on the outlook for the Deposit Insurance Fund is generally positive. The fund remains on track to meet the statutory requirement to reach 1.35 percent of estimated insured deposits by 2020. The DIF balance has grown every quarter for four and one-half years, standing at 51.1 billion dollars as of the end of the second quarter. The reserve ratio -- the Fund balance expressed as a percent of insured deposits -- is up to 0.84 percent. The staff's projection for losses to the Fund is consistent with the downward trend in the number of problem banks.

Nevertheless, we need to be mindful that several years remain before the Fund reaches its statutory target. The problem bank caseload, while much reduced, still remains high by historical standards. Moreover, challenges to the economy and banking industry persist, underscoring the need for these periodic progress reports.

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