



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC Board Votes to Maintain Premium Rates for Banks and Thrifts

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today voted to keep the assessment rates charged to insured banks and savings associations unchanged for the first half of 2005.

The FDIC projects that the reserve ratio for the Bank Insurance Fund (BIF) may decline slightly by mid-year 2005 but should remain well above the Designated Reserve Ratio of 1.25 percent. The FDIC projects that the reserve ratio for the Savings Association Insurance Fund (SAIF) will remain relatively stable over the same period. These projections are based upon assumptions involving moderate insured deposit growth, higher market interest rates, and low provisions for insurance losses through mid-year 2005.

Based on preliminary information, the FDIC estimates that the BIF reserve ratio was 1.33 percent as of the third quarter, up from 1.31 percent as of June 30, 2004, because of a slight contraction in BIF-insured deposits. Staff preliminarily estimates that the SAIF reserve ratio was 1.34 percent as of September 30, 2004, unchanged from the June 30 ratio.

Staff's analysis regarding the current status of the funds, the intermediate term outlook for the economy and emerging risks to banking, and recommendations for the BIF and SAIF assessment rate schedules will be available on the FDIC's Web site at <http://www.fdic.gov/deposit/insurance/risk/index.html>.



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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-115-2004