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 second half of 2004.

The FDIC projects that the reserve ratios for both its funds - the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) - will remain relatively stable over the coming year. These projections are based upon assumptions involving slower insured deposit growth, modestly higher market interest rates, and low provisions for insurance losses through 2004.

Based on preliminary information, the FDIC estimates that the BIF reserve ratio was 1.31 percent as of the first quarter, down from 1.32 percent as of December 31, 2003, because growth in BIF-insured deposits outpaced growth in the fund's balance. Staff preliminarily estimates that the SAIF reserve ratio was 1.39 percent as of March 31, 2004, which is an increase from the December 31 ratio of 1.37 percent due to a slight contraction in SAIF-insured deposits.

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.