

What They're Saying: Policymakers on Capital Levels and the Largest Banks



U.S. policymakers have consistently stated that the nation's largest banks have proven resilient and well-capitalized.

"Banks have adequate capital."

- Treasury Secretary Janet Yellen, [May 2022](#)

"...capital and liquidity levels at our largest, most systemically important banks are at multi-decade highs."

- Federal Reserve Chair Jay Powell, [January 2022](#)

"The banking system is very strong, well-capitalized, highly liquid, does a much better job of understanding the risks that it runs and managing them than before the global financial crisis. And that's, that's a reflection of the work that regulators did and that the banks did, too. So that part of the financial system is critically very strong. And we saw that through the pandemic, and we see it now."

- Federal Reserve Chair Jay Powell, [June 2022](#)

"Capital and liquidity in the system is very strong. The rules that Congress put in place after the financial crisis make it much less likely that such a financial firm could get itself into trouble and in a way that would cause problems for the broader economy."

- Federal Reserve Vice Chair for Supervision Michael Barr, [May 2022](#)

"The federal banking system remains healthy, despite challenges from the pandemic, current geopolitical events, and rising interest rates. Bank financial conditions and capital levels have been sound for several years and bank liquidity levels have been strong, supporting increases in loan demand, especially in consumer lending."

- Acting Comptroller of the Currency Mike Hsu, [November 2022](#)

"Banks entered the pandemic with strong capital and liquidity buffers, especially those banks whose size and complexity are systemically important. Strong capital and liquidity buffers allowed the banking system to accommodate the unprecedented demand for short-term credit from many businesses that sought to bridge the pandemic-related shortfalls in revenues."

- Federal Reserve Vice Chair Lael Brainard, [March 2021](#)

"...the largest banks have maintained high levels of capital, and their resilience has been repeatedly confirmed by both supervisory and real-life stress tests. Most notably, the U.S. financial system faced the onset of the pandemic in the spring of 2020, which disrupted financial markets and raised fears of a severe crisis."

- Federal Reserve Governor Michelle Bowman, [September 2022](#)

"The results of the 2022 stress test indicate that large banks would maintain capital ratios well above the minimum risk-based requirements even during a substantial economic downturn."

- The Federal Reserve Board, Financial Stability Report, [November 2022](#)

"The Federal Reserve's 2022 stress tests, performed on the largest U.S. and foreign bank holding companies and savings and loan holding companies, showed that the banks have sufficient capital to absorb more than \$612 billion in losses and continue lending to households and businesses under stressful conditions."

- Office of Financial Research's Annual Report to Congress, [January 2023](#)