

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.

"Large banks are well positioned to weather a severe recession and continue to lend to households and businesses even during a severe recession."

- Federal Reserve Board Press Release, [June 2023](#)

"As of the fourth quarter of 2022, banks in the aggregate were well capitalized, especially U.S. global systemically important banks (G-SIBs)."

- Federal Reserve Board Financial Stability Report, [May 2023](#)

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

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

"The American banking system is really safe and well-capitalized, it's resilient."

- Treasury Secretary Janet Yellen, [March 2023](#)

"Our banking system is sound and resilient, with strong capital and liquidity."

- Federal Reserve Vice Chair for Supervision Michael Barr, [March 2023](#)

"Our banking system is well capitalized ... There is adequate capital and liquidity in America's banking system."

- Treasury Secretary Janet Yellen, [June 2023](#)

"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](#)

"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."

- Former Federal Reserve Vice Chair, current National Economic Council Director, 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](#)