

Speeches, Statements & Testimonies

2021 Annual Report

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I also would like to thank the staff for the significant effort that went into producing this year's Financial Stability Oversight Council (FSOC) Annual Report.

Following significant economic turmoil in 2020, the banking system remains resilient. In sharp contrast to the financial crisis of 2008, only three banks have failed since the start of the pandemic in March of 2020, and none due to the pandemic or the ensuing economic stress. At the same time, banks across the country have accommodated an extraordinary growth in deposits.

In 2021, the banking sector remained a source of strength for the economy, reinforced by banks' strong capital position. Banks remain strongly capitalized in the third quarter of 2021, holding a higher amount and quality of capital than just prior to the 2008–2013 banking crisis.

These are signs to be cautiously optimistic, but the FDIC will nonetheless carefully continue to monitor economic trends, deposit trends, and other factors that affect the health of the banking sector. In particular, the FDIC remains vigilant about the potential effects of inflation on banks and their customers, the potential economic impact of Omicron, and the evolution of certain markets post-pandemic, including commercial real estate.

Thank you again, Madame Secretary and FSOC staff, for your hard work to prepare this report and a productive collaboration in its preparation.