



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE  
May 7, 2009

Media Contact:  
Andrew Gray (202) 898-7192  
[angray@fdic.gov](mailto:angray@fdic.gov)

## Statement by FDIC Chairman Sheila C. Bair on Stress Tests

Federal Deposit Insurance Corporation (FDIC) Chairman Sheila C. Bair today commented on the release of the results of the Capital Assessment Program.

Chairman Bair said: "I want to commend the Federal Reserve for leading the stress assessment exercise and believe that this effort will serve to strengthen the capital positions of our largest financial institutions. A well-capitalized banking system instills market confidence and assures economic growth and development. In addition, bank funding remains stable because insured depositors continue to be fully protected by the full faith and credit guarantee of the Federal Deposit Insurance Corporation.

"I look forward to working with the Federal Reserve in reviewing capital plans and corporate governance structures to ensure that institutions that require higher capital buffers take appropriate steps such as conserving cash, issuing new equity, converting existing capital securities, and selling assets and non-core business lines.

"I support Treasury's decision to make this program voluntary for the vast majority of regional and community banks that might have an interest and the systems in place to conduct this type of evaluation. Community banks have used their superior capital positions to fuel economic growth in their local communities. I continue to support efforts to broaden their participation in the Capital Purchase Program because they have a proven track record of putting those dollars to work by providing prudent credit to consumers and small businesses."



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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-67-2009