

# **Current Assessment of Financial Stability**

Remarks by

Lisa D. Cook

Member

Board of Governors of the Federal Reserve System

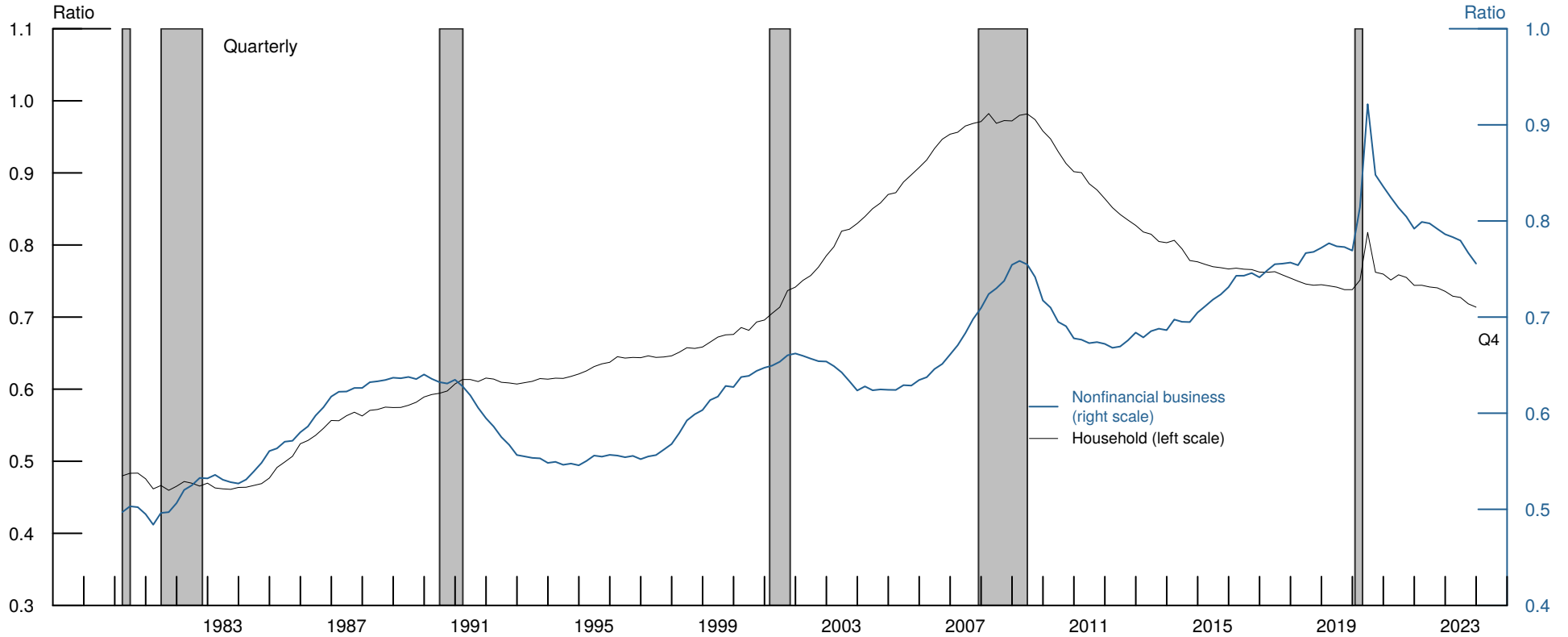
at

The Brookings Institution

Washington, D.C.

May 8, 2024

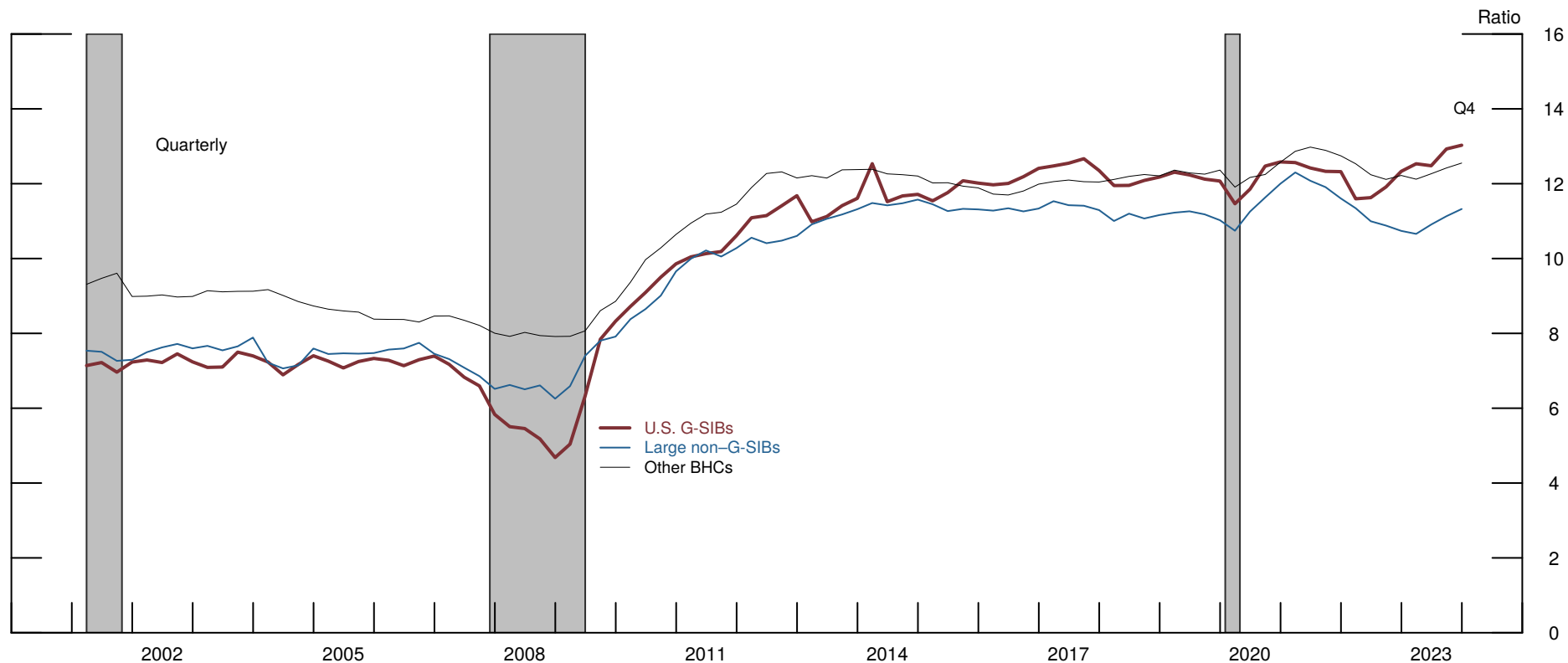
Figure 1  
Business and Household Debt-to-GDP



Note: The shaded bars indicate periods of business recession as defined by the National Bureau of Economic Research: January 1980-July 1980, July 1981-November 1982, July 1990-March 1991, March 2001-November 2001, December 2007-June 2009, and February 2020-April 2020. GDP is gross domestic product.

Source: Federal Reserve Board staff calculations based on Bureau of Economic Analysis, national income and product accounts, and Federal Reserve Board, Statistical Release Z.1, 'Financial Accounts of the United States.'

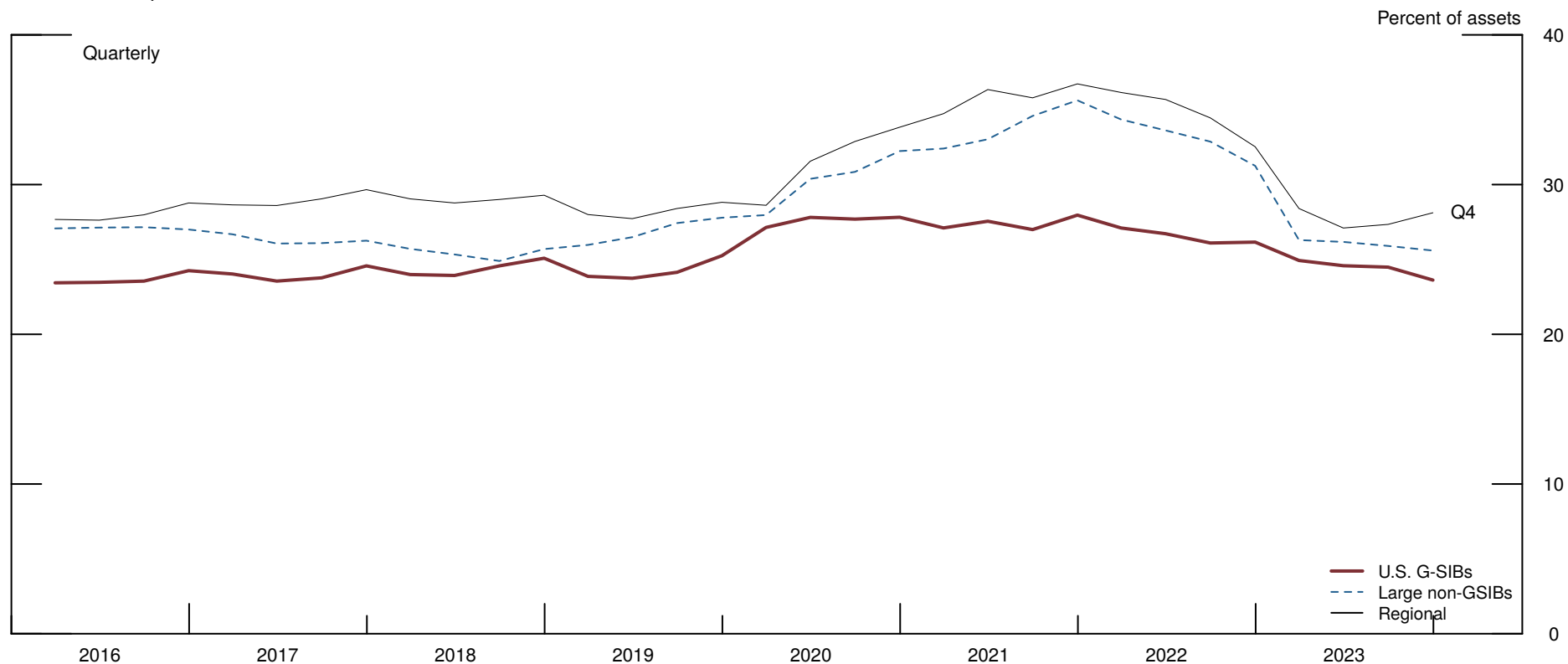
Figure 2  
Banks' CET1 Risk-based Capital Ratio



Note: The data are seasonally adjusted by Federal Reserve Board staff. The sample consists of domestic bank holding companies (BHCs) and intermediate holding companies (IHCs) with a substantial U.S. commercial banking presence. U.S. G-SIBs are U.S. global systemically important banks. Large non-G-SIBs are BHCs and IHCs with greater than \$100 billion in total assets that are not G-SIBs. CET1 stands for common equity Tier 1 capital, which is the numerator of the CET1 ratio. Before 2014:Q1 (advanced-approaches BHCs) or before 2015:Q1 (non-advanced-approaches BHCs), the numerator of the CET1 ratio is approximated by Tier 1 common capital. The denominator is risk-weighted assets. The shaded bars indicate periods of business recession as defined by the National Bureau of Economic Research: March 2001-November 2001, December 2007-June 2009, and February 2020-April 2020.

Source: Federal Reserve Board, Form FR Y-9C, Consolidated Financial Statements for Holding Companies.

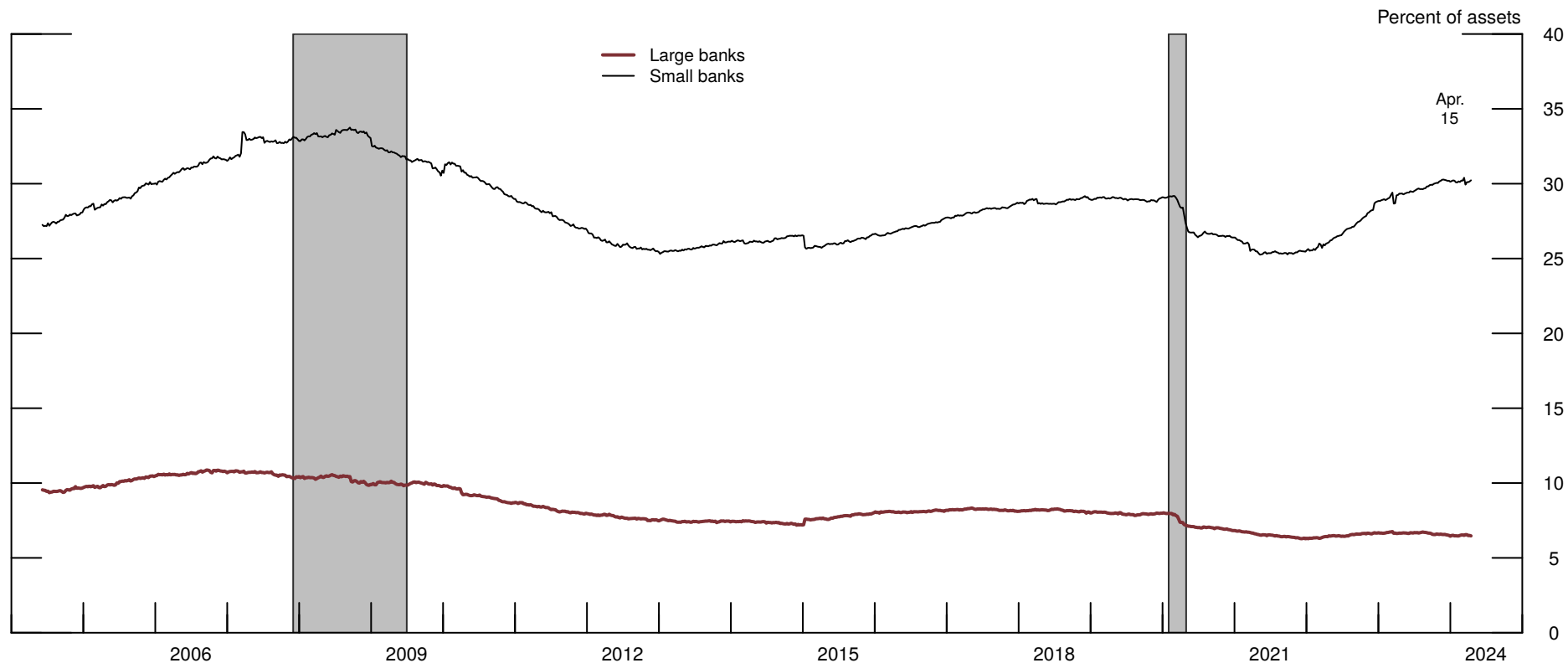
Figure 3  
Uninsured Deposits



Note: Uninsured deposits are reported by banks with total assets above \$1 billion. For smaller banks, uninsured deposits are estimated based on the amount in large deposit accounts, excluding the first \$250,000 in each of those accounts. U.S. G-SIBs are U.S. global systemically important banks. Large non-G-SIBs are bank holding companies and intermediate holding companies with greater than \$100 billion in total assets that are not G-SIBs. Regional are banks with between \$10 billion and \$100 billion in total assets.

Source: Federal Reserve Board staff calculations based on Federal Reserve Board, Form FR Y-9C, Consolidated Financial Statements for Holding Companies and Federal Financial Institutions Examination Council, Call Report Form FFIEC 031, Consolidated Reports of Condition and Income (Call Report).

Figure 4  
Commercial Real Estate Loans as Share of Total Assets



Note: Share is defined as "Real Estate Loans: Commercial Real Estate Loans" divided by "Total Assets" for large and small domestically chartered commercial banks. Large domestically chartered commercial banks are defined as the top 25 domestically chartered commercial banks, ranked by domestic assets as of the previous commercial bank Call Report to which the H.8 release data have been benchmarked. Small domestically chartered commercial banks are defined as all domestically chartered commercial banks not included in the top 25. The shaded bars indicate periods of business recession as defined by the National Bureau of Economic Research: December 2007-June 2009 and February 2020-April 2020.

Source: Federal Reserve Board, Statistical Release H.8, 'Assets and Liabilities of Commercial Banks in the United States.', accessed via Federal Reserve Economic Data.