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Special Edition Fast Facts:

FINANCIAL SERVICES SAFER & STRONGER IN 2012

Today, the Financial Services Roundtable released a new study entitled: [*"Financial Services: Safer & Stronger in 2012."*](#) This paper examines the many significant improvements that American financial services companies have made during the last four years.

Below are key takeaways from the report:

FACT: Banks insured by the Federal Deposit Insurance Corporation have \$1.5 trillion in capital – the highest capital levels in the history of American banking.

- **Federal Deposit Insurance Corporation**, Statistics on Depository Institutions

FACT: The largest U.S. banks have increased Tier 1 capital – the core measure of a bank's financial strength from a regulator's point of view – by nearly 50 percent over the last four years.

- **Federal Deposit Insurance Corporation**, Statistics on Depository Institutions, All Institutions and Commercial Banks over \$10 billion

FACT: Every single valid insurance policyholder claim was paid during and after the financial crisis, and not a single insurer became insolvent.

- **Dewey & LeBoeuf and Dr. Thomas Baker**, "Modernizing Insurance Regulation in the United States," September 2011.

FACT: The insurance sector remained strong throughout a decade when seven of the 10 most costly U.S. catastrophes for insurers occurred, such as Hurricane Katrina, Hurricane Ike, and the terrorist attacks of September 11, 2001.

- **Insurance Information Institute**, Insurance Catastrophes, <http://www.iii.org/media/facts/statsbyissue/catastrophes/>.

FACT: Executive compensation has been reformed significantly to align with long-term performance.

- **Federal Reserve Board**, "Incentive Compensation Practices: A Report on the Horizontal Review of Practices at Large Banking Organizations," October 2011.

FACT: Banks have developed fortress balance sheets, improving credit quality by 54 percent, increasing net income and, restoring aggregate lending to pre-crisis levels of nearly \$7 trillion.

- **Federal Deposit Insurance Corporation**, Quarterly Banking Profile, Third Quarter 2011.
- **Federal Reserve**, H.8 Report, December 30, 2011.
- **St. Louis Federal Reserve**, Nonperforming Commercial Loans, December 2011.

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

FACT: Banks will repay Troubled Asset Relief Program (TARP) investments with \$21 billion in profit to taxpayers.

- **U.S. Treasury**, “Troubled Asset Relief Program: Three Year Anniversary Report,” October 2011.

NOTE: This Fast Facts is in lieu of a February 3rd Fast Facts edition.

For more information, please contact Abby McCloskey, Director of Research at the Financial Services Roundtable, at abbyresearch@fsround.org, or Scott Talbott, Senior Vice President of Government Affairs, at scott@fsround.org.

Learn more about the Financial Services Industry at www.OurFinancialFuture.com.

OurFinancialFuture.com is continuously updated to bring you the most useful information about the industry in real-time.

Financial Services HOTLINE: If you have questions about this topic or any other issue facing financial services, please reach out to Abby directly at 202-589-2531.