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Opening Remarks

by

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Chair

Board of Governors of the Federal Reserve System

at

Integrated Review of the Capital Framework for Large Banks Conference,
Federal Reserve Board

Washington, D.C.

July 22, 2025

Good morning, and welcome to the Federal Reserve Board. I am pleased, though not surprised, to see such great interest in the topic of today's conference—the integrated review of the capital framework for large banks. I want to thank Vice Chair for Supervision Bowman for having the great idea of holding this event at the outset of her term. I would also like to thank Fed staff for their tireless work in putting the conference together.

Today we will hear the perspectives of industry veterans, academics, and current and former policymakers who are all well-versed in the operations of large banks and the main pillars of the capital framework. A great benefit of this conference is the chance to consider all elements of the capital framework in concert, rather than look at each in isolation. We need to ensure that all the different pieces of the capital framework work together effectively. Doing so will help maintain a safe, sound, and efficient banking system, for the benefit of the people we serve. The U.S. bank capital framework includes risk-based capital requirements, leverage requirements, the surcharge for the largest and most complex banks, and the stress tests. We will discuss the status of each of those elements, and the road ahead, in a comprehensive manner. As this audience will know, we have proposals outstanding or in the works across all four areas.

Our regulatory capital framework and all banking rules are implemented through supervision, an area where Vice Chair for Supervision Bowman brings deep experience as a former banker and state supervisor. As she has noted, we need to make sure that our supervisory practices focus on the critical areas that determine safety and soundness. We need our large banks to be well capitalized and to manage their key risks well. And we

need large banks to be free to compete with one another, with nonbank financial firms, and with banks in other jurisdictions to provide capital and support economic growth.

The Fed is a dynamic institution. We are open to hearing new ideas and feedback on how to improve the capital framework for large banks, and I look forward to hearing from today's participants. Thank you again for joining us today.