

ABOUT THOSE [STRESS] TEST RESULTS

Peterr had a great post this morning reading some troubling tea leaves at the bottom of Citi's and Bank of America's tea cups.

My, the little things you notice when you peruse the job listings at the FDIC website. There are a lot of them to scroll through, but a couple of them caught my eye.

[snip]

Further down the list of positions comes a posting for two *Senior Large Financial Institution Specialists*, one in the New York office and the other in Charlotte, North Carolina.

Hmmm . . . large institutions, New York and Charlotte?

Can you say "Citibank" and "B of A"? Sure you can.

Speaking of New York, they are also looking for a new *Chief, Examination Support and Risk Analysis Section* who would be based in either New York or DC. Again, from the major duties section of the posting, the first three are these:

Serves as technical advisor on a broad range of risk management issues particularly regarding the analysis and supervision of large, complex financial institutions.

Reviews and evaluates studies, reports, and proposals prepared by staff members, financial organizations and other government agencies as these relate to large, complex financial institutions.

Directs the monitoring and supervision of large, complex financial institutions to protect the deposit insurance fund.

I'd be getting a little nervous right about now, if I had a corner office at Citibank and saw these two job postings. And if I noticed that the FDIC is also looking for two more of those *Senior Large Financial Institution Specialists* in their DC office, I'd be getting more than a little nervous. (As if I didn't already have some banking nightmares to deal with.)

All in all, it looks to me like somebody thinks the FDIC needs some senior folks to deal with eating Very Big Banks – and to judge by the closing dates on these job postings and this little teaser from the Wall Street Journal, they think they need them fast.

The teaser he linked to describes the problem of what to do with the results of the stress tests investigating—among others—BoA and Citi.

Top federal bank regulators plan to meet early this week to discuss how to analyze the results of stress tests being conducted on the country's 19 largest banks, people familiar with the matter said.

Only, it seems like those bank regulators have decided to punt, at least until we get past earnings season.

The U.S. Treasury Department is planning to delay the release of any completed bank "stress test" results until after the first-quarter earnings season to avoid complicating stock market reaction, a source familiar with

Treasury's discussions said Tuesday.

The Treasury is still talking about how results of the regulatory stress tests on the 19 largest U.S. banks will be released, and may disclose them as summary results that are not institution-specific, the source said.

Gosh. They got together. Looked at the results. Started to hire Senior Large Financial Institution Specialists in both Citi's and BoA's home towns.

And then started talking about "summary results" that are "not institution-specific" and decided to put off their announcements (which may be finished before the end of the month) until after earnings season is over.

Just so you don't learn how broke these banks are in such a way that will crash the stock market.

I'm guessing if Citi or BoA were HQed in Detroit, they'd be making final preparations for bankruptcy around about now.