

Facts: Safety & Soundness



Chesapeake Bank protects your money. Here's how:

- Customers' deposits are protected. Deposits are insured by the FDIC for up to \$100,000 per depositor per insured bank and up to \$250,000 for retirement accounts.
- The FDIC insurance fund is strong, with more than \$52 billion in assets funded by insurance premiums paid by banks to protect bank depositors.
- Banking's capital – which serves as a buffer against any losses – is at historic highs. As of March 2008, the industry held \$1.36 trillion in capital plus \$120.9 billion in reserves for a total buffer of \$1.48 trillion.
- Despite the turmoil in financial markets, banks added \$13.5 billion to capital in the first quarter, and 99 percent of banks are currently classified by the regulators as “well-capitalized,” the highest possible designation.
- Chesapeake Bank continues to have record earnings each quarter. While other financial institutions have seen decreases in earnings, Chesapeake had a 10% increase in earnings from 2006 to 2007 and a 17% net income increase over the first half of 2007.
- Chesapeake Bank remains a “well-capitalized” bank according to federal regulations. The bank keeps its capital requirements well above the federally set level.
- Through the first half of 2008 the United States has seen a total of seven bank failures. In 1990, we saw seven bank failures each week.
- In 1990, the FDIC had more than 1,500 banks on their watch list. They currently have approximately 100 banks on their watch list. Of those 1,500 banks in 1990, 87% never failed.
- Our diversified industry of more than 8,500 banks with 97,000 locations nationwide stands ready to serve customers. The vast majority of banks have been in existence for decades and plan to serve their customers for many, many more.

