

**Table 2-A
General Stress Testing Requirements**

Companies with Total Consolidated Assets of \$50 Billion or More	Companies with Total Consolidated Assets \$10 to \$50 Billion
BHCs participate in FRB CCAR exercise	BHCs are not a part of the CCAR exercise
BHCs subject to annual supervisory stress test <ul style="list-style-type: none"> ➤ FRB publicly discloses summary results 	No supervisory stress test <ul style="list-style-type: none"> ➤ Not applicable (No FRB disclosure of company results)
BHCs must submit an annual Capital Plan <ul style="list-style-type: none"> ➤ Maintain post stressed 5% of tier 1 common ratio ➤ FRB approval of results, capital plan, and actions ➤ Requires use of both supervisory and BHC-specific scenarios 	Not subject to Capital Plan Rule <ul style="list-style-type: none"> ➤ No required minimum stressed capital ratios ➤ No supervisory approval associated with stress testing ➤ Requires only use of supervisory scenarios
Company-run stress test <ul style="list-style-type: none"> ➤ Semi-annual submission (January 5th and July 5th of every year) ➤ Report using FR Y-14A ➤ Two sets of public disclosures by firm (March and September) 	Company-run stress test <ul style="list-style-type: none"> ➤ Annual submission (begins 3/31/2014) ➤ Report using FR Y-16 ➤ Annual firm disclosure beginning in June 2015

Note:

- BHC: bank holding company; CCAR: Comprehensive Capital Analysis and Review
- For reporting forms, refer to Federal Reserve’s public website at www.federalreserve.gov under “Reporting Forms.”

Table 2-B
Reporting for DFA Stress Testing

Companies with Total Consolidated Assets of \$50 Billion or More	Companies with Total Consolidated Assets \$10 to \$50 Billion
<p>FR Y-14A (Only BHC Report)</p> <ul style="list-style-type: none"> ➤ Annual and semiannual submission ➤ Approximately 2,500 line items per scenario for annual and 1,900 for semiannual 	<p>FR Y-16 (BHC/SMB/SLHC)</p> <ul style="list-style-type: none"> ➤ Annual submission ➤ Summary report with approximately 100 line items per scenario
<p>Interim final rule (1/15/14 submission)</p> <ul style="list-style-type: none"> ➤ Must apply revised regulatory capital framework (Basel III) in projections <ul style="list-style-type: none"> • Maintain the tier 1 common ratio calculated under the current capital rule 	<p>Interim final rule (3/31/14 submission)</p> <ul style="list-style-type: none"> ➤ Not required to apply revised regulatory capital framework (Basel III) in projections until 3/31/2015 <ul style="list-style-type: none"> • Not required to calculate the tier 1 common ratio for 3/31/2014
<p>FR Y-14Q (For Supervisory Stress Test)</p> <ul style="list-style-type: none"> ➤ Quarterly submission ➤ Loan-level data collected 	Not applicable
<p>FR Y-14M (For Supervisory Stress Test)</p> <ul style="list-style-type: none"> ➤ Monthly submission ➤ Loan-level data collected 	Not applicable

Note:

- BHC: bank holding company; SMB: state member bank; and SLHC: savings and loan holding company.
- For reporting forms, refer to Federal Reserve's public website at www.federalreserve.gov under "Reporting Forms."

Table 2-C
Stress Testing Minimum Expectations

Companies with Total Consolidated Assets of \$50 Billion or More	Companies with Total Consolidated Assets \$10 to \$50 Billion
<p>Scenarios</p> <ul style="list-style-type: none"> ➤ Companies must develop BHC-specific scenarios to stress key vulnerabilities and identify idiosyncratic risk drivers 	<p>Scenarios</p> <ul style="list-style-type: none"> ➤ Companies are not required to prepare their own scenarios
<p>Data Sources and Segmentation</p> <ul style="list-style-type: none"> ➤ Proxy data acceptable, but companies are generally expected to use internally generated data ➤ Data segmented at least as detailed as FR Y-14A (approximately 2,500 lines per scenario) 	<p>Data Sources and Segmentation</p> <ul style="list-style-type: none"> ➤ May use industry data as a proxy under certain conditions ➤ Data segmented by FR Y-16 (approximately 100 lines per scenario) and largely reflects Call Report and FR Y-9C report
<p>Loss Estimation</p> <ul style="list-style-type: none"> ➤ Identify key loss drivers; indicate how the scenarios affect those drivers and losses ➤ More granular loss estimation expectations using FR Y-14A segmentation 	<p>Loss Estimation</p> <ul style="list-style-type: none"> ➤ May choose to base their stress losses on industry historical loss experience ➤ May be able to estimate credit losses on an aggregate level (top-down approach) using FR Y-16 segmentation
<p>Operational Losses</p> <ul style="list-style-type: none"> ➤ Expected to include operational loss estimates 	<p>Operational Losses</p> <ul style="list-style-type: none"> ➤ Include aggregate operational losses in Pre-Provision Net Revenue (PPNR) only if directly related to macroeconomic and financial scenarios provided by supervisors

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Table 2-C
(Continued)
Stress Testing Minimum Expectations

Companies with Total Consolidated Assets of \$50 Billion or More	Companies with Total Consolidated Assets \$10 to \$50 Billion
<p>Pre-Provision Net Revenue (PPNR)</p> <ul style="list-style-type: none"> ➤ Granular estimation approach <ul style="list-style-type: none"> • Use internal revenue and expense data to estimate business lines’ revenues and expenses • Identify specific drivers of revenue and expenses and analyze how supervisory scenarios affect those drivers 	<p>Pre-Provision Net Revenue (PPNR)</p> <ul style="list-style-type: none"> ➤ Less granular “top of the house” approach <ul style="list-style-type: none"> • Project PPNR based on three main components (net interest income, noninterest income and noninterest expense) • Can project at an aggregate, company-wide level, and may be based on industry experience
<p>Balance Sheet and Risk-Weighted Assets</p> <ul style="list-style-type: none"> ➤ Projections for each major segment of the balance sheet for FR Y-14A 	<p>Balance Sheet and Risk-Weighted Assets</p> <ul style="list-style-type: none"> ➤ Can in some cases use a simple, constant method for projecting their full balance sheet and risk weighted assets
<p>Controls, Oversight and Documentation</p> <ul style="list-style-type: none"> ➤ Must be an integral part of preparing and submitting both the capital plan required under the Capital Plan Rules, and the resolution and recovery planning process 	<p>Controls, Oversight and Documentation</p> <ul style="list-style-type: none"> ➤ Must consider the role of stress testing results in the normal course of business (capital planning, assessment of capital adequacy, and risk management)

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