A red-tinted photograph of the Federal Reserve Building facade serves as the background for the title. The building is a grand, classical structure with a prominent portico supported by tall columns. A flagpole with the American flag stands in front of the building. The sky is overcast with soft clouds.

# Comprehensive Capital Analysis and Review 2013: Assessment Framework and Results

March 2013

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM





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# Introduction

The Federal Reserve's annual Comprehensive Capital Analysis and Review (CCAR) is an intensive assessment of the capital adequacy of large, complex U.S. bank holding companies (BHCs), and of the practices these BHCs use to manage their capital. The Federal Reserve expects these BHCs to have sufficient capital to withstand a severely adverse operating environment and be able to continue operations, maintain ready access to funding, meet obligations to creditors and counterparties, and serve as credit intermediaries.

Accordingly, through CCAR the Federal Reserve seeks to ensure that large BHCs have thorough and robust processes for managing their capital resources. Such processes should be supported by effective firm-wide risk-measurement and -management practices and ongoing consideration of the potential for stressful outcomes, with strong oversight by boards of directors and senior management. The Federal Reserve expects each BHC to incorporate, as part of its capital planning process, analysis of the potential for significant and rapid changes in the risks it faces, including risks generated by a marked deterioration in the economic and financial environment as well as pressures that may stem from firm-specific events.

CCAR is also designed to help both the BHC and the Federal Reserve evaluate whether a BHC's capital accretion and distribution decisions are prudent, given inherent uncertainty about the future. The CCAR process also can help to act as a counterweight to pressures that a BHC may face to use capital distributions to signal financial strength, even in a stressed environment.

Capital is central to a BHC's ability to absorb losses and continue to lend to creditworthy businesses and consumers. The recent financial crisis illustrated that confidence in the capitalization and overall financial strength of a BHC can erode rapidly in the face of changes in current or expected economic and financial conditions. More importantly, the crisis illustrated that a loss of investor and counterparty confidence in the financial strength of a BHC might not only imperil that BHC's viability, but also harm the broader financial system.

CCAR reflects a number of important steps forward in the Federal Reserve's approach to the supervision of the largest BHCs. Rather than evaluating capital at a moment in time, CCAR incorporates a forward-looking, post-stress evaluation of a BHC's capital adequacy. Further, the Federal Reserve in CCAR expands upon other supervisory practices by undertaking a simultaneous, horizontal assessment of capital adequacy at the largest U.S. BHCs, thus allowing the process to be informed by the financial condition of, and outlook for, these BHCs individually and as a group.

The remainder of this report summarizes the results of the Federal Reserve's CCAR, including supervisory estimates of each BHC's post-stress capital ratios under a severely adverse scenario as well as the Federal Reserve's actions on the 2013 capital plans; outlines recent trends in tier 1 common capital at the 18 BHCs; and summarizes the assessment framework that the Federal Reserve used in reviewing the capital plans from both a quantitative and qualitative perspective.



# Summary of Results

The Federal Reserve conducted the first CCAR in early 2011. In November 2011, the Federal Reserve adopted the capital plan rule, which requires BHCs with consolidated assets of \$50 billion or more to submit annual capital plans to the Federal Reserve for review.<sup>1</sup> Under the rule, these capital plans must include detailed descriptions of the following: the BHC's internal processes for assessing capital adequacy; the policies governing capital actions such as common stock issuance, dividends, and share repurchases; and all planned capital actions over a

<sup>1</sup> The capital plan rule is codified at 12 CFR 225.8. Asset size is measured over the previous four calendar quarters as reported on the FR Y-9C regulatory report.

nine-quarter planning horizon. Further, each BHC must also report to the Federal Reserve the results of stress tests under a number of scenarios run by the BHC (company-run stress tests) that assess the sources and uses of capital under baseline and stressed economic and financial conditions.

The Federal Reserve projected post-stress capital ratios for each BHC based on the BHC's planned capital actions over the nine-quarter planning horizon.<sup>2</sup> The projection also incorporated the stress loss and revenue estimates from the Dodd-Frank Wall

<sup>2</sup> The nine-quarter planning horizon spans from fourth quarter 2012 to fourth quarter 2014.

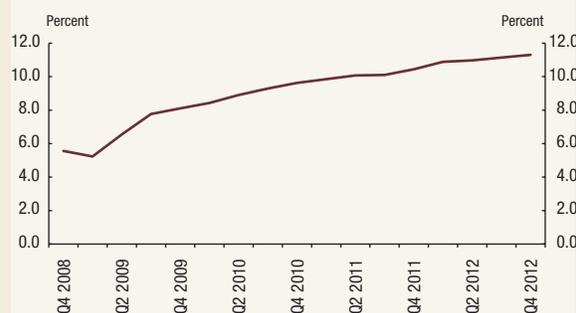
## Box 1. Overview of Trends in Capital Levels for Large U.S. BHCs

The 18 BHCs that are part of this year's CCAR hold more than 70 percent of the total assets of all domestic BHCs. Improvements in the amount and quality of capital held by these institutions have been critical to the stabilization of the broader financial system. One of the initial driving forces behind these improvements was the 2009 Supervisory Capital Assessment Program (SCAP), which was led by the Federal Reserve. Building on the SCAP, the the Federal Reserve conducted the first annual CCAR in 2011 and in the same year issued the capital plan rule. These programs have reinforced other factors such as the strengthening of international capital standards under Basel III and general improvements in profitability due to better economic conditions.

As shown in figure A, the weighted average tier 1 common equity ratio of the 18 CCAR BHCs has more than doubled from 5.6 percent at the end of 2008 to 11.3 percent in the fourth quarter of 2012. That increase reflects a total gain of \$393 billion in tier 1 common equity among these banks to \$792 billion at the end of 2012.<sup>1</sup> Part of this

<sup>1</sup> Calculations based on Y-9C filings. Ally Financial Inc. filed its first Y-9C report in the first quarter of 2009. These calculations and the figure use the first quarter of 2009 data for Ally Financial Inc. for the fourth quarter of 2008.

Figure A. Tier 1 common equity ratio of the 18 CCAR bank holding companies



Note: Aggregate capital ratio for 18 participating BHCs, based on Y-9C filings. The tier 1 common ratio in the fourth quarter of 2008 includes the tier 1 common capital and risk-weighted assets for Ally Financial Inc. as of the first quarter of 2009, as Ally did not file a Y-9C report with the Federal Reserve in the fourth quarter of 2008.

increase is attributable to a significant accretion of common equity through retained earnings. BHCs have also raised equity from external sources, including the equity raised in connection with the redemption of U.S. government investments under the Troubled Asset Relief Program and following the SCAP.

**Table 1. Summary of the Federal Reserve's actions on capital plans in CCAR 2013**

Non-objection to capital plan	Conditional non-objection to capital plan	Objection to capital plan
American Express Company	The Goldman Sachs Group, Inc.	Ally Financial Inc.
Bank of America Corporation	JPMorgan Chase & Co.	BB&T Corporation
The Bank of New York Mellon Corporation		
Capital One Financial Corporation		
Citigroup Inc.		
Fifth Third Bancorp		
KeyCorp		
Morgan Stanley		
The PNC Financial Services Group, Inc.		
Regions Financial Corporation		
State Street Corporation		
SunTrust Banks, Inc.		
U.S. Bancorp		
Wells Fargo & Co.		

Street Reform and Consumer Protection Act stress test (DFAST). (For a comparison of DFAST and CCAR, see [box 2](#)). With this information, the Federal Reserve conducted an analysis of the firms' capital plans and either objected or provided a non-objection to each of the 18 firms' capital plans.

The Federal Reserve may object to a capital plan on quantitative or qualitative grounds, or, when appropriate, both.<sup>3</sup> When the Federal Reserve objects to a BHC's capital plan, the BHC may not make any capital distribution unless the Federal Reserve indicates in writing that it does not object to the distribution.<sup>4</sup>

While the nine-quarter planning horizon contained in the 2013 capital plans extends through the end of 2014, the Federal Reserve's approval of BHCs' planned capital actions is carried out annually and applies only to the four quarters beginning in the second quarter of the current year and ending in the first quarter of the following year.<sup>5</sup> The Federal Reserve evaluates planned capital actions for the remainder of the nine-quarter planning horizon to better understand each BHC's longer-term capital

management strategy and to assess post-stress capital levels over the full planning horizon.<sup>6</sup>

In its quantitative assessment, the Federal Reserve evaluated each BHC's ability to make all planned capital actions in its CCAR capital plan and maintain post-stress capital ratios of greater than 5 percent tier 1 common capital and all required regulatory minimum levels based on the results of the BHCs' company-run stress tests and post-stress capital ratios estimated by the Federal Reserve (CCAR post-stress capital analysis).

In last year's CCAR, a BHC could resubmit a plan with a downward adjustment, but only after receiving a notice of objection to its capital plan. This year, the Federal Reserve provided BHCs with an opportunity to adjust planned capital distributions after receiving the Federal Reserve's preliminary CCAR post-stress capital analysis. The only kind of adjustment permitted under this new procedure was a reduction of the planned capital distributions that were submitted by the BHCs in their January 2013 capital plans. These adjusted capital actions, if any, were then incorporated into the Federal Reserve's projections to calculate the adjusted post-stress capital levels and ratios. For firms that submitted an adjusted capital distribution, the Federal Reserve is disclosing both the minimum projected capital ratios using the originally submitted planned capital actions and the adjusted planned capital actions.

<sup>3</sup> See 12 CFR 225.8(e)(2)(ii).

<sup>4</sup> See 12 CFR 225.8(e)(2)(iv).

<sup>5</sup> For CCAR 2013, the nine-quarter planning horizon covered in the capital plans begins in the fourth quarter of 2012 and ends in the fourth quarter of 2014. If the Federal Reserve does not object to a BHC's capital plan, the BHC may make the planned capital distributions for the four-quarter period beginning in the second quarter of 2013 and ending in the first quarter of 2014. Capital distributions in the fourth quarter of 2012 and the first quarter of 2013 were addressed in capital plans submitted in connection with CCAR 2012, and capital distributions for the four-quarter period beginning in the second quarter of 2014 and ending in the first quarter of 2015 will be addressed in the BHCs' 2014 capital plans.

<sup>6</sup> See Board of Governors of the Federal Reserve System (2012), "Comprehensive Capital Analysis and Review 2012: Methodology for Stress Scenario Projections," report (Washington: Board of Governors, March 12), [www.federalreserve.gov/newsevents/press/bcreg/bcreg20120312a1.pdf](http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20120312a1.pdf).

## Box 2. Dodd-Frank Act Supervisory Stress Tests and the CCAR Post-Stress Capital Analysis

While closely related, there are some important differences between the Dodd-Frank Act supervisory stress tests and the CCAR post-stress capital analysis. The projections of pre-tax net income from the Dodd-Frank Act supervisory stress tests are direct inputs to the CCAR post-stress capital analysis. The primary difference between the Dodd-Frank Act supervisory stress tests and the CCAR post-stress capital analysis is the capital action assumptions that are combined with these projections to estimate post-stress capital levels and ratios.

### Capital Action Assumptions for the Dodd-Frank Act Supervisory Stress Tests

To project post-stress capital ratios for the Dodd-Frank Act supervisory stress tests, the Federal Reserve uses a standardized set of capital action assumptions that are specified in the Dodd-Frank Act stress test rules.<sup>1</sup> Common stock dividend payments are assumed to continue at the same level as the previous year. Scheduled dividend, interest, or principal payments on any other capital instrument eligible for inclusion in the numerator of a regulatory capital ratio are assumed to be paid. The assumptions are that repurchases of common stock are zero. The capital action assumptions did not include issuance of new common stock, preferred stock, or other instrument that would be included in regulatory capital, except for common stock issuance associated with expensed employee compensation.<sup>2</sup>

<sup>1</sup> In order to make the results of its supervisory stress test comparable to the company-run stress tests, the Federal Reserve uses the same capital action assumptions as those required for the company-run stress tests, outlined in the Dodd-Frank stress test rules. See 12 CFR 252.146(b)(2).

<sup>2</sup> The Dodd-Frank Act stress test rule for covered companies assumes that future capital actions that are subject to future

### Capital Actions for CCAR

In contrast, for the CCAR post-stress capital analysis, the Federal Reserve uses BHCs' planned capital actions, and assesses whether a BHC would be capable of meeting supervisory expectations for minimum capital ratios even if stressful conditions emerged and the BHC did not reduce planned capital distributions.

As a result, post-stress capital ratios projected for the Dodd-Frank Act supervisory stress tests should be expected to differ significantly from those for the CCAR post-stress capital analysis. For example, if a BHC includes a dividend cut in its planned capital actions, its post-stress capital ratios projected for the CCAR capital analysis could be higher than those projected for the Dodd-Frank Act supervisory stress tests. Conversely, if a BHC includes significant dividend increases, repurchases, or other actions that deplete capital in its planned capital actions, the post-stress capital ratios for CCAR could be lower.

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adjustment, market conditions, or other regulatory approvals will not be reflected in a company's projected regulatory capital for the purpose of the company-run stress tests because of the uncertainty of these actions. Accordingly, under the rule, a company must assume in the second through ninth quarters of the planning horizon no redemption or repurchase of any capital instrument eligible for inclusion in the numerator of a regulatory capital ratio. See 12 CFR 252.146(b)(2)(iii). The Federal Reserve clarified in subsequent guidance that, for similar reasons, a company should assume that it will not issue any new common stock, preferred stock, or other instrument that would be included in regulatory capital in the second through ninth quarters of the planning horizon, except for common stock issuances associated with expensed employee compensation.

In the qualitative assessment in CCAR, the Federal Reserve evaluated the extent to which the analysis underlying each BHC's capital plan captured and appropriately addressed potential risks stemming from all activities across the consolidated institution under baseline and stressed operating conditions; the reasonableness of the assumptions and analysis underlying the capital plan; the robustness of the BHC's capital adequacy process, including supporting risk-measurement and -management practices; and corporate governance and controls in the capital planning process, including the BHC's capital policies as approved by its board of directors.

Table 1 summarizes the Federal Reserve's decisions on the CCAR 2013 capital plans.

The Federal Reserve did not object to the capital plan and planned capital distributions for BHCs listed in the "Non-objection to capital plan" column or the "Conditional non-objection to capital plan" column.

The Federal Reserve objected to the capital plan, including in one or more cases some or all of the planned capital distributions, of each BHC listed in the "Objection to capital plan" column. Each firm listed either had deficiencies in its capital planning

**Table 2. Comprehensive Capital Analysis and Review 2013  
Minimum stressed tier 1 common ratios, Q4 2012 to Q4 2014  
Federal Reserve estimates in the severely adverse scenario**

Bank holding company	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
Ally Financial Inc. <sup>1</sup>	1.78	1.52
American Express Company	4.97	6.42
Bank of America Corporation	6.04	
The Bank of New York Mellon Corporation	13.21	
BB&T Corporation <sup>2</sup>	7.76	
Capital One Financial Corporation	6.69	
Citigroup Inc.	8.22	
Fifth Third Bancorp	7.50	
The Goldman Sachs Group, Inc.	5.26	
JPMorgan Chase & Co.	5.56	
KeyCorp	6.75	
Morgan Stanley	5.62	
The PNC Financial Services Group, Inc.	8.55	
Regions Financial Corporation	7.00	
State Street Corporation	9.65	
SunTrust Banks, Inc.	6.91	
U.S. Bancorp	6.61	
Wells Fargo & Co.	5.94	

Note: The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. The minimum stressed ratios (%) are the lowest quarterly ratios from Q4 2012 to Q4 2014 in the supervisory severely adverse scenario.

The capital plan rule stipulates that the BHCs must demonstrate their ability to maintain tier 1 common ratios above 5 percent.

<sup>1</sup> The post-stress capital ratios presented in the table are based on an assumption that Ally remains subject to contingent liabilities associated with Residential Capital, LLC ("ResCap"). On May 14, 2012, ResCap and certain of its subsidiaries filed for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. As of March 6, 2013, the outcome of the ResCap bankruptcy remained pending.

<sup>2</sup> The actual and post-stress capital ratios presented in the table are based on information that BB&T provided to the Federal Reserve in regulatory reports on or before February 6, 2013. The information that BB&T provided to the Federal Reserve includes information regarding BB&T's risk-weighted assets. On March 4, 2013, BB&T disclosed publicly that it had reevaluated its process related to calculating risk-weighted assets and determined that certain adjustments, primarily related to the presentation of certain unfunded lending commitments, were required in order to conform to regulatory guidance. These adjustments resulted in an increase to risk-weighted assets and a decrease in BB&T's risk-based capital ratios and are not reflected in this table.

Source: Federal Reserve estimates in the severely adverse scenario.

process so significant as to undermine the quantitative results of the stress tests for that firm, the overall reliability of the firm's capital planning process, or both. Ally Financial Inc.'s capital plan received an objection from the Federal Reserve, both on quantitative and qualitative grounds.<sup>7</sup> BB&T's capital plan was objected to based on a qualitative assessment conducted by the Federal Reserve. These BHCs are not permitted to implement their requested plans for capital distributions and are required to resubmit their capital plans to the Federal Reserve following remediation of these deficiencies, consistent with the requirements in the capital plan rule.<sup>8</sup>

The Federal Reserve did not object to the capital plans of The Goldman Sachs Group, Inc. and JPMorgan Chase & Co., which are both listed in the "Conditional non-objection to capital plan" column.

<sup>7</sup> 12 CFR 225.8(e)(2)(ii).

<sup>8</sup> See 12 CFR 225.8(d)(4).

However, each of these BHCs exhibited weaknesses in its capital plan or capital planning process that were significant enough to require immediate attention, even though those weaknesses do not undermine the quantitative results of the stress tests for that firm or the overall reliability of the firm's capital planning process. As a condition of the Federal Reserve's non-objection to their capital plans, each of these BHCs is required to remediate immediately the weaknesses identified in its capital plan and capital planning process and to resubmit a capital plan to the Federal Reserve by the end of the third quarter of 2013. Failure to remediate these weaknesses adequately by the time of resubmission would be grounds for objecting to the capital plans and planned capital distributions.

Table 2 contains minimum post-stress tier 1 common ratios for each of the 18 BHCs under the severely adverse scenario. The middle column of the table incorporates the original planned capital distribu-

**Table 3. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios, Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**

Bank holding company	Tier 1 common ratio (%)			Tier 1 capital ratio (%)			Total risk-based capital ratio (%)			Tier 1 leverage ratio (%)		
	Actual Q3 2012	Minimum capital ratio		Actual Q3 2012	Minimum capital ratio		Actual Q3 2012	Minimum capital ratio		Actual Q3 2012	Minimum capital ratio	
		Original planned capital actions	Adjusted planned capital actions		Original planned capital actions	Adjusted planned capital actions		Original planned capital actions	Adjusted planned capital actions		Original planned capital actions	Adjusted planned capital actions
Ally Financial Inc. <sup>1</sup>	7.33	1.78	1.52	13.64	4.07	11.02	14.63	5.96	12.59	11.29	3.50	9.42
American Express Company	12.73	4.97	6.42	12.75	4.98	6.43	14.70	7.06	8.54	10.71	3.99	5.15
Bank of America Corporation	11.41	6.04		13.64	7.20		17.16	10.24		7.84	4.62	
The Bank of New York Mellon Corporation	13.28	13.21		15.29	14.66		16.86	15.31		5.63	5.03	
BB&T Corporation <sup>2</sup>	9.52	7.76		10.86	9.52		14.01	11.75		7.90	7.06	
Capital One Financial Corporation	10.69	6.69		12.74	7.18		14.98	9.48		9.88	5.23	
Citigroup Inc.	12.73	8.22		13.92	9.35		17.12	12.35		7.39	5.38	
Fifth Third Bancorp	9.67	7.50		10.85	8.55		14.76	12.26		10.09	8.04	
The Goldman Sachs Group, Inc.	13.12	5.26		14.98	7.20		18.07	9.96		7.17	3.85	
JPMorgan Chase & Co.	10.42	5.56		11.93	6.80		14.69	9.49		7.08	4.10	
KeyCorp	11.30	6.75		12.10	7.37		15.17	9.98		11.37	6.94	
Morgan Stanley	13.89	5.62		16.95	7.44		16.98	8.59		7.18	4.53	
The PNC Financial Services Group, Inc.	9.48	8.55		11.68	10.82		14.49	14.18		10.38	8.63	
Regions Financial Corporation	10.46	7.00		11.48	7.54		14.95	10.52		9.10	6.00	
State Street Corporation	17.78	9.65		19.78	11.22		21.32	13.86		7.60	5.48	
SunTrust Banks, Inc.	9.82	6.91		10.57	8.61		12.95	10.75		8.49	6.86	
U.S. Bancorp	8.97	6.61		10.91	8.54		13.32	10.54		9.17	7.20	
Wells Fargo & Company	9.92	5.94		11.50	7.73		14.51	10.72		9.40	6.18	
<b>18 participating bank holding companies</b>	<b>11.14</b>	<b>6.56</b>		<b>12.94</b>	<b>8.06</b>		<b>15.74</b>	<b>10.76</b>		<b>7.96</b>	<b>5.23</b>	

Note: The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate an ability to maintain a tier 1 common ratio above 5 percent in its capital plan.**

<sup>1</sup> The post-stress capital ratios presented in the table are based on an assumption that Ally remains subject to contingent liabilities associated with Residential Capital, LLC ("ResCap"). On May 14, 2012, ResCap and certain of its subsidiaries filed for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. As of March 6, 2013, the outcome of the ResCap bankruptcy remained pending.

<sup>2</sup> The actual and post-stress capital ratios presented in the table are based on information that BB&T provided to the Federal Reserve in regulatory reports on or before February 6, 2013. The information that BB&T provided to the Federal Reserve includes information regarding BB&T's risk-weighted assets. On March 4, 2013, BB&T disclosed publicly that it had reevaluated its process related to calculating risk-weighted assets and determined that certain adjustments, primarily related to the presentation of certain unfunded lending commitments, were required in order to conform to regulatory guidance. These adjustments resulted in an increase to risk-weighted assets and a decrease in BB&T's risk-based capital ratios and are not reflected in this table.

Source: Federal Reserve estimates in the severely adverse scenario.

tions included in the capital plans submitted by the BHCs in January 2013. The ratios reported in the right-hand column of the table incorporate any adjusted capital distributions submitted by a BHC after receiving the Federal Reserve's preliminary CCAR post-stress capital analysis. Depending on these adjustments, the minimum post-stress ratio with the original planned capital distributions could occur in a different quarter of the planning horizon

than the minimum with the adjusted capital distributions. This means that it is difficult to assess the size of any adjustment simply by comparing the minimums based on the original and adjusted capital actions.

As table 3 shows, two BHCs—Ally Financial Inc. and American Express Company—had at least one minimum post-stress capital ratio fall below regula-

tory minimum levels based on the original planned capital actions. Both BHCs submitted adjusted capital actions.

The projections show declines in capital ratios from the beginning of the CCAR exercise in the third quarter of 2012 for all the BHCs under the hypothetical severely adverse scenario. Table 3 reports minimum capital ratios based on both the original and adjusted planned capital actions. The table shows that in the aggregate, the minimum level of each of the four capital ratios is significantly below

the third-quarter 2012 starting value, with declines ranging between 2.7 and 5.0 percentage points for the ratios based on the original planned capital actions. There is considerable variation across BHCs in the extent of the decline; for example, the change in the tier 1 common ratio varies between one-tenth of 1 percentage point and 8.3 percentage points for the ratios based on adjusted capital actions for those BHCs making adjustments and original planned capital actions for those BHCs that did not make adjustments.

# Assessment Framework

On November 9, 2012, the Federal Reserve issued instructions for the CCAR 2013 exercise,<sup>9</sup> and on January 7, 2013, the Federal Reserve received capital plans from 18 BHCs.<sup>10</sup> In addition, 11 BHCs with total assets of greater than \$50 billion that are not included in CCAR, but that are required to submit annual capital plans under the capital plan rule participated in the 2013 Capital Plan Review (CapPR). (See [box 3](#) for details on the CapPR.)

BHCs that participated in CCAR were required to include in their capital analysis and capital plans the results of the company-run stress tests based on three supervisory scenarios as required by the Dodd-Frank Act and the Board's implementing rules: the supervisory baseline, supervisory adverse, and supervisory severely adverse scenarios.<sup>11</sup> BHCs were also required

to use at least one stress scenario developed by the BHC (BHC stress) and a BHC baseline scenario.

The CCAR review was conducted by a range of Federal Reserve staff, including senior bank supervisors, financial analysts, accounting and legal experts, economists, risk-management specialists, financial-risk modelers, regulatory capital analysts, and the onsite examiners responsible for each of the 18 BHCs. This multidisciplinary approach applied during each CCAR continues to bring diverse perspectives to the Federal Reserve's assessment of these plans. As in previous years, the Federal Reserve in 2013 also worked and consulted with the primary federal bank regulators of the BHCs' subsidiary insured depository institutions—the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

The annual CCAR program continues to enhance supervisors' understanding of the underlying processes used by each BHC to assess the adequacy of the size and composition of capital relative to the risks faced by the BHC. The results of these comprehensive capital plan reviews also serve as inputs into other aspects of the Federal Reserve's development of its supervisory strategy for these BHCs.

<sup>9</sup> See "Comprehensive Capital Analysis and Review 2013 Summary Instructions and Guidance," [www.federalreserve.gov/newsevents/press/bcreg/20121109b.htm](http://www.federalreserve.gov/newsevents/press/bcreg/20121109b.htm).

<sup>10</sup> The 18 BHCs required to submit a capital plan for CCAR 2013 were Ally Financial Inc.; American Express Company; Bank of America Corporation; The Bank of New York Mellon Corporation; BB&T Corporation; Capital One Financial Corporation; Citigroup Inc.; Fifth Third Bancorp; The Goldman Sachs Group, Inc.; JPMorgan Chase & Co.; KeyCorp; Morgan Stanley; The PNC Financial Services Group, Inc.; Regions Financial Corporation; State Street Corporation; SunTrust Banks, Inc.; U.S. Bancorp; and Wells Fargo & Company. These 18 BHCs also participated in the 2012 and 2011 CCARs and the 2009 Supervisory Capital Assessment Program (SCAP). Although MetLife, Inc. had participated in the 2009 SCAP and previous CCAR exercises, it did not participate in CCAR this year because it was in the process of deregistering as a bank holding company when the exercise began and has now completed that process.

<sup>11</sup> 12 USC 5365(i)(2); 12 CFR part 252, subpart G. The Federal Reserve published a summary of the results of the Dodd-Frank

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Act supervisory stress test on March 7, 2013. See Board of Governors of the Federal Reserve Board (2013), "Dodd-Frank Act Stress Tests 2013: Supervisory Stress Test Methodology and Results," report (Washington: Board of Governors, March 7), [www.federalreserve.gov/newsevents/press/bcreg/DFAST\\_2013\\_results\\_20130307.pdf](http://www.federalreserve.gov/newsevents/press/bcreg/DFAST_2013_results_20130307.pdf).

### Box 3. 2013 Capital Plan Review for Non-CCAR BHCs with Assets Greater than \$50 Billion

The 2013 Capital Plan Review (CapPR) is an assessment of the capital plans and proposed capital actions of 11 BHCs with total assets of \$50 billion or greater that were not included in CCAR, but that are required to submit annual capital plans under the capital plan rule.<sup>1</sup> Specifically, BHCs participating in CapPR 2013 are subject to the capital plan rule, but are not required to comply with the Board's rules implementing sections 165(i)(1) and (2) of the Dodd-Frank Act until the stress test cycle commencing on October 1, 2013.<sup>2</sup> These BHCs were not subject to a supervisory stress test carried out by the Federal Reserve. Accordingly, there are no supervisory stress test results for the Federal Reserve to disclose with respect to these BHCs.

Under the capital plan rule, each BHC participating in CapPR was required to submit a capital plan, with

internal stress tests and forward-looking capital projections under four scenarios.<sup>3</sup> These BHCs used two of the same supervisory scenarios (supervisory baseline and supervisory severely adverse) as BHCs participating in CCAR, along with a BHC-developed baseline scenario and a BHC-developed stress scenario.

In connection with CapPR 2013, the Federal Reserve evaluated each BHC's capital plan submission, focusing on the comprehensiveness of the plan and the strength of the BHC's capital planning processes. Supervisors conducted quantitative assessments to evaluate the framework, approach and consistency of each BHC's stress test results, comparing results to historical performance and peer institutions. The Federal Reserve delivered a supervisory response to each CapPR BHC based on an assessment of the comprehensiveness and quality of the BHC's capital plan and the post-stress capital ratios from the stress tests run by each BHC.

<sup>1</sup> The capital plan rule is codified at 12 CFR 225.8. Asset size is measured over the previous four calendar quarters as reported on the FR Y-9C regulatory report.

<sup>2</sup> 12 CFR part 252, subparts F and G.

<sup>3</sup> 12 CFR 225.8(d)(2).

# Capital Plan Assessment Factors

The Federal Reserve's review of the CCAR 2013 capital plans considered a wide range of factors, some of which were quantitative in nature and others of which were qualitative.

## Assessing Quantitative Factors

In CCAR, each BHC is required in its capital plan to demonstrate that it can maintain capital ratios above minimum regulatory requirements and a tier 1 common ratio greater than 5 percent under stressed economic and financial market conditions.<sup>12</sup> The Federal Reserve's assessment of this requirement is based on post-stress capital analysis generated by the BHCs, as well as on supervisory post-stress capital analysis.

In their capital plans, the BHCs were required to specify by quarter all planned capital actions, including dividend payments, common share repurchases, conversions, and issuance, as well as expected changes in the BHC's risk profile, business strategy, or corporate structure over the planning horizon. Plans with dividend payouts greater than 30 percent of net income under the baseline scenario received particularly close scrutiny.

The CCAR post-stress capital analysis measures the resiliency of each firm's current capital and assumed

<sup>12</sup> Tier 1 capital, as defined in the Federal Reserve's Risk-Based Capital Adequacy Guidelines, is composed of common and non-common equity elements, some of which are subject to limits on their inclusion in tier 1 capital. See 12 CFR part 225, appendix A, section II.A.1. These elements include common stockholders' equity, qualifying perpetual preferred stock, certain minority interests, and trust preferred securities. Certain intangible assets, including goodwill and deferred tax assets, are deducted from tier 1 capital or are included subject to limits. See 12 CFR part 225, appendix A, section II.B. Tier 1 common capital means tier 1 capital less the non-common elements of tier 1 capital, including perpetual preferred stock and related surplus, minority interest in subsidiaries, trust preferred securities, and mandatory convertible securities. 12 CFR 225.8(c)(8). Total regulatory capital consists of tier 1 capital plus certain subordinated debt instruments and the allowance for loan and lease losses, subject to certain limits. See 12 CFR part 225, appendix A, section II.A.2.

**Table 4. Minimum regulatory ratios and tier 1 common ratio**

Ratio	Minimum*
Tier 1 common ratio	5 percent
Tier 1 leverage ratio	3 or 4 percent
Tier 1 risk-based capital ratio	4 percent
Total risk-based capital ratio	8 percent

\* The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.

path of capital actions to potential changes in the economic and financial market environment. Thus, the analysis evaluates a BHC's nine-quarter, post-stress capital ratio using the Federal Reserve's severely adverse scenario, combined with the path of capital distributions assumed by the firm under its BHC baseline scenario and included in its capital plan. In reality, BHCs would be expected to reduce distributions, especially share repurchases, under adverse conditions. However, the goal was to provide a rigorous test of a BHC's health even if the economy deteriorated and the BHC continued to make capital distributions.

In the CCAR capital analysis, post-stress capital positions are projected based on the same estimates of revenues and losses as the Federal Reserve's supervisory stress test conducted under DFAST.<sup>13</sup> However, the analysis incorporates the planned capital actions described in each BHC's capital plan rather than the capital action assumptions required under the Board's DFAST rules.<sup>14</sup> As in prior years, in CCAR 2013 the Federal Reserve also assessed each BHC's plans for meeting the proposed Basel III capi-

<sup>13</sup> See Board of Governors, "Dodd-Frank Act Stress Tests 2013."

<sup>14</sup> 12 CFR 252.146(b).

tal requirements, as they would come in effect in the United States. The Federal Reserve's analysis suggests that all 18 BHCs are on a path to successfully meet the Basel III requirements.

As described in the overview of methodology for DFAST published on March 7, 2013, supervisory stress tests project revenue and losses over the nine-quarter planning horizon, using input data provided by the 18 BHCs and a set of models developed or selected by the Federal Reserve,<sup>15</sup> based on a hypothetical, severely adverse macroeconomic and financial market scenario developed by the Federal Reserve. The severely adverse scenario features a deep recession in the United States, Europe, and Japan, significant declines in asset prices and increases in risk premia, and a marked economic slowdown in developing Asia. The Federal Reserve also applied a separate global market shock to six BHCs with large trading, private equity, and counterparty exposures from derivatives and financing transactions.<sup>16</sup>

Each BHC's own stress test analysis was to encompass all potential losses and other impacts to net income that the BHC might experience under each of the three supervisory scenarios, as well as under baseline and stress scenarios developed by the firm.

The Federal Reserve may object to the capital plan of any BHC that does not meet minimum capital ratios. Both the BHC's internal stress test results and the Federal Reserve's CCAR post-stress capital analysis are critical parts of the Federal Reserve's determination whether to object or not object to a capital plan; however, they are not the only consideration and not in all cases the most important consideration in this determination. For example, a BHC could have stressed capital ratios that remain well above regulatory minimum levels, and the Federal Reserve could still object to its capital plan based on qualitative fac-

tors and, thus, to the planned capital distributions in the plan.

For some BHCs, the Federal Reserve may require, as a condition of its non-objection to a capital plan, that the BHCs remediate certain weaknesses in their capital plans and capital planning processes identified during CCAR 2013, and resubmit their capital plans.

## Assessing Qualitative Factors

Qualitative assessments are a critical component of the CCAR review. Even if a BHC meets required capital ratios, the Federal Reserve could nonetheless object to that BHC's capital plan for other reasons. As described in the Board's capital plan rule, these reasons include the following:

- The BHC's capital adequacy assessment process, including the corporate governance and controls around the process, as well as risk-measurement and -management practices supporting the process, are not sufficiently robust.
- The assumptions and analyses underlying the BHC's capital plan are inadequate.
- A BHC's capital adequacy process or proposed capital distributions would constitute an unsafe or unsound practice, or would violate any law, regulation, Board order, directive, or any condition imposed by, or written agreement with, the Board.
- There are outstanding material, unresolved supervisory issues.<sup>17</sup>

The Federal Reserve's qualitative assessment of the capital plans focused on the robustness of a BHC's internal capital adequacy processes, including each BHC's stress test under its own internally designed stress scenario. Particular attention was given to the processes surrounding the development and implementation of the BHC stress scenario to ensure that these processes are robust and captured firm-specific vulnerabilities and risks, and that the translation of the scenario into loss, revenue, and capital projections was sound in both concept and implementation. There was also an assessment of whether the broader capital planning process has clear governance and is conducted in a well-controlled manner.

<sup>15</sup> In connection with CCAR 2013, and in addition to the models developed and data collected by the Federal Reserve, the Federal Reserve used proprietary models or data licensed from certain third-party providers. These providers are identified in Board of Governors of the Federal Reserve Board (2013), "Dodd-Frank Act Stress Tests 2013: Supervisory Stress Test Methodology and Results," report (Washington: Board of Governors, March 7), [www.federalreserve.gov/newsevents/press/bcreg/DFAST\\_2013\\_results\\_20130307.pdf](http://www.federalreserve.gov/newsevents/press/bcreg/DFAST_2013_results_20130307.pdf) (see page 37, footnote 27).

<sup>16</sup> The six BHCs subject to the global market shock are Bank of America Corporation; Citigroup Inc.; The Goldman Sachs Group, Inc.; JPMorgan Chase & Co.; Morgan Stanley; and Wells Fargo & Company. See 12 CFR 252.134(b); see also 12 CFR 252.144(b)(2)(i).

<sup>17</sup> See 12 CFR 225.8(e)(2)(ii). In determining whether a capital plan or any proposed capital distribution would constitute an unsafe or unsound practice, the Board or the appropriate Reserve Bank would consider whether the BHC is and would remain in sound financial condition after giving effect to the capital plan and all proposed capital distributions. 12 CFR 225.8(e)(2)(ii)(D).

## Resubmissions and Feedback

The Federal Reserve may require a capital plan resubmission in future quarters if a BHC exhibits a material decline in performance or if a deteriorating outlook materially increases BHC-specific risks.<sup>18</sup> As detailed in the capital plan rule, a BHC must update and resubmit its capital plan if it determines there has been or will be a material change in the BHC's risk profile (including a material change in its business strategy or any material risk exposures), financial condition, or corporate structure since the BHC adopted the capital plan.<sup>19</sup> Further, the Federal Reserve may direct a BHC to revise and resubmit its capital plan for a number of reasons, including if a stress scenario developed by a BHC is not appropri-

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<sup>18</sup> See 12 CFR 225.8(d)(4)(i).

<sup>19</sup> See 12 CFR 225.8(d)(4)(i)(A).

ate to its business model and portfolios or if changes in financial markets or the macroeconomic outlook that could have a material impact on a BHC's risk profile and financial condition require the use of updated scenarios.<sup>20</sup>

Following the conclusion of CCAR, all 18 BHCs will receive detailed assessments of their capital plans and internal capital assessment processes, including feedback on areas where the plans and processes need to be strengthened. This feedback will cover the major elements of the 2013 capital plans. These assessments will form the basis of the Federal Reserve's supervisory expectation that BHCs continue to strengthen their capital planning processes.

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<sup>20</sup> 12 CFR 225.8(d)(4)(i)(C).



## Appendix: Disclosure Tables

**Table A.1. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**18 participating bank holding companies**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratios assuming the capital actions originally submitted by the BHCs in their January 2013 annual capital plans. The right column shows minimum ratios incorporating any adjustments to capital distributions made by BHCs after reviewing the Federal Reserve's stress test projections and original planned capital distributions for those BHCs that did not make adjustments. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

### Projected capital ratios through Q4 2014 under the severely adverse scenario

	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	11.14	6.56	6.58
Tier 1 capital ratio (%)	12.94	8.06	8.17
Total risk-based capital ratio (%)	15.74	10.76	10.87
Tier 1 leverage ratio (%)	7.96	5.23	5.30

**Table A.2. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Ally Financial Inc.**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

**Projected capital ratios through Q4 2014 under the severely adverse scenario**

	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	7.33	1.78	1.52
Tier 1 capital ratio (%)	13.64	4.07	11.02
Total risk-based capital ratio (%)	14.63	5.96	12.59
Tier 1 leverage ratio (%)	11.29	3.50	9.42

Note: The post-stress capital ratios presented in the table are based on an assumption that Ally remains subject to contingent liabilities associated with Residential Capital, LLC ("ResCap"). On May 14, 2012, ResCap and certain of its subsidiaries filed for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. As of March 6, 2013, the outcome of the ResCap bankruptcy remained pending.

**Table A.3. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**American Express Company**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	12.73	4.97	6.42
Tier 1 capital ratio (%)	12.75	4.98	6.43
Total risk-based capital ratio (%)	14.70	7.06	8.54
Tier 1 leverage ratio (%)	10.71	3.99	5.15

**Table A.4. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Bank of America Corporation**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	11.41	6.04	
Tier 1 capital ratio (%)	13.64	7.20	
Total risk-based capital ratio (%)	17.16	10.24	
Tier 1 leverage ratio (%)	7.84	4.62	

**Table A.5. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**The Bank of New York Mellon Corporation**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	13.28	13.21	
Tier 1 capital ratio (%)	15.29	14.66	
Total risk-based capital ratio (%)	16.86	15.31	
Tier 1 leverage ratio (%)	5.63	5.03	

**Table A.6. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**BB&T Corporation**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.

**Projected capital ratios through Q4 2014 under the severely adverse scenario**

	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	9.52	7.76	
Tier 1 capital ratio (%)	10.86	9.52	
Total risk-based capital ratio (%)	14.01	11.75	
Tier 1 leverage ratio (%)	7.90	7.06	

Note: The actual and post-stress capital ratios presented in the table are based on information that BB&T provided to the Federal Reserve in regulatory reports on or before February 6, 2013. The information that BB&T provided to the Federal Reserve includes information regarding BB&T's risk-weighted assets. On March 4, 2013, BB&T disclosed publicly that it had reevaluated its process related to calculating risk-weighted assets and determined that certain adjustments, primarily related to the presentation of certain unfunded lending commitments, were required in order to conform to regulatory guidance. These adjustments resulted in an increase to risk-weighted assets and a decrease in BB&T's risk-based capital ratios and are not reflected in this table.

**Table A.7. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Capital One Financial Corporation**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	10.69	6.69	
Tier 1 capital ratio (%)	12.74	7.18	
Total risk-based capital ratio (%)	14.98	9.48	
Tier 1 leverage ratio (%)	9.88	5.23	

**Table A.8. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Citigroup Inc.**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	12.73	8.22	
Tier 1 capital ratio (%)	13.92	9.35	
Total risk-based capital ratio (%)	17.12	12.35	
Tier 1 leverage ratio (%)	7.39	5.38	

**Table A.9. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Fifth Third Bancorp**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	9.67	7.50	
Tier 1 capital ratio (%)	10.85	8.55	
Total risk-based capital ratio (%)	14.76	12.26	
Tier 1 leverage ratio (%)	10.09	8.04	

**Table A.10. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**The Goldman Sachs Group, Inc.**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	13.12	5.26	
Tier 1 capital ratio (%)	14.98	7.20	
Total risk-based capital ratio (%)	18.07	9.96	
Tier 1 leverage ratio (%)	7.17	3.85	

**Table A.11. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**JPMorgan Chase & Co.**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	10.42	5.56	
Tier 1 capital ratio (%)	11.93	6.80	
Total risk-based capital ratio (%)	14.69	9.49	
Tier 1 leverage ratio (%)	7.08	4.10	

**Table A.12. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**KeyCorp**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	11.30	6.75	
Tier 1 capital ratio (%)	12.10	7.37	
Total risk-based capital ratio (%)	15.17	9.98	
Tier 1 leverage ratio (%)	11.37	6.94	

**Table A.13. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Morgan Stanley**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	13.89	5.62	
Tier 1 capital ratio (%)	16.95	7.44	
Total risk-based capital ratio (%)	16.98	8.59	
Tier 1 leverage ratio (%)	7.18	4.53	

**Table A.14. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**The PNC Financial Services Group, Inc.**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	9.48	8.55	
Tier 1 capital ratio (%)	11.68	10.82	
Total risk-based capital ratio (%)	14.49	14.18	
Tier 1 leverage ratio (%)	10.38	8.63	

**Table A.15. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Regions Financial Corporation**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	10.46	7.00	
Tier 1 capital ratio (%)	11.48	7.54	
Total risk-based capital ratio (%)	14.95	10.52	
Tier 1 leverage ratio (%)	9.10	6.00	

**Table A.16. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**State Street Corporation**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	17.78	9.65	
Tier 1 capital ratio (%)	19.78	11.22	
Total risk-based capital ratio (%)	21.32	13.86	
Tier 1 leverage ratio (%)	7.60	5.48	

**Table A.17. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**SunTrust Banks, Inc.**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	9.82	6.91	
Tier 1 capital ratio (%)	10.57	8.61	
Total risk-based capital ratio (%)	12.95	10.75	
Tier 1 leverage ratio (%)	8.49	6.86	

**Table A.18. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**U.S. Bancorp**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	8.97	6.61	
Tier 1 capital ratio (%)	10.91	8.54	
Total risk-based capital ratio (%)	13.32	10.54	
Tier 1 leverage ratio (%)	9.17	7.20	

**Table A.19. Comprehensive Capital Analysis and Review 2013**  
**Projected minimum regulatory capital ratios and tier 1 common ratios,**  
**Q4 2012 to Q4 2014**  
**Federal Reserve estimates in the severely adverse scenario**  
**Wells Fargo & Company**

The capital ratios are calculated using original and adjusted planned capital actions from 2013 annual capital plans. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of capital ratios. The center column shows the minimum ratio assuming the capital actions originally submitted by the BHC in its January 2013 annual capital plan. The right column shows minimum ratios incorporating any adjustments to capital distributions made by the BHC after reviewing the Federal Reserve's stress test projections. The two minimum capital ratios presented below are for the period Q4 2012 to Q4 2014 and do not necessarily occur in the same quarter.

**The minimum ratios for BHCs are 4 percent for the tier 1 capital ratio, 8 percent for the total capital ratio, and 3 or 4 percent for the tier 1 leverage ratio (3 percent only for a BHC with a composite supervisory rating of "1" or that is subject to the Federal Reserve Board's market-risk rule [12 CFR part 225, appendix E]). Ally Financial Inc., American Express Company, and Capital One Financial Corporation are not subject to the market risk rule (12 CFR part 225, appendix E). All other BHCs that participated in CCAR 2013 are subject to the market risk rule, and accordingly, their minimum leverage ratio is 3 percent. The capital plan rule stipulates that a BHC must demonstrate the ability to maintain a tier 1 common ratio above 5 percent.**

Projected capital ratios through Q4 2014 under the severely adverse scenario			
	Actual	Stressed ratios with original planned capital actions	Stressed ratios with adjusted planned capital actions
	Q3 2012	Minimum	Minimum
Tier 1 common ratio (%)	9.92	5.94	
Tier 1 capital ratio (%)	11.50	7.73	
Total risk-based capital ratio (%)	14.51	10.72	
Tier 1 leverage ratio (%)	9.40	6.18	

