Large Bank Capital Requirements

August 2025

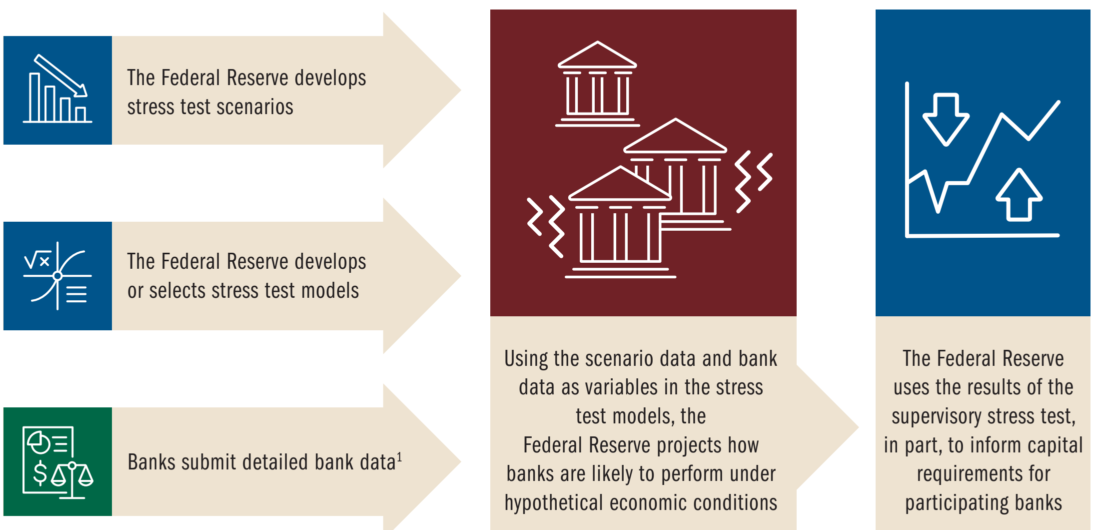
Background

The Federal Reserve promotes a safe, sound, and efficient banking system that supports the U.S. economy through its supervision and regulation of domestic and foreign banks.

As part of its supervision efforts, the Federal Reserve annually conducts a supervisory stress test. The stress test assesses how large banks are likely to perform under hypothetical economic conditions.[1] Figure 1 summarizes the stress test cycle.

Figure 1. How stress testing works for large banks

The Federal Reserve conducts stress tests to ensure that large banks are sufficiently capitalized and able to lend to households and businesses even in a severe recession. The stress tests evaluate the financial resilience of banks by estimating losses, revenues, expenses, and resulting capital levels under hypothetical economic conditions.



[1] At times, Federal Reserve staff engage staff from banks subject to the stress test to better understand the submitted bank data and make adjustments, if needed.

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[1] U.S. bank holding companies (BHCs), covered savings and loan holding companies (SLHCs), and intermediate holding companies of foreign banking organizations (IHCs) with $100 billion or more in assets are subject to the Federal Reserve Board's supervisory stress test rules (12 CFR pt. 238, subpt. O; pt. 252, subpt. E) and capital planning requirements (12 CFR §§ 225.8; 238.170).

The Federal Reserve conducts stress tests to help ensure that large banks are sufficiently capitalized and able to lend to households and businesses even in a severe recession. The stress tests evaluate the financial resilience of banks by estimating losses, revenues, expenses, and resulting capital levels under hypothetical economic conditions.

As part of the annual supervisory stress test cycle, the Federal Reserve publishes four documents:

- *Stress Test Scenarios* describes the hypothetical economic conditions used in the supervisory stress test. The *Stress Test Scenarios* document has typically been published by mid-February.
- *Supervisory Stress Test Methodology* provides details about the models and methodologies used in the supervisory stress test.
- *Federal Reserve Stress Test Results* reports the aggregate and individual bank results of the supervisory stress test, which assesses whether banks are sufficiently capitalized to absorb losses during a hypothetical severe recession. The *Federal Reserve Stress Test Results* document is typically published at the end of the second quarter.
- *Large Bank Capital Requirements* announces the finalized individual capital requirements for all large banks, which are partially informed by the results of a supervisory stress test. The *Large Bank Capital Requirements* document is typically published during the third quarter.

These publications can be found on the Stress Test Publications page (https://www.federalreserve.gov/publications/dodd-frank-act-stress-test-publications.htm).

For information on the Federal Reserve's supervision of large financial institutions, see https://www.federalreserve.gov/supervisionreg/large-financial-institutions.htm.

For information on the Federal Reserve's supervision of capital planning processes of banks, see https://www.federalreserve.gov/supervisionreg/stress-tests-capital-planning.htm.

For more information on how the Federal Reserve Board promotes the safety and soundness of the banking system, see https://www.federalreserve.gov/supervisionreg.htm.

Capital Requirements

Under the Federal Reserve Board's capital framework for bank holding companies, covered savings and loan holding companies, and U.S. intermediate holding companies with $100 billion or more in total consolidated assets, capital requirements are partially informed by the results of a supervisory stress test.[2] Table 1 shows each large bank's total common equity tier 1 (CET1) capital ratio requirement, which is made up of several components, including

- a minimum CET1 capital ratio requirement of 4.5 percent, which is the same for each bank;
- the stress capital buffer (SCB) requirement, which is determined, in part, based on the results of a supervisory stress test and is at least 2.5 percent;[3] and
- if applicable, a capital surcharge for global systemically important banks (G-SIBs), which is at least 1.0 percent.

In April of this year, the Board proposed a rule to average the stress test results over two consecutive years for certain banks to reduce the volatility in capital requirements.[4] The Board is currently reviewing and considering the comments received on the proposal. If the Board finalizes the rule as proposed, it would require averaging this year's results with those of the 2024 stress test to calculate the SCB requirement for the banks that participated in the 2025 stress test.

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2 Firms subject to Category IV standards are generally not required to participate in the supervisory stress test in years ending in an odd number. The firms that did not participate in this year's supervisory stress test have stress capital buffer requirements based on 2024 supervisory stress test results and that have been adjusted by the Federal Reserve Board pursuant to 12 CFR § 225.8(f)(4) and 12 CFR § 238.170(f)(4).

3 See 12 CFR §§ 225.8(f) and 238.170(f) for rules on the SCB requirement calculation and *2025 Federal Reserve Stress Test Results* (Washington: Board of Governors, June 2025), https://www.federalreserve.gov/publications/files/2025-dfast-results-20250627.pdf for details on the 2025 supervisory stress test results.

4 See Modifications to the Capital Plan Rule and Stress Capital Buffer Requirement, 90 Fed. Reg. 16,843 (April 22, 2025), https://www.federalregister.gov/documents/2025/04/22/2025-06863/modifications-to-the-capital-plan-rule-and-stress-capital-buffer-requirement.

Table 1. Large bank capital requirements, effective October 1, 2025
Percent

Bank	Minimum CET1 capital ratio requirement	Stress capital buffer requirement	G-SIB surcharge*	CET1 capital requirement
Ally Financial Inc.†	4.5	2.6	n/a	7.1
American Express Company	4.5	2.5	n/a	7.0
Bank of America Corporation	4.5	2.5	3.0	10.0
The Bank of New York Mellon Corporation	4.5	2.5	1.5	8.5
Barclays US LLC	4.5	4.4	n/a	8.9
BMO Financial Corp.	4.5	4.3	n/a	8.8
Capital One Financial Corporation	4.5	4.5	n/a	9.0
The Charles Schwab Corporation	4.5	2.5	n/a	7.0
Citigroup Inc.	4.5	3.6	3.5	11.6
Citizens Financial Group, Inc.†	4.5	4.5	n/a	9.0
DB USA Corporation	4.5	11.5	n/a	16.0
DWS USA Corporation	4.5	5.3	n/a	9.8
Fifth Third Bancorp†	4.5	3.2	n/a	7.7
The Goldman Sachs Group, Inc.	4.5	3.4	3.0	10.9
HSBC North American Holdings Inc.†	4.5	5.1	n/a	9.6
Huntington Bancshares Incorporated†	4.5	2.5	n/a	7.0
JPMorgan Chase & Co.	4.5	2.5	4.5	11.5
KeyCorp†	4.5	3.2	n/a	7.7
M&T Bank Corporation	4.5	2.7	n/a	7.2
Morgan Stanley	4.5	4.3	3.0	11.8
Northern Trust Corporation	4.5	2.5	n/a	7.0
The PNC Financial Services Group, Inc.	4.5	2.5	n/a	7.0
RBC US Group Holdings LLC	4.5	4.6	n/a	9.1
Regions Financial Corporation†	4.5	2.5	n/a	7.0
Santander Holdings USA, Inc.†	4.5	3.4	n/a	7.9
State Street Corporation	4.5	2.5	1.0	8.0
TD Group US Holdings LLC	4.5	2.8	n/a	7.3
Truist Financial Corporation	4.5	2.5	n/a	7.0
UBS Americas Holding LLC	4.5	5.2	n/a	9.7
U.S. Bancorp	4.5	2.6	n/a	7.1
Wells Fargo & Company	4.5	2.5	1.5	8.5

* The global systemically important bank (G-SIB) surcharge is updated annually in the first quarter. The G-SIB surcharge reported in this table is the G-SIB surcharge in effect as of October 1, 2025.

† Bank did not participate in the 2025 supervisory stress test. The SCB requirement is based on 2024 stress test results.

n/a Not applicable.

Revisions

The Federal Reserve revised this report on September 30, 2025, to reflect updated capital requirements for Morgan Stanley following its request for reconsideration of its preliminary stress capital buffer requirement. The revisions are listed below:

On page 4, the data for Morgan Stanley under the “Stress capital buffer requirement” and “CET1 capital requirement” columns were added.