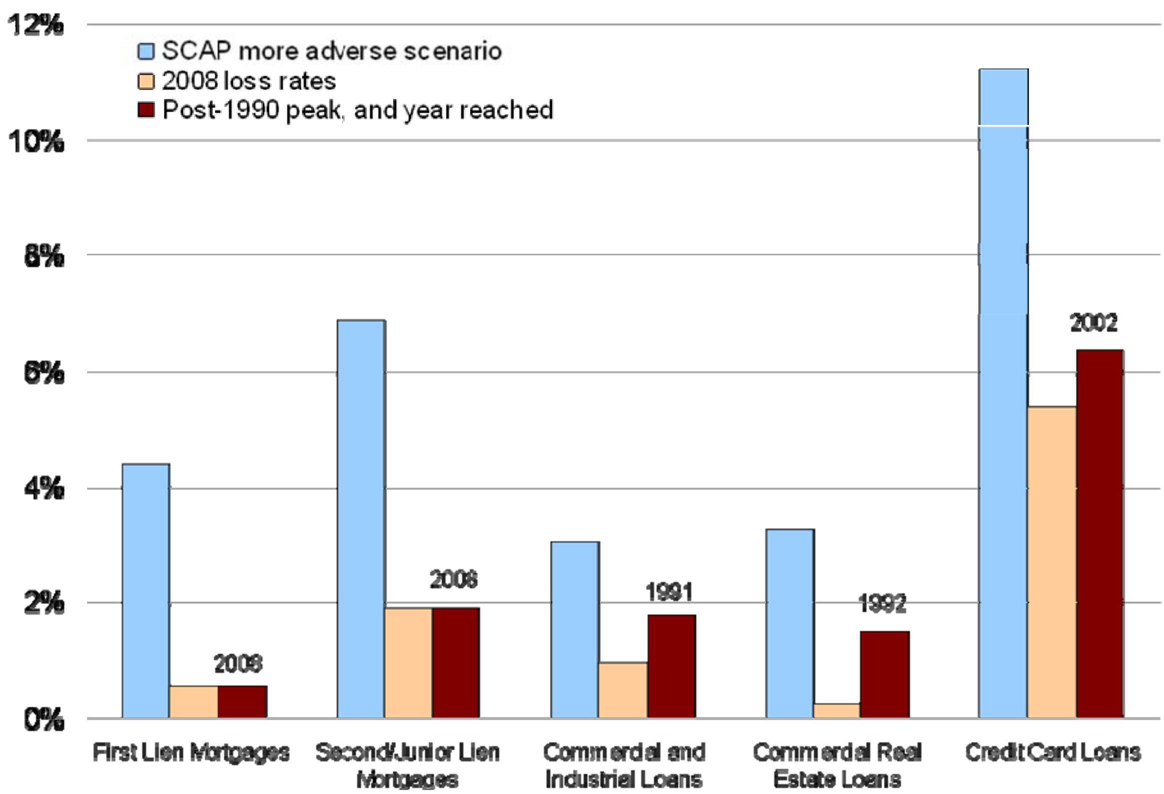
SCAP More Adverse Scenario Historic Comparison

The loss rates applied to various types of loans under the SCAP "more adverse" scenario reflect stress conditions that are quite severe relative to historical experience:

- As shown in the chart, SCAP loss rates substantially exceed those experienced during the stressful year of 2008, and in many cases are multiples of the highest one-year loss rates ever experienced by banks during the past two decades.
- The SCAP process further assumes that all of these high loss rates strike all categories of loans simultaneously, which has not been observed historically – losses generally do not peak for all types of loans at the same time.
- Finally, the rates are assumed to be sustained at these extreme levels for two consecutive years – again, not a likely pattern based on history.



Notes

- SCAP more adverse scenario rates reflect weighted average losses, including those taken through purchase accounting as a result of acquisitions, by loan type across all 19 firms in the SCAP.
- 2008 loss rates reflect net charge-offs as a percentage of average loans and leases for all insured commercial banks, from regulatory reports.
- Post-1990 peak loss rates reflect net charge-offs as a percentage of average loans and leases for all insured commercial banks, from regulatory reports for 1991 through 2008.