The Supervisory Capital Assessment Program: Overview of Results

May 7, 2009

Board of Governors of the Federal Reserve System

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I. Introduction and Summary

A banking organization holds capital to guard against uncertainty. Capital reassures an institution's depositors, creditors and counterparties--and the institution itself--that an event such as an unexpected surge in losses or an unanticipated deterioration in earnings will not impair its ability to engage in lending to creditworthy borrowers and protect the savings of its depositors. During this period of heightened economic uncertainty, U.S. federal banking supervisors believe that the largest U.S. bank holding companies (BHCs) should have a capital buffer sufficient to withstand losses and allow them to meet the credit needs of their customers in a more severe recession than is anticipated. For this reason, the Federal Reserve and other bank supervisors embarked on a comprehensive simultaneous assessment of the capital held by the 19 largest U.S. BHCs in February of this year.

This unprecedented exercise--known as the Supervisory Capital Assessment Program (SCAP)--allowed supervisors to measure how much of an additional capital buffer, if any, each institution would need to establish today to ensure that it would have sufficient capital if the economy weakens more than expected. Those BHCs needing to augment their capital coming out of this assessment will have a month to design a detailed plan, subject to supervisory approval, for the steps they will take to put the SCAP buffer in place, and then implement that plan by early November of this year.

The unprecedented nature of the SCAP, together with the extraordinary economic and financial conditions that precipitated it, has led supervisors to take the unusual step of publically reporting the findings of this supervisory exercise. The decision to depart from the standard practice of keeping examination information confidential stemmed from the belief that greater clarity around the SCAP process and findings will make the exercise more effective at reducing uncertainty and restoring confidence in our financial institutions. To this end, a detailed white paper on the SCAP data and methodology was released on April 24th.[1] This companion paper reports--for each of the 19 institutions individually and in the aggregate—the SCAP estimates of losses and loss rates across select categories of loans and securities; the resources available to absorb those losses; and the resulting necessary capital buffers.

There are a number of points to keep in mind when interpreting the SCAP findings:

- *The estimates reported here are those of the teams of supervisors, economists, and analysts that conducted this exercise*, and they may or may not line up with what the firms themselves or external analysts and researchers might have produced, even using a similar set of basic assumptions. These estimates benefit from the input of extremely detailed information collected from each of the 19 BHCs, the extensive review and analysis of that information by the

[1] Board of Governors of the Federal Reserve System (2009) "The Supervisory Capital Assessment Program: Design and Implementation" white paper (Washington DC: Board of Governors, April 24). http://www.federalreserve.gov/newsevents/press/bcreg/20090424a.htm.

SCAP teams, and the judgment of supervisors and other experts. The breadth and depth of the resources brought to bear in formulating these estimates are unparalleled.

- *The estimates are not forecasts or expected outcomes*; they are the products of a two-year-ahead 'what-if' exercise conducted under two alternative macro scenarios. Roughly speaking, the first scenario--referred to as the "baseline"--was an assumed path for the economy that followed the then-current consensus forecast, and the second--the "more adverse" scenario--was a deeper and more protracted downturn than the consensus. Not only is it virtually certain that the economy will not evolve in lockstep with either of these scenarios, but there were also other factors that had to be assumed constant for the purpose of conducting this exercise, and any of those factors could change materially from what was implicitly or explicitly assumed in this process.

- *The SCAP was a deliberately stringent test.* It was designed to account for the highly uncertain financial and economic conditions by identifying the extent to which a BHC is vulnerable today to a weaker than expected economy in the future. By ensuring that these large BHCs have a capital buffer now that is robust to a range of economic outcomes, this exercise counters the risk that uncertainty itself exerts contractionary pressures on the banking system and the economy. In the event the economy weakens more than expected, the firms will have adequate capital; in the event the economy follows the expected path, or an even stronger path, the firms will still be viewed as stronger today for having higher levels of capital in an uncertain world.

- *The SCAP focused not only on the amount of capital but also on the composition of capital held by each of the 19 BHCs*. That is, SCAP assessed the level of the Tier 1 risk-based capital ratio and the proportion of Tier 1 capital that is common equity.[2] The SCAP's emphasis on what is termed "Tier 1 Common capital" reflects the fact that common equity is the first element of the capital structure to absorb losses, offering protection to more senior parts of the capital structure and lowering the risk of insolvency. All else equal, more Tier 1 Common capital gives a BHC greater permanent loss absorption capacity and a greater ability to conserve resources under stress by changing the amount and timing of dividends and other distributions. To determine the size of the SCAP buffer for each firm, supervisors used their estimates of each firm's losses and resources for the more adverse scenario to answer the following two questions:
  - If the economy follows the "more adverse" scenario, how much additional Tier 1 capital would an institution need today to be able to have a Tier 1 risk-based ratio in excess of 6 percent at year-end 2010?
  - If the economy follows the "more adverse" scenario, how much additional Tier 1 Common capital would an institution need today to have a Tier 1 Common capital risk-based ratio in excess of 4 percent at year-end 2010?

[2] Tier 1 capital, as defined in the Board'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, § 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, § II.B.

- *The SCAP buffer does not represent a new capital standard and is not expected to be maintained on an ongoing basis.* Instead, that capital is available to help BHCs absorb larger-than-expected future losses, should they occur, and to support the BHC's ability to serve their customers, including lending to creditworthy borrowers during the economic downturn.

The results of the SCAP suggest that if the economy were to track the more adverse scenario, losses at the 19 firms during 2009 and 2010 could be $600 billion. The bulk of the estimated losses – approximately $455 billion – come from losses on the BHCs' accrual loan portfolios, particularly from residential mortgages and other consumer-related loans. The estimated two-year cumulative losses on total loans under the more adverse scenario is 9.1 percent at the 19 participating BHCs; for comparison, this two-year rate is higher than during the historical peak loss years of the 1930s. Estimated possible losses from trading-related exposures and securities held in investment portfolios totaled $135 billion. In combination with the losses already recognized by these firms since mid-2007, largely from charge-offs and write-downs on the values of securities, the SCAP results suggest financial crisis-related losses at these firms, if the economy were to follow the more adverse scenario, could total nearly $950 billion by the end of 2010.

The potential losses facing these 19 firms have to be weighed against the potential resources available to them to absorb those losses. At year-end 2008, capital ratios at all 19 BHCs exceeded minimum regulatory capital standards, in many cases by substantial margins, and most met supervisory expectations on the composition of capital. Tier 1 capital at these firms totaled about $835 billion in Q4 2008. The practical implication of this capital is that many of the BHCs already had substantial capital buffers in place to absorb their share of the estimated $600 billion of losses. In addition, banks will realize revenues from ongoing businesses to absorb losses, though at a lower level in the weak economic conditions of the stress scenario than in the baseline. However, some of those revenues will need to go into building loan loss reserves against credit problems in 2011.

After taking account of losses, revenues and reserve build requirements, in the aggregate, these firms need to add $185 billion to capital buffers to reach the target SCAP capital buffer at the end of 2010 under the more adverse scenario. There are two important things to note about this estimate. First, the $185 billion accrues to 10 of the 19 firms, meaning 9 of the 19 firms already have capital buffers sufficient to get through the adverse scenario in excess of 6 percent Tier 1 capital and 4 percent Tier 1 Common capital. Second, the vast majority of this $185 billion comes from a shortfall in Tier 1 Common capital in the more adverse scenario, with virtually no shortfall in overall Tier 1 capital. This result means that while nearly all the firms have sufficient Tier 1 capital to absorb the unusually high losses of the more adverse scenario and still end 2010 with a Tier 1 risk-based ratio in excess of 6 percent, 10 of these firms had capital structures that are too strongly tilted toward capital other than common equity. Thus, each of the 10 firms needing to augment their capital as a result of this exercise must do so by increasing their Tier 1 Common capital.

The $185 billion estimated additional capital buffers correspond to the estimate that would have applied at the end of 2008. But a number of these firms have either completed or contracted for asset sales or restructured existing capital instruments since the end of 2008 in ways that increased their Tier 1 Common capital. These actions substantially reduced the final SCAP buffer. In addition, the pre-provision net revenues of many of the firms exceeded what was assumed in the more adverse scenario by almost $20B, allowing them to build their capital bases. The effects of these transactions and revenues rendered the additional capital needed to establish the SCAP buffer equal to $75 billion.

As mentioned above, any BHC needing to augment its capital buffer will be required to develop a detailed capital plan to be approved by its primary supervisor, after consultation with the FDIC and the Treasury, over the next 30 days, and to implement that plan in the next six months. BHCs are encouraged to design capital plans that, wherever possible, actively seek to raise new capital from private sources. These plans can also include actions such as restructuring current capital instruments, sales of assets, and restrictions on dividends and stock repurchases, and will have benchmarks for firms to achieve in specified time frames.

Some firms may choose to apply to the U.S. Treasury for Mandatory Convertible Preferred (MCP) under its Capital Assistance Program (CAP) as a bridge to private capital in the future. MCP can serve as a source of contingent common capital for the firm, convertible into common equity when and if needed to meet supervisory expectations regarding the amount and composition of capital. In addition, the Treasury will consider requests to exchange outstanding preferred shares sold under the Capital Purchase Program (CPP) or Targeted Investment Program (TIP) for new MCP. The 19 firms have U.S. Treasury preferred equity securities of $216 billion.

Strong banks with ample capital are essential for a robust economy. By making a careful evaluation of the potential vulnerabilities of the largest 19 U.S. BHCs—which together hold two-thirds of assets and more than one-half of the loans in the U.S. banking system—the SCAP will help to ensure the strength of the U.S. banking sector. The SCAP is also an important complement to the U.S. Treasury's support of the U.S. banking system, and helps to protect the taxpayers' investments in U.S. financial institutions. Both of these programs, by increasing the quantity and quality of capital held by large U.S. BHCs, will help reduce uncertainty about the impact of potential losses, and allow the U.S. banking system to play its role in supporting a stronger, faster, and more sustainable economic recovery.

II. SCAP Loss and Resource Projections

The participating BHCs were asked to estimate their potential losses on loans, securities, and trading positions, as well as pre-provision net revenue (PPNR) and the resources available from the allowance for loan and lease losses (ALLL) under two alternative macroeconomic scenarios. These estimates were reviewed and analyzed by supervisors and then evaluated against independent benchmarks developed by supervisors to arrive at the supervisors' loss estimates. Care was taken to ensure that the loss and resource estimates reflected the risk and business lines of each BHC, and that they were consistent with the macroeconomic environment specified in the two economic scenarios, especially for the more adverse scenario that forms the basis of the capital buffer calculations. This section reports the results of this process, first in aggregate for the 19 participating BHCs and then for individual firms.

II.A. Loss and Resource Estimates by BHCs

Each participating BHC was instructed to estimate potential losses on its loan, investment securities, and trading portfolios, including off-balance sheet commitments and contingent liabilities and exposures, over the two-year horizon beginning with year-end 2008 financial statement data. For loans, the BHCs were instructed to estimate forward-looking, undiscounted credit losses – that is, losses due to failure to pay obligations ("cash flow losses") – rather than discounts related to mark-to-market values. To guide estimation, the firms were provided with a common set of indicative loss rate ranges for specific loan categories under conditions of the baseline and the more adverse economic scenarios (see table 1). Firms were allowed to diverge from the indicative loss rates where they could provide evidence that their estimated loss rates were appropriate.

Table 1: Indicative Loss Rates Provided to BHCs for SCAP (cumulative two-year, in percent)

	Baseline	More Adverse
First Lien Mortgages	5 – 6	7 – 8.5
Prime	1.5 – 2.5	3 – 4
Alt-A	7.5 – 9.5	9.5 – 13
Subprime	15 – 20	21 – 28
Second/Junior Lien Mortgages	9 – 12	12 – 16
Closed-end Junior Liens	18 – 20	22 – 25
HELOCs	6 – 8	8 – 11
C&I Loans	3 – 4	5 – 8
CRE	5 – 7.5	9 – 12
Construction	8 – 12	15 – 18
Multifamily	3.5 – 6.5	10 – 11
Nonfarm, Non-residential	4 – 5	7 – 9
Credit Cards	12 – 17	18 – 20
Other Consumer	4 – 6	8 – 12
Other Loans	2 – 4	4 – 10

The indicative loss rate ranges were derived using a variety of methods for predicting loan losses, including analysis of historical loss experience at large BHCs and quantitative models relating the performance of loans or groups of loans to macroeconomic variables. Supervisors viewed these indicative ranges as useful indicators of industry loss rates and in that way they can serve as a general guide, but recognized that they might not adequately capture differences across individual firms that could affect the performance and losses in significant ways. Thus, supervisors asked firms to provide granular data about the particular characteristics of their portfolios in order to make more tailored quantitative assessments of loss. Loss estimates for the SCAP thus relied ultimately on firm-specific information about factors such as past performance, origination year, borrower characteristics, and geographic distribution.

II.B. Aggregate Loss Estimates

The two-year loss estimates total close to $600 billion in the more adverse scenario for the 19 BHCs (table 2). Estimated SCAP losses on residential mortgages are substantial over the two-year scenario, consistent with the sharp drop in residential house prices in the past two years and their projected continued steep fall in the more adverse scenario. Expected loss rates on first-liens and second/junior liens are well outside the historical experience of commercial banks. The effects of reduced home prices on household wealth and the indirect effects through reduced economic activity, also push up estimated losses on consumer credit, including losses on credit cards and on other consumer loans. Together, residential mortgages and consumer loans (including credit card and other consumer loans, not shown) account for $322 billion, or 70 percent of the loan losses projected under the more adverse scenario.[3] Estimated loss rates on commercial real estate loans, especially those related to land development, also are elevated in the more adverse scenario, reflecting realized and projected substantial declines in real estate values. For commercial and industrial loans, estimated loss rates are within the range of those experienced in business downturns in past recent recessions.

Table 2: Supervisory Capital Assessment Program

Aggregate Results for 19 Participating Bank Holding Companies for the More Adverse Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

At December 31, 2008	**$ Billions**	
Tier 1 Capital	836.7	
Tier 1 Common Capital	412.5	
Risk-Weighted Assets	7,814.8	
	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	599.2	
First Lien Mortgages	102.3	8.8%
Second/Junior Lien Mortgages	83.2	13.8%
Commercial and Industrial Loans	60.1	6.1%
Commercial Real Estate Loans	53.0	8.5%
Credit Card Loans	82.4	22.5%
Securities (AFS and HTM)	35.2	-na-
Trading & Counterparty	99.3	-na-
Other (1)	83.7	-na-
Memo: Purchase Accounting Adjustments	64.3	
Resources Other Than Capital to Absorb Losses in the More Adverse Scenario (2)	362.9	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	185.0	
Less: Capital Actions and Effects of Q1 2009 Results (3) (4)	110.4	
SCAP Buffer (5)	74.6	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

(4) Total includes only capital actions and effects of Q1 2009 results for firms that need to establish a SCAP buffer

(5) There may be a need to establish an additional Tier 1 capital buffer, but this would be satisfied by the additional Tier 1 Common capital buffer unless otherwise specified for a particular BHC

Note: Numbers may not sum due to rounding

In total, the estimated loan loss rates under the more adverse scenario are very high by historical standards. The two-year cumulative loss rate on total loans equals 9.1 percent in the more

[3] Some of these losses have already been taken, however, in the form of discounts on impaired loans acquired during mergers. These discounts reduce future estimated credit losses on residential mortgage and consumer loans by approximately $57 billion, which was incorporated when calculating the additional capital for the SCAP buffer.

adverse scenario. As shown in Figure 1, this loss rate is higher than two-year loss rates observed for U.S. commercial banks from 1920 to 2007/2008. In addition to the sharpest two-year drop in residential house prices since then, and a projected further steep decline in the what-if adverse scenario, the rise in the unemployment rate in the scenario would be more severe than any U.S. recession since the 1930s.[4]

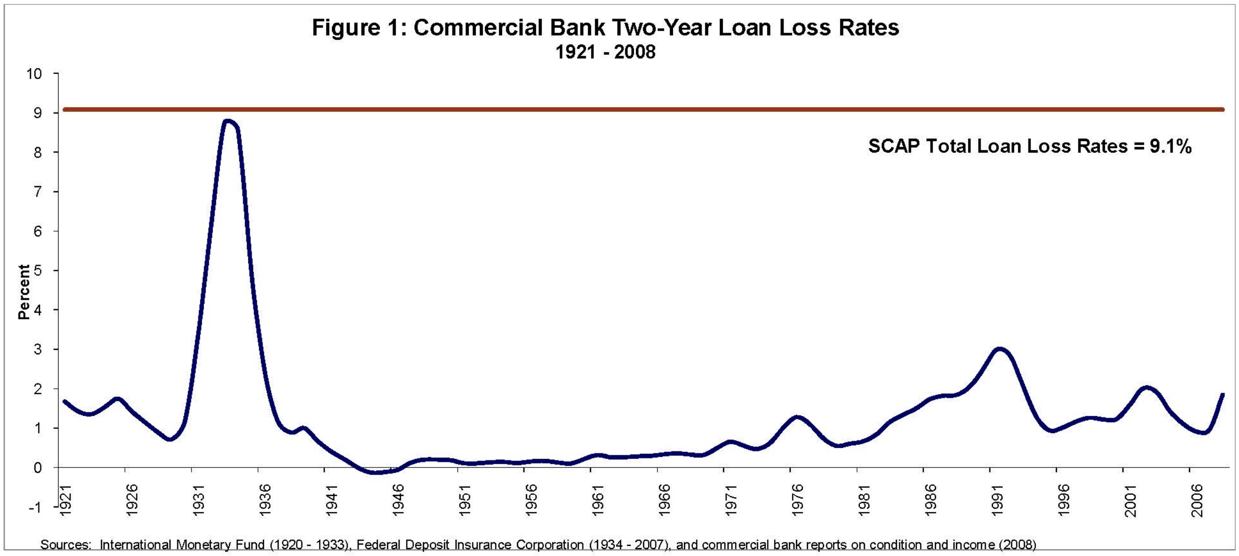

Table 2 also reports aggregate projections for losses on securities held in the available-for-sale (AFS) and held-to-maturity (HTM) investment portfolios and, for BHCs with trading account assets exceeding $100 billion, losses on trading and counterparty credit risk losses. These losses represent a significant share of the total.

To evaluate losses for securities in the AFS and HTM portfolios, supervisors focused on securities subject to credit risk. At the end of 2008, the 19 BHCs held $1.5 trillion of securities, more than one-half of which were Treasury, agencies, or sovereign securities, or high-grade municipal debt, and so are subject to no or limited credit risk. Only about $200 billion was in non-agency mortgage-backed securities (MBS) and only a portion of these were recent vintage or were backed by riskier nonprime mortgages. Remaining material exposures included corporate bonds, mutual funds, and other asset-backed securities. For securitized assets, supervisors assessed if the security would become impaired during its lifetime. If the current level of credit support was considered insufficient to cover expected losses, the security was written down to fair value with a corresponding "other than temporary impairment" (OTTI) charge, equal to the difference between book and market value. These OTTI charges equaled $35 billion in the more adverse scenario, with almost one-half of the estimated losses coming from the non-agency MBS.[5]

[4] Another reference for the estimated loss rates in the SCAP is where they stand relative to estimates made recently by other analysts. Unfortunately, many of the loss estimates are not directly comparable because they are for different time horizons (for example, lifetime losses) or are based on different economic scenarios. However, based on assessments that we can make with the available information, the SCAP estimates appear to be about in the middle of the range of these other estimates.

[5] To recognize losses in the more adverse scenario, supervisors chose a conservative approach. Financial Accounting Standards Board (FASB) Staff Position FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*, April 9, 2009, regards debt securities held in the AFS and HTM accounts and

In addition, firms with trading assets of $100 billion or more were asked to estimate potential trading-related market and counterparty credit losses under a market stress scenario provided by the supervisors, based on the severe market shocks that occurred in the second half of 2008. The estimated losses from trading-related exposures were substantial, close to $100 billion across the five firms to which it was applied. The primary drivers of potential stress losses were private equity holdings, other credit-sensitive trading positions, and possible losses stemming from counterparty credit exposures to over-the-counter (OTC) derivatives trading counterparties. The possible losses from counterparty credit exposures were measured using credit valuation adjustment methods based on stressed exposure levels and expected deterioration of the creditworthiness of counterparties under the more adverse scenario.

The total loss estimate of $600 billion for the 19 BHCs is in addition to the substantial losses that have already been taken by these firms in the past couple of years.[6] That is, the forward-looking losses in the SCAP do not include the losses that have already occurred since the assets were originated and are already reflected in the firms' balance sheets. Losses taken in the six quarters through the end of 2008 by these firms and firms they acquired are substantial, estimated at approximately $400 billion. They include charge-offs, write-downs on securities held in the trading and in the investment accounts, and discounts on assets acquired in acquisitions of distressed or failed financial institutions. As an offset, about $65 billion in these merger-related discounts are captured in the SCAP loss projections (the so-called purchase accounting adjustments) which reflect that a substantial part of estimated losses on the assets purchased were already recorded. Thus, a more comprehensive measure of losses totals at least $935 billion for the 19 participating BHCs in the more adverse scenario.[7]

II.C. Firm-level Loss Estimates

As discussed earlier, the SCAP loss estimates were made using considerable firm-specific data about the risk and likely future performance of the portfolios. Because the exercise made extensive use of this information, the resulting loss rates vary significantly across BHCs. Table 3 summarizes the results for each of the 19 BHCs that participated in the SCAP. The table reports loss amounts and loss rates, along with projections of resources to absorb losses, and total capital need at each institution. The appendix contains separate tables for each of the 19 BHCs.

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focuses on whether firms intend to sell an impaired security or whether it is more-likely-than-not that firms will be required to sell the security before recovery of its cost basis. If either of these conditions is met, the firm must recognize OTTI. The FASB's guidance holds that a firm's determination of its ability to hold a security to recovery should consider sources of uncertainty. Supervisors believed it prudent to incorporate the possibility that firms may not be able to hold a security to recovery under conditions more stressful than expected. Thus for those securities estimated or recommended by supervisors to be other than temporarily impaired, the loss was equal to the difference between the investment's amortized cost basis and its fair value.

[6] Past losses, however, are recognized in the starting regulatory capital levels used to calculate the SCAP capital buffer, as discussed in the next section of the paper.

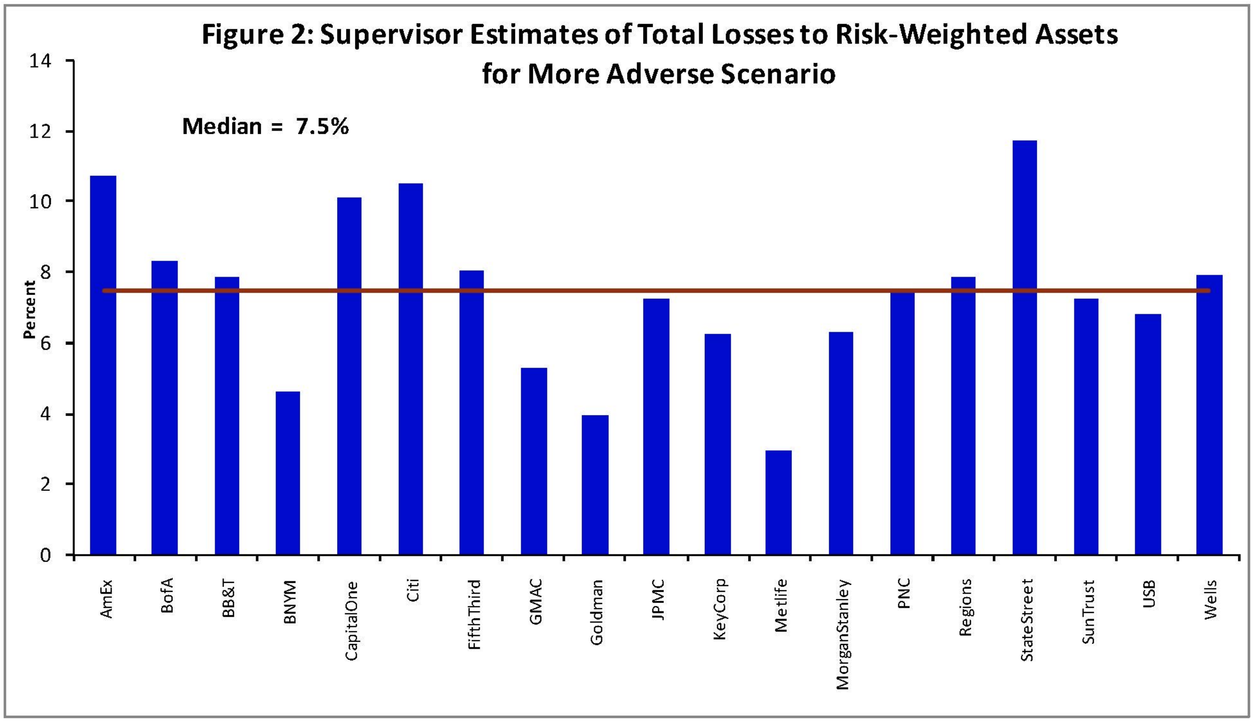
[7] These losses are not full lifetime losses because the SCAP loss projections are for a two-year forward horizon and thus do not capture losses occurring beyond the end of 2010. However, given the profile of the more adverse scenario, which includes a return to positive real GDP growth within the two years, this horizon seems likely to capture a large portion of losses from positions held as of the end of 2008. The impact of some losses after 2010 is also captured in the overall SCAP exercise through the calculation of year-end 2010 reserves, which are calibrated to be sufficient to cover projected 2011 losses.

Table 3: Supervisory Capital Assessment Program
Estimates for 19 Participating Bank Holding Companies
Billions of Dollars

	AmEx	BofA	BB&T	BNYM	CapOne	Citi	FifthThird	GMAC	Goldman	JPMC	KeyCorp	MetLife	Morgan Stanley	PNC	Regions	State St	SunTrust	USB	Wells	Total
Tier 1 Capital	10.1	173.2	13.4	15.4	16.8	118.8	11.9	17.4	55.9	136.2	11.6	30.1	47.2	24.1	12.1	14.1	17.6	24.4	86.4	836.7
Tier 1 Common Capital	10.1	74.5	7.8	11.0	12.0	22.9	4.9	11.1	34.4	87.0	6.0	27.8	17.8	11.7	7.6	10.8	9.4	11.8	33.9	412.5
Risk-Weighted Assets	104.4	1,633.8	109.8	115.8	131.8	996.2	112.6	172.7	444.8	1,337.5	106.7	326.4	310.6	250.9	116.3	69.6	162.0	230.6	1,082.3	7,814.8
Estimated for 2009 and 2010 for the More Adverse Scenario																				
Total Loss estimates (Before purchase accounting adjustments)	11.2	136.6	8.7	5.4	13.4	104.7	9.1	9.2	17.8	97.4	6.7	9.6	19.7	18.8	9.2	8.2	11.8	15.7	86.1	599.2
First Lien Mortgages	-na-	22.1	1.1	0.2	1.8	15.3	1.1	2.0	-na-	18.8	0.1	0.0	-na-	2.4	1.0	-na-	2.2	1.8	32.4	102.3
Second/Junior Lien Mortgages	-na-	21.4	0.7	-na-	0.7	12.2	1.1	1.1	-na-	20.1	0.6	0.0	-na-	4.6	1.1	-na-	3.1	1.7	14.7	83.2
Commercial & Industrial Loans	-na-	15.7	0.7	0.4	1.5	8.9	2.8	1.0	0.0	10.3	1.7	0.0	0.1	3.2	1.2	0.0	1.5	2.3	9.0	60.1
Commercial Real Estate Loans	-na-	9.4	4.5	0.2	1.1	2.7	2.9	0.6	-na-	3.7	2.3	0.8	0.6	4.5	4.9	0.3	2.8	3.2	8.4	53.0
Credit Card Loans	8.5	19.1	0.2	-na-	3.6	19.9	0.4	-na-	-na-	21.2	0.0	-na-	-na-	0.4	-na-	-na-	0.1	2.8	6.1	82.4
Securities (AFS and HTM)	-na-	8.5	0.2	4.2	0.4	2.9	0.0	0.5	0.1	1.2	0.1	8.3	-na-	1.3	0.2	1.8	0.0	1.3	4.2	35.2
Trading & Counterparty	-na-	24.1	-na-	-na-	-na-	22.4	-na-	-na-	17.4	16.7	-na-	-na-	18.7	-na-	-na-	-na-	-na-	-na-	-na-	99.3
Other (1)	2.7	16.4	1.3	0.4	4.3	20.4	0.9	4.0	0.3	5.3	1.8	0.5	0.2	2.3	0.8	6.0	2.1	2.8	11.3	83.7
Total Loss Rate on Loans (2)	14.3%	10.0%	8.6%	2.6%	11.7%	10.9%	10.5%	6.6%	0.9%	10.0%	8.5%	2.1%	0.4%	9.0%	9.1%	4.4%	8.3%	7.8%	8.8%	9.1%
First Lien Morgages	-na-	6.8%	4.5%	5.0%	10.7%	8.0%	10.3%	10.2%	-na-	10.2%	3.4%	5.0%	-na-	8.1%	4.1%	-na-	8.2%	5.7%	11.9%	8.8%
Second/Junior Lien Mortgages	-na-	13.5%	8.8%	-na-	19.9%	19.5%	8.7%	21.2%	-na-	13.9%	6.3%	14.1%	-na-	12.7%	11.9%	-na-	13.7%	8.8%	13.2%	13.8%
Commercial & Industrial Loans	-na-	7.0%	4.5%	5.0%	9.7%	5.8%	11.0%	2.7%	1.2%	6.8%	7.9%	0.0%	2.4%	6.0%	7.0%	22.8%	5.2%	5.4%	4.8%	6.1%
Commercial Real Estate Loans	-na-	9.1%	12.6%	9.9%	6.0%	7.4%	13.9%	33.3%	-na-	5.5%	12.5%	2.1%	45.2%	11.2%	13.7%	35.5%	10.6%	10.2%	5.9%	8.5%
Credit Card Loans	20.2%	23.5%	18.2%	-na-	18.2%	23.0%	22.3%	-na-	-na-	22.4%	37.9%	-na-	-na-	22.3%	-na-	-na-	17.4%	20.3%	26.0%	22.5%
Memo: Purchase Accounting Adjustments	0.0	13.3	0.0	0.0	1.5	0.0	0.0	0.0	0.0	19.9	0.0	0.0	0.0	5.9	0.0	0.0	0.0	0.0	23.7	64.3
Resources Other Than Capital to Absorb Losses in the More Adverse Scenario (3)	11.9	74.5	5.5	6.7	9.0	49.0	5.5	-0.5	18.5	72.4	2.1	5.6	7.1	9.6	3.3	4.3	4.7	13.7	60.0	362.9
SCAP Buffer Added for More Adverse Scenario																				
(SCAP Buffer is defined as additional Tier 1 Common/contingent Common)																				
Indicated SCAP buffer as of December 31, 2008	0.0	46.5	0.0	0.0	0.0	92.6	2.6	6.7	0.0	0.0	2.5	0.0	8.3	2.3	2.9	0.0	3.4	0.0	17.3	185.0
Less: Capital Actions and Effects of Q1 2009 Results (4) (5) (6) (7)	0.2	12.7	0.1	-0.2	-0.3	87.1	1.5	-4.8	7.0	2.5	0.6	0.6	6.5	1.7	0.4	0.2	1.3	0.3	3.6	110.4
SCAP Buffer (8) (9) (10)	0.0	33.9	0.0	0.0	0.0	5.5	1.1	11.5	0.0	0.0	1.8	0.0	1.8	0.6	2.5	0.0	2.2	0.0	13.7	74.6

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations
(2) Includes losses on other consumer and non-consumer loans
(3) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses
(4) Capital actions include completed or contracted transactions since Q4 2008
(5) For BofA, includes capital benefit from risk-weighted asset impact of eligible asset guarantee
(6) For Citi, includes impact of preferred exchange offers announced on February 27, 2009
(7) Total includes only capital actions and effects of Q1 2009 results for firms that need to establish a SCAP buffer
(8) There may be a need to establish an additional Tier 1 capital buffer, but this would be satisfied by the additional Tier 1 Common capital buffer unless otherwise specified for a particular BHC
(9) GMAC needs to augment the capital buffer with $11.5 billion of Tier 1 Common/contingent Common of which $9.1 billion must be new Tier 1 capital
(10) Regions needs to augment the capital buffer with $2.5 billion of Tier 1 Common/contingent Common of which $400 million must be new Tier 1 capital
Note: Numbers may not sum due to rounding

Figure 2 shows the ratio of total estimated two-year losses to year-end 2008 risk-weighted assets (RWA) in the more adverse scenario for the 19 participating BHCs. Clearly, there is substantial variation across firms in the size of estimated losses rates, reflecting differences in business lines and asset quality. The median loss-to-RWA ratio equals 7.5 percent, and the ratio ranges from 3.0 percent to 11.8 percent across the firms. These estimates are not forecasts of expected losses, but are estimates of losses that would occur under economic conditions more stressed than anticipated. Higher loss estimates do not necessarily imply a need for more capital to meet the SCAP buffer, as some firms will also have higher estimated resources and capital.



The next five charts illustrate selected loss rates by loan type across the 19 BHCs. Loss rates are calculated as cumulative, two-year losses divided by beginning-of-period loan balances. The loss rates do not reflect adjustments to recognize write-downs of loan portfolios acquired during mergers. The charts also show the median loss rate across the firms.

As with overall losses, there are significant differences in loss rates by loan type across BHCs. For example, while the median two-year loss rate on first-lien mortgages was 8 percent across the 15 BHCs with a material amount of mortgages, the rates varied from a low of 3.4 percent to a high of nearly 12 percent. For second and junior lien mortgages, the range among 14 BHCs was 6 percent to 21 percent, and a median rate of about 13 percent. Such variation reflects substantial differences in the portfolios across the BHCs, by borrower characteristics such as FICO scores, and loan characteristics such as loan-to-value ratio, year of origination, and geography. These differences result in significant variation in loss estimates at the firm level as compared with applying a single loss rate per asset category to all BHCs.

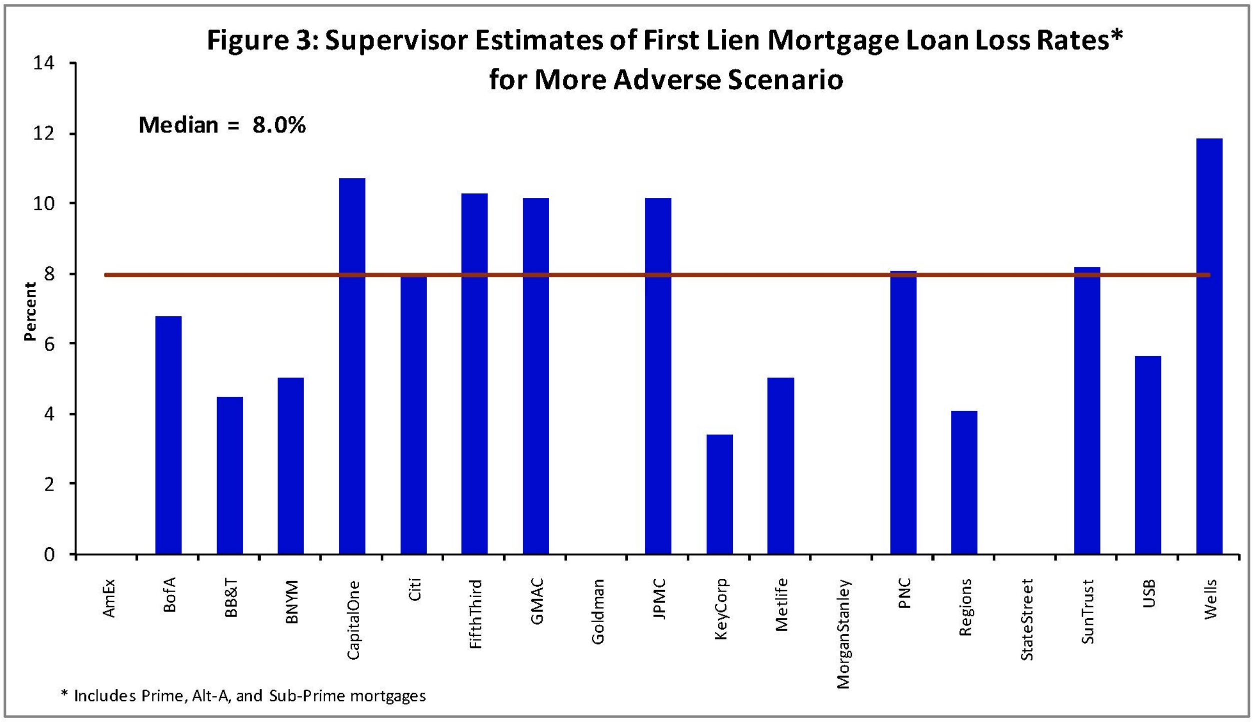


Figure 3: Supervisor Estimates of First Lien Mortgage Loan Loss Rates*
for More Adverse Scenario
Median = 8.0%
Percent
0
2
4
6
8
10
12
14
AmEx
BofA
BB&T
BNYM
CapitalOne
Citi
FifthThird
GMAC
Goldman
JPMC
KeyCorp
Metlife
MorganStanley
PNC
Regions
StateStreet
SunTrust
USB
Wells
* Includes Prime, Alt-A, and Sub-Prime mortgages

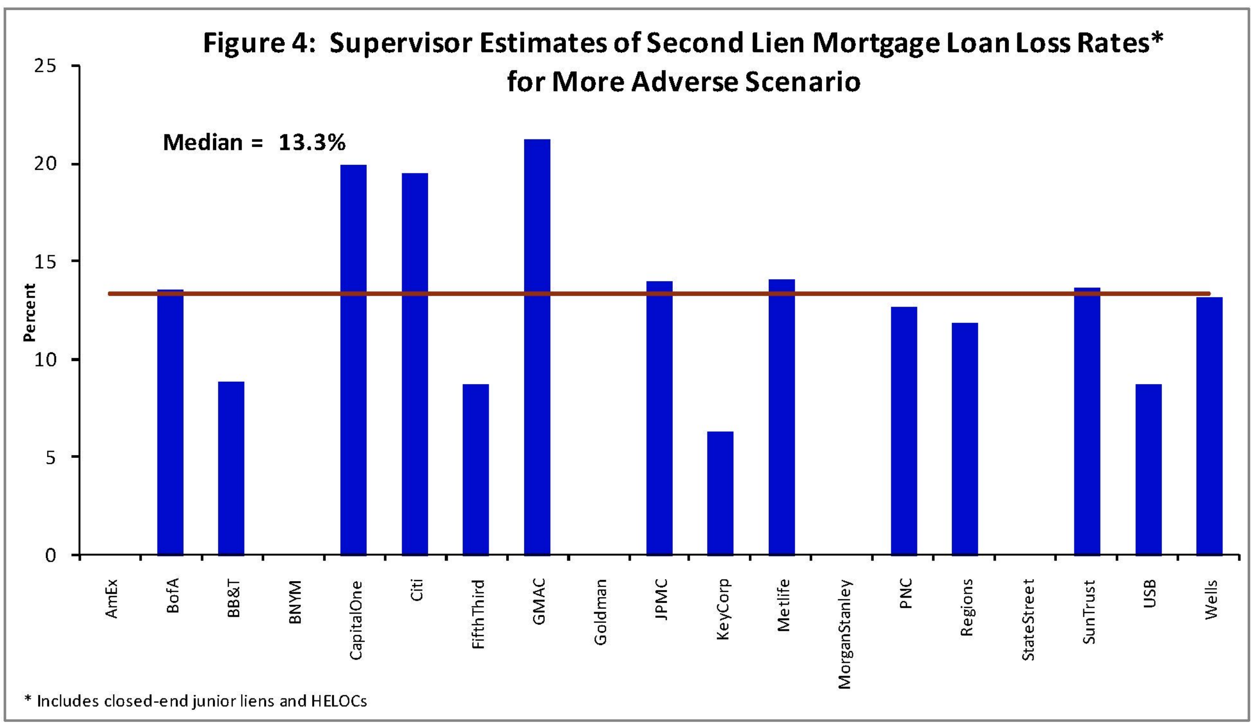


Figure 4: Supervisor Estimates of Second Lien Mortgage Loan Loss Rates*
for More Adverse Scenario
Median = 13.3%
Percent
0
5
10
15
20
25
AmEx
BofA
BB&T
BNYM
CapitalOne
Citi
FifthThird
GMAC
Goldman
JPMC
KeyCorp
Metlife
MorganStanley
PNC
Regions
StateStreet
SunTrust
USB
Wells
* Includes closed-end junior liens and HELOCs

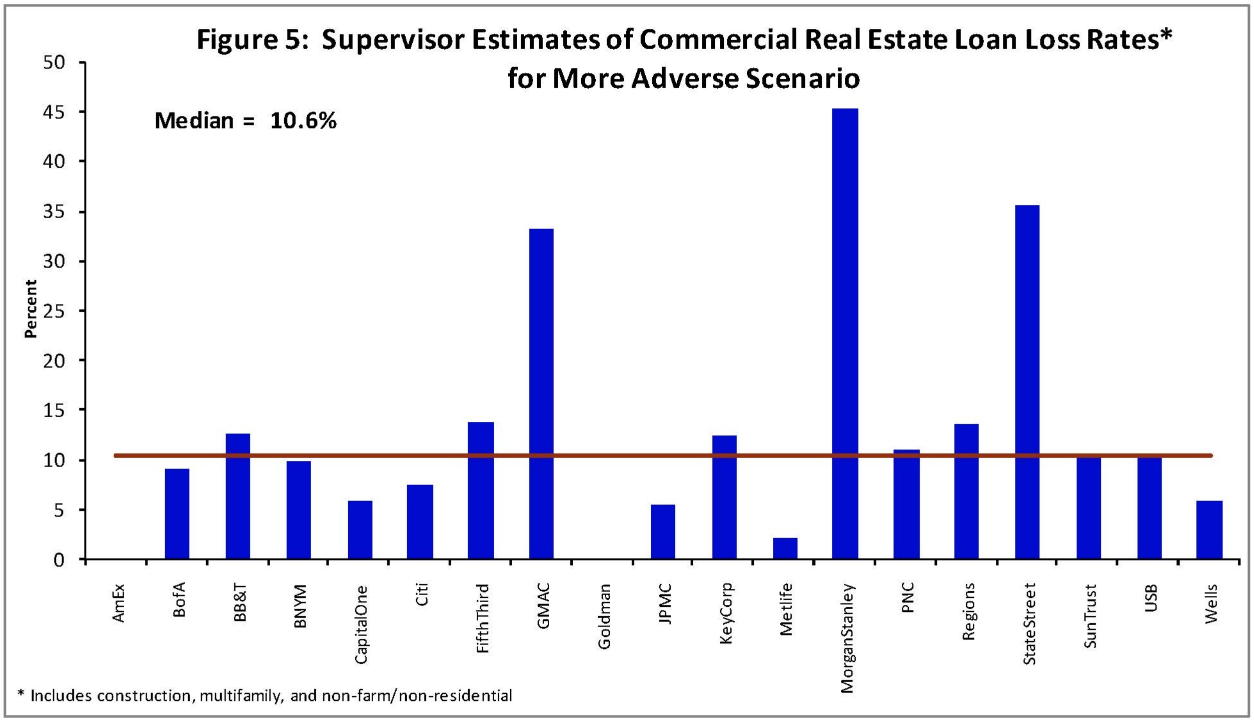


Figure 5: Supervisor Estimates of Commercial Real Estate Loan Loss Rates*
for More Adverse Scenario
Median = 10.6%
Percent
0
5
10
15
20
25
30
35
40
45
50
AmEx
BofA
BB&T
BNYM
CapitalOne
Citi
FifthThird
GMAC
Goldman
JPMC
KeyCorp
Metlife
MorganStanley
PNC
Regions
StateStreet
SunTrust
USB
Wells
* Includes construction, multifamily, and non-farm/non-residential

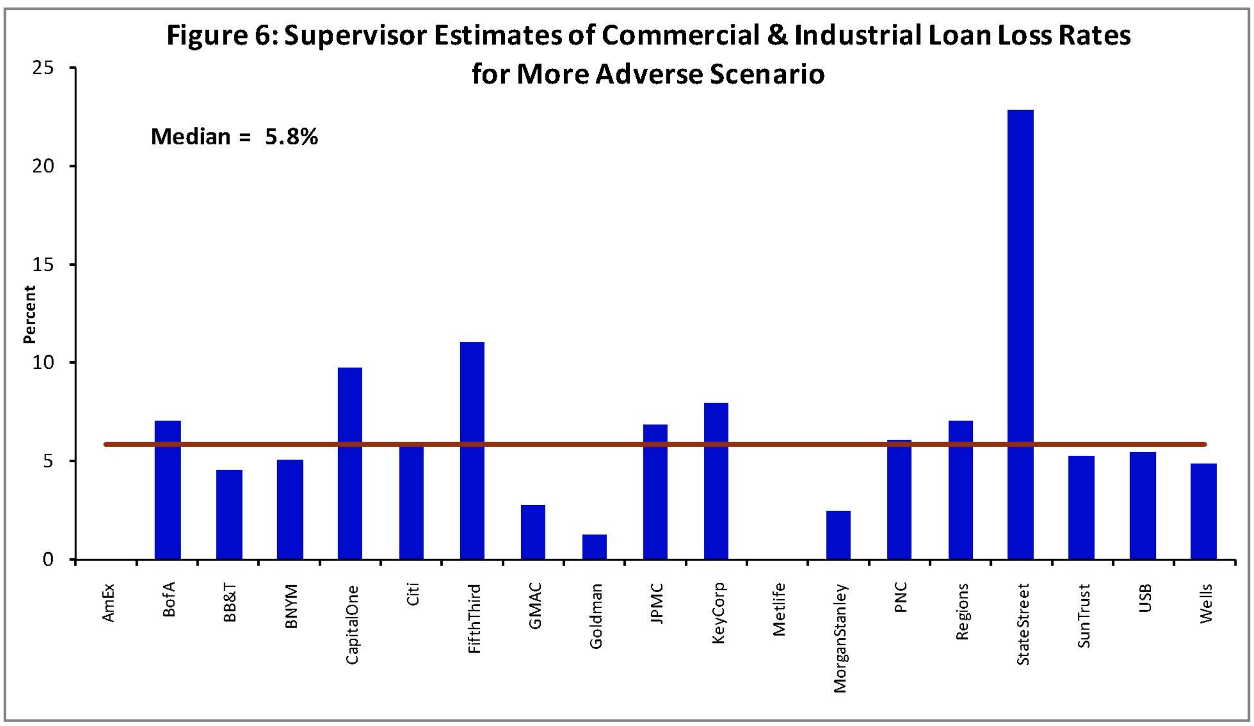
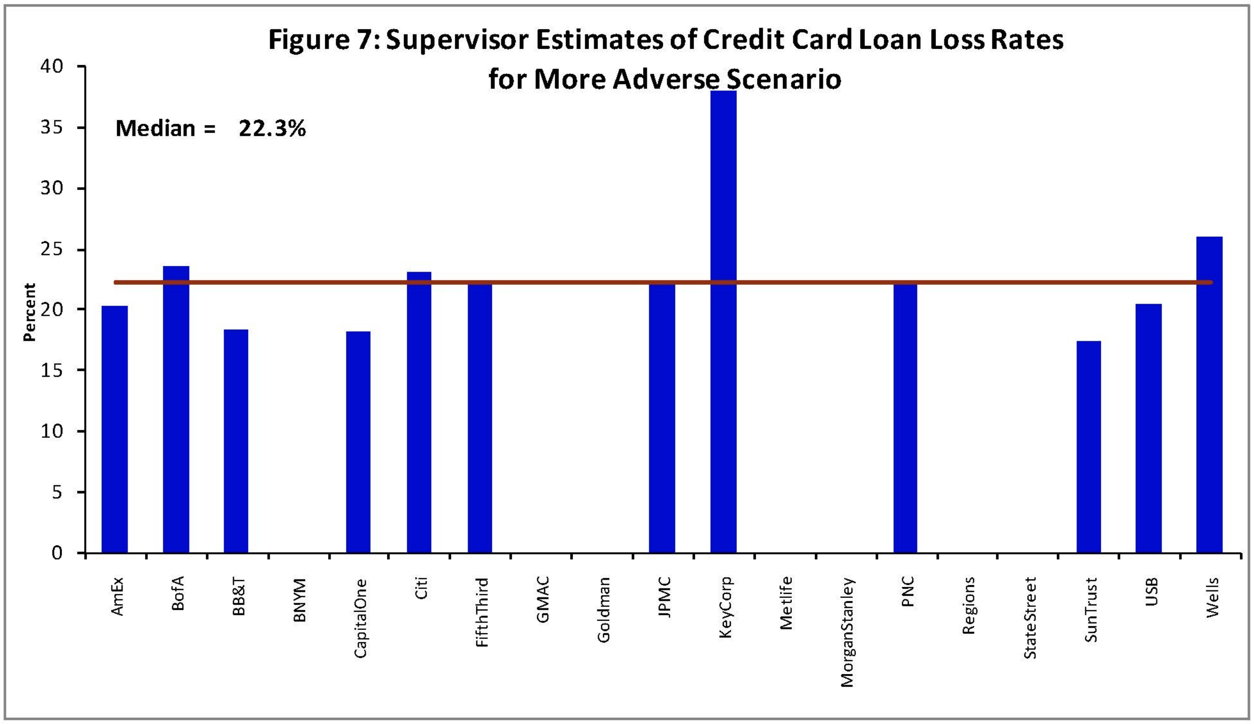


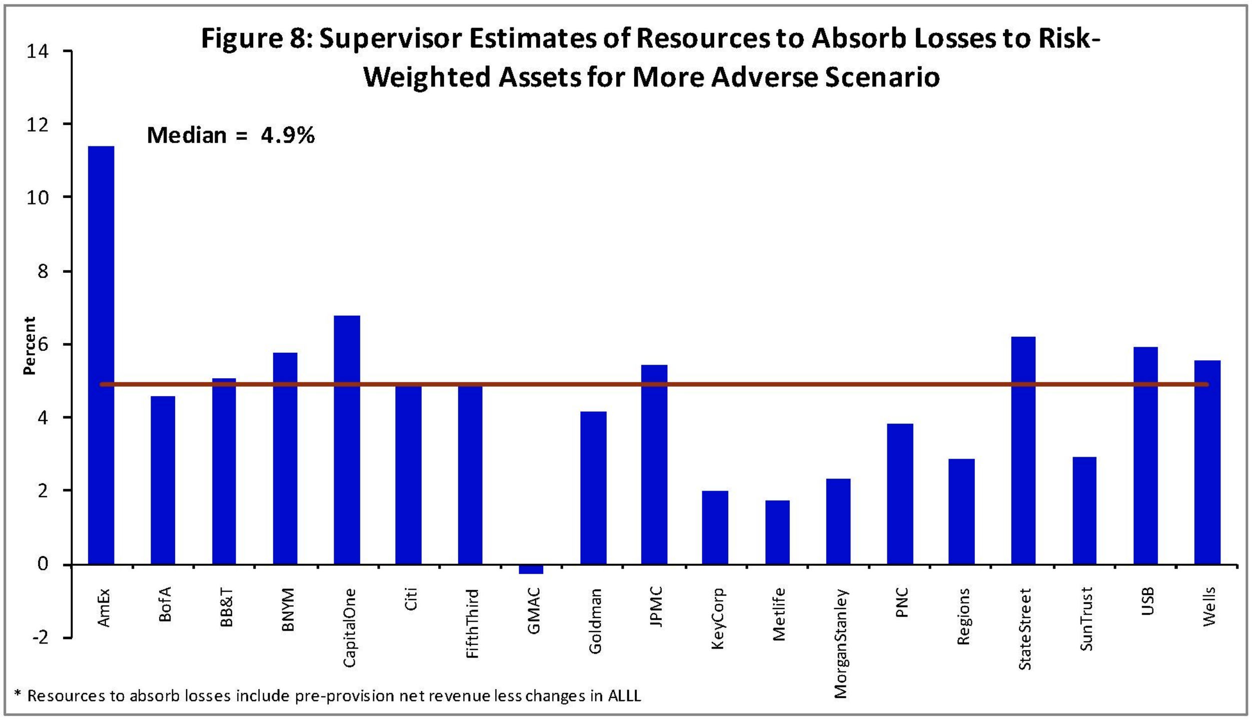
Figure 6: Supervisor Estimates of Commercial & Industrial Loan Loss Rates
for More Adverse Scenario
Median = 5.8%
Percent
0
5
10
15
20
25
AmEx
BofA
BB&T
BNYM
CapitalOne
Citi
FifthThird
GMAC
Goldman
JPMC
KeyCorp
Metlife
MorganStanley
PNC
Regions
StateStreet
SunTrust
USB
Wells



II.D. Resources to Absorb Losses

Supervisors reviewed the BHCs' submissions of resources they would have available to absorb losses over the two-year horizon under both scenarios. These resources consist of PPNR – net interest income, fees and other non-interest income, net of non-credit-related expenses – and reserves already established for probable incurred losses at December 31, 2008. Supervisors also developed independent estimates based on the historical relationship between components of PPNR and macroeconomic activity. In addition, supervisors developed estimates of the size of the allowance for loan and lease losses (ALLL) needed to cover anticipated losses for the year following the end of the scenario (2011). If the estimate of the year-end 2010 ALLL exceeded the ALLL as of year-end 2008, then the BHC was presumed to have to make provisions to cover this increase, representing a drain on resources available to absorb losses. Estimates of aggregate future resources to absorb losses -- PPNR and changes in the ALLL--total $363 billion for 2009 and 2010, reflecting the weak economic outlook specified in the more adverse scenario. For the 14 BHCs for which historical data on BHCs are most relevant, the combined PPNR-to-assets ratio is estimated to remain almost 15 percent below the past twenty-year average for each of the next two years. Estimates of ALLL needs at 2010 suggest that most BHCs will need to build reserves over the scenario horizon, representing a net drain on resources.

Figure 8 shows the ratio of estimated PPNR minus any additional reserve needs over the two-year horizon (or plus any reserve releases) to risk-weighted assets for the 19 BHCs in the more adverse scenario. Available resources vary considerably across firms. Some of this variation is inherent in the business focus of particular firms and the extent to which the firms generate high (low) pre-credit cost revenue as an offset to high (low) average credit costs. Another part of the variation reflects differences in the estimated stability of revenues and expenses in a stressed economic environment such as the more adverse scenario.



III. The SCAP Capital Buffer

Minimum capital standards for a BHC are intended to serve only as a guide for supervisors in determining the adequacy of the BHC's capital relative to its risk profile. In practice, supervisors expect all BHCs to have a level and composition of Tier 1 capital well in excess of the 4 percent regulatory minimum, and also to have "voting common stockholders' equity" as the dominant element of Tier 1 capital. In this regard, the use of Tier 1 Common capital in the SCAP is consistent with the Board's long-held belief that common equity should be the dominant form of Tier 1 Capital.[8] Under the SCAP, supervisors evaluated the extent to which each of the 19 BHCs would need to alter either the amount or the composition (or both) of its Tier 1 capital today to be able to exceed minimum regulatory requirements in Q4 2010, even under an unexpectedly adverse economic outcome.

Specifically, the SCAP capital buffer for each BHC is sized to achieve a Tier 1 risk-based ratio of at least 6 percent and a Tier 1 Common capital ratio of at least 4 percent at the end of 2010 under the more adverse macroeconomic scenario. By focusing on Tier 1 Common capital as well as Tier 1 capital, the SCAP emphasized both the amount of a BHC's capital and the composition of its capital structure. Once the SCAP upfront buffer is established, the normal supervisory process will continue to be used to determine whether a firm's current capital ratios are consistent with regulatory guidance.

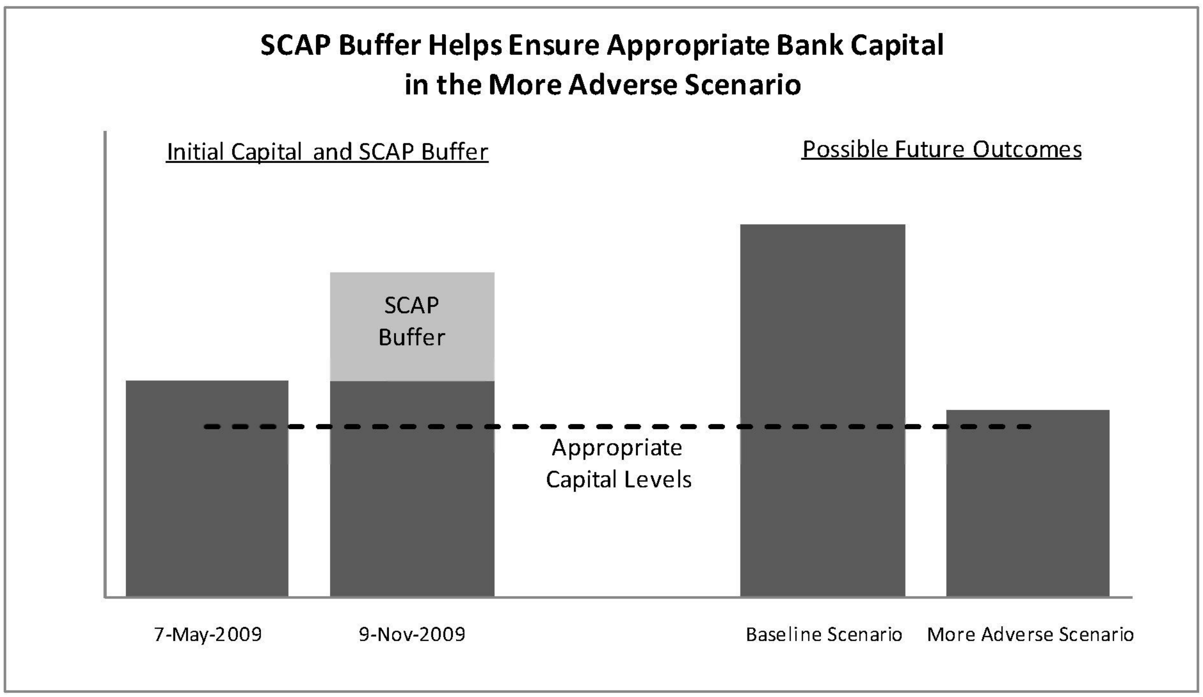
By its design, the SCAP is more stringent than a solvency test. Each BHC's capital was rigorously evaluated against a two-year-ahead adverse scenario that is not a prediction or an expected outcome for the economy, but is instead a "what if" scenario. Thus, any need for additional capital and/or a change in composition of capital to meet the SCAP buffer builds in extra capital against the unlikely

[8] Tier 1 Common capital is calculated as Tier 1 capital less non-common elements, including qualifying perpetual preferred stock, qualifying minority interest in subsidiaries, and qualifying trust preferred securities.

event the adverse scenario materializes and, in that way it may help to prevent that adverse event from occurring.

The illustration below shows how the buffer works for a hypothetical BHC needing to augment its capital at the end of the SCAP. The left hand side of the exhibit shows the BHC's initial capital level upon the completion of the SCAP on May 7 and its capital level after it builds the SCAP buffer over the six months from May 7 to November 9. Much like the stress assessment exercise undertaken in the SCAP, the right hand side of the exhibit shows what would happen to the BHC's capital under two alternative scenarios for the macro economy. In the expected, or baseline, scenario, the BHC would end the period with even higher capital levels that are well above regulatory minimums, while in the worse-than-expected, or more adverse scenario, the BHC would end the period with capital near or slightly above appropriate levels.

The presence of this one-time buffer will give market participants, as well as the firms themselves, confidence in the capacity of the major BHCs to perform their vital role in lending even if the economy proves weaker than expected.



IV. Calculation of Additional Capital to Build SCAP Buffer

To calculate the amount of additional capital to build the SCAP buffer, supervisors began with estimates of credit and trading losses from PPNR and ALLL to estimate the pre-tax change to retained earnings.[9] Pre-tax changes to retained earnings were allocated to an after-tax portion and a tax-related portion using a 35 percent average tax rate. The tax-related portion of any losses was applied to the

[9] If analysis indicated that the ALLL could be lower at Q4 2010 than it was at Q4 2008, then the commensurate reserve release was added to pre-provision net revenue as an additional loss-absorbing resource.

stock of total deferred tax assets to estimate the pro forma value, in accordance with existing capital rules. Finally, after-tax changes to retained earnings were combined with projected preferred dividend payments to estimate the change in equity capital and pro forma equity capital for year-end 2010.[10] Pro forma risk-weighted assets were defined as RWA from 4Q 2008 plus any assets brought onto the balance sheet in accordance with FAS 140.[11]

A BHC was considered to require an additional SCAP buffer if its pro forma Tier 1 ratio was below 6 percent or if its pro forma Tier 1 Common ratio was below 4 percent at the end of 2010. For many firms, if a buffer was required to meet the Tier 1 Common capital ratio of 4 percent, the additional common or contingent common equity that would be raised would be sufficient to bring its Tier 1 ratio to or above 6 percent.

The initial supplemental capital buffer estimates are based on year-end 2008 capital and risk-weighted assets, adjusted for FAS 140. These estimates thus do not reflect developments affecting the firms' capital positions and corporate structure since the end of the year. To capture these effects, the estimates for the initial capital buffers were adjusted to reflect certain "capital actions," representing a direct increase or decrease in the determination of capital needs. These adjustments were based on information supplied by participating BHCs, subject to consultation and review by supervisors. Capital action adjustments reflect factors such as contracted material sales or dispositions of businesses, holdings or discontinued operations, contracted exchanges of securities with a BHC's capital structure, and the amount (if any) of mandatory convertible preferred to convert to common by year-end 2010. The results were also adjusted to reflect Q1 2009 operating performance. The final supplemental capital buffer is the initial estimate plus or minus the impact of these adjustments.

V. Indicated Additional Capital Buffers under SCAP

V.A. Aggregate SCAP Buffer

The initial results using data through Q4 2008 suggest that the aggregate capital needed for the 19 BHCs to reach the SCAP capital buffer targets in the more adverse scenario is $185 billion, the vast majority of which needs to be in the form of Tier 1 Common capital (table 2). Capital needs are mainly in the form of Tier 1 Common capital, which reflects the fact that while many institutions have a sufficient amount of capital, they need to take steps to improve the quality of that capital.

The final capital buffer incorporates capital actions and the impact of Q1 2009 operating performance. These adjustments are substantial, reflecting strong pre-provision net revenues at some firms in the first quarter and, to a much larger degree, efforts already taken by some firms prior to the conclusion of the SCAP to raise common equity by selling subsidiaries, converting preferred stock, or issuing common shares. After taking into account the completed or contracted capital actions and the

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[10] Common dividends were assumed to be zero in the more adverse scenario.

[11] The supervisors conducting the credit analysis worked closely with accounting specialists in the agencies to ensure that the firms' projections were consistent with existing accounting standards. Additionally, supervisors evaluated the potential impact of proposed changes to FAS 140 and FIN 46(R) which are expected to be finalized in May 2009 and implemented in January 2010. The agencies' accounting specialists discussed the amendments with FASB members and staff and other experts to assess the reasonableness of firm estimates of assets likely to be brought on to the balance sheet starting in 2010 as a result of the amendments. The on-boarding of assets were also factored into our assessment of risk-weighted assets and the associated ALLL needs.

effects of the first-quarter operating results, the supplemental capital needs equals $75 billion in the aggregate.

V.B. Firm-level SCAP Buffers

As shown in table 3, for 9 of the 19 BHCs, the indicated SCAP buffer is zero. That is, existing capital, including that provided by the U.S. Treasury, and estimated resources that will be available to cover estimated losses in the more adverse scenario are sufficient for the firms to meet the 4 percent Tier 1 Common capital and 6 percent Tier 1 capital ratios without any additional capital or changes to the composition of capital. Nonetheless, most of these firms have taken actions since year-end 2008 to strengthen their capital positions, as illustrated in the “capital actions” row of table 3.

For 10 of the participating BHCs, supervisors expect these firms to raise additional capital or change the composition of their capital. As noted above, much of this need is for additional Tier 1 Common. For all of these firms, a raise of new common equity of the amount indicated would be sufficient to ensure they will also have at least a 6 percent Tier 1 ratio at the end of 2010. The ratio of the indicated SCAP buffer to risk-weighted assets for these 10 firms ranges from 0.9 percent to 9.3 percent at year-end 2008. After considering Q1 2009 operating performance and capital actions for these firms, the SCAP buffer to risk-weighted assets ranges from 0.6 percent to 6.6 percent.

Appendix: Institution-Specific Results

Supervisory Capital Assessment Program

Estimates for American Express Company for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	American Express Company	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	10.1	9.7%
Tier 1 Common Capital	10.1	9.7%
Risk-Weighted Assets	104.4	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	11.2	
First Lien Mortgages	-na-	-na-
Second/Junior Lien Mortgages	-na-	-na-
Commercial and Industrial Loans	-na-	-na-
Commercial Real Estate Loans	-na-	-na-
Credit Card Loans	8.5	20.2%
Securities (AFS and HTM)	-na-	-na-
Trading & Counterparty	-na-	-na-
Other (1)	2.7	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	11.9	
SCAP Buffer Added for More Adverse Scenario		
(SCAP Buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.2	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Bank of America Corporation for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Bank of America Corporation	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	173.2	10.6%
Tier 1 Common Capital	74.5	4.6%
Risk-Weighted Assets	1,633.8	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	136.6	
First Lien Mortgages	22.1	6.8%
Second/Junior Lien Mortgages	21.4	13.5%
Commercial and Industrial Loans	15.7	7.0%
Commercial Real Estate Loans	9.4	9.1%
Credit Card Loans	19.1	23.5%
Securities (AFS and HTM)	8.5	-na-
Trading & Counterparty	24.1	-na-
Other (1)	16.4	-na-
Memo: Purchase Accounting Adjustments	13.3	
Resources Other Than Capital to Absorb Losses (2)	74.5	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	46.5	
Less: Capital Actions and Effects of Q1 2009 Results (3)	10.9	
Other Capital Actions (4)	1.8	
SCAP Buffer	33.9	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

(4) Capital benefit from risk-weighted asset impact of eligible asset guarantee

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for BB&T Corporation for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	BB&T Corporation	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	13.4	12.3%
Tier 1 Common Capital	7.8	7.1%
Risk-Weighted Assets	109.8	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	8.7	
First Lien Mortgages	1.1	4.5%
Second/Junior Lien Mortgages	0.7	8.8%
Commercial and Industrial Loans	0.7	4.5%
Commercial Real Estate Loans	4.5	12.6%
Credit Card Loans	0.2	18.2%
Securities (AFS and HTM)	0.2	-na-
Trading & Counterparty	-na-	-na-
Other (1)	1.3	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	5.5	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.1	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for The Bank of New York Mellon Corporation for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	The Bank of New York Mellon Corporation	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	15.4	13.3%
Tier 1 Common Capital	11.0	9.5%
Risk-Weighted Assets	115.8	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	5.4	
First Lien Mortgages	0.2	5.0%
Second/Junior Lien Mortgages	-na-	-na-
Commercial and Industrial Loans	0.4	5.0%
Commercial Real Estate Loans	0.2	9.9%
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	4.2	-na-
Trading & Counterparty	-na-	-na-
Other (1)	0.4	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	6.7	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	-0.2	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Capital One Financial Corporation for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Capital One Financial Corporation	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	16.8	12.7%
Tier 1 Common Capital	12.0	9.1%
Risk-Weighted Assets	131.8	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	13.4	
First Lien Mortgages	1.8	10.7%
Second/Junior Lien Mortgages	0.7	19.9%
Commercial and Industrial Loans	1.5	9.7%
Commercial Real Estate Loans	1.1	6.0%
Credit Card Loans	3.6	18.2%
Securities (AFS and HTM)	0.4	-na-
Trading & Counterparty	-na-	-na-
Other (1)	4.3	-na-
Memo: Purchase Accounting Adjustments	1.5	
Resources Other Than Capital to Absorb Losses (2)	9.0	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	-0.3	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Citigroup, Inc. for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Citigroup, Inc.	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	118.8	11.9%
Tier 1 Common Capital	22.9	2.3%
Risk-Weighted Assets	996.2	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	104.7	
First Lien Mortgages	15.3	8.0%
Second/Junior Lien Mortgages	12.2	19.5%
Commercial and Industrial Loans	8.9	5.8%
Commercial Real Estate Loans	2.7	7.4%
Credit Card Loans	19.9	23.0%
Securities (AFS and HTM)	2.9	-na-
Trading & Counterparty	22.4	-na-
Other (1)	20.4	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	49.0	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	92.6	
Less: Capital Actions and Effects of Q1 2009 Results (3)	29.0	
Other Capital Actions (4)	58.1	
SCAP Buffer	5.5	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

(4) Includes impact of preferred exchange offers announced on February 27, 2009

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Fifth Third Bancorp for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Fifth Third Bancorp	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	11.9	10.6%
Tier 1 Common Capital	4.9	4.4%
Risk-Weighted Assets	112.6	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	9.1	
First Lien Mortgages	1.1	10.3%
Second/Junior Lien Mortgages	1.1	8.7%
Commercial and Industrial Loans	2.8	11.0%
Commercial Real Estate Loans	2.9	13.9%
Credit Card Loans	0.4	22.3%
Securities (AFS and HTM)	0.05	-na-
Trading & Counterparty	-na-	-na-
Other (1)	0.9	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	5.5	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	2.6	
Less: Capital Actions and Effects of Q1 2009 Results (3)	1.5	
SCAP Buffer	1.1	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for GMAC LLC for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	GMAC LLC	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	17.4	10.1%
Tier 1 Common Capital	11.1	6.4%
Risk-Weighted Assets	172.7	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses	9.2	
First Lien Mortgages	2.0	10.2%
Second/Junior Lien Mortgages	1.1	21.2%
Commercial and Industrial Loans	1.0	2.7%
Commercial Real Estate Loans	0.6	33.3%
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	0.5	-na-
Trading & Counterparty	-na-	-na-
Other (1)	4.0	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	-0.5	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	6.7	
Less: Capital Actions and Effects of Q1 2009 Results (3)	-4.8	
SCAP Buffer (4)	11.5	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

(4) Firm needs to augment the capital buffer with $11.5 billion of Tier 1 Common/contingent Common of which $9.1 billion must be new Tier 1 capital

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for The Goldman Sachs Group, Inc. for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	The Goldman Sachs Group, Inc.	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	55.9	12.6%
Tier 1 Common Capital	34.4	7.7%
Risk-Weighted Assets	444.8	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	17.8	
First Lien Mortgages	-na-	-na-
Second/Junior Lien Mortgages	-na-	-na-
Commercial and Industrial Loans	0.01	1.2%
Commercial Real Estate Loans	-na-	-na-
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	0.1	-na-
Trading & Counterparty	17.4	-na-
Other (1)	0.3	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	18.5	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	7.0	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for JPMorgan Chase & Co. for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	JPMorgan Chase & Co.	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	136.2	10.2%
Tier 1 Common Capital	87.0	6.5%
Risk-Weighted Assets	1,337.5	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	97.4	
First Lien Mortgages	18.8	10.2%
Second/Junior Lien Mortgages	20.1	13.9%
Commercial and Industrial Loans	10.3	6.8%
Commercial Real Estate Loans	3.7	5.5%
Credit Card Loans	21.2	22.4%
Securities (AFS and HTM)	1.2	-na-
Trading & Counterparty	16.7	-na-
Other (1)	5.3	-na-
Memo: Purchase Accounting Adjustments	19.9	
Resources Other Than Capital to Absorb Losses (2)	72.4	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	2.5	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program
Estimates for KeyCorp for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	KeyCorp	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	11.6	10.9%
Tier 1 Common Capital	6.0	5.6%
Risk-Weighted Assets	106.7	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	6.7	
First Lien Mortgages	0.1	3.4%
Second/Junior Lien Mortgages	0.6	6.3%
Commercial and Industrial Loans	1.7	7.9%
Commercial Real Estate Loans	2.3	12.5%
Credit Card Loans	0.002	37.9%
Securities (AFS and HTM)	0.1	-na-
Trading & Counterparty	-na-	-na-
Other (1)	1.8	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	2.1	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	2.5	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.6	
SCAP Buffer	1.8	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations
(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses
(3) Capital actions include completed or contracted transactions since Q4 2008
Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for MetLife, Inc. for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	MetLife, Inc.	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	30.1	9.2%
Tier 1 Common Capital	27.8	8.5%
Risk-Weighted Assets	326.4	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	9.6	
First Lien Mortgages	0.03	5.0%
Second/Junior Lien Mortgages	0.01	14.1%
Commercial and Industrial Loans	0.0	0.0%
Commercial Real Estate Loans	0.8	2.1%
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	8.3	-na-
Trading & Counterparty	-na-	-na-
Other (1)	0.5	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	5.6	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.6	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Morgan Stanley for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Morgan Stanley	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	47.2	15.2%
Tier 1 Common Capital	17.8	5.7%
Risk-Weighted Assets	310.6	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	19.7	
First Lien Mortgages	-na-	-na-
Second/Junior Lien Mortgages	-na-	-na-
Commercial and Industrial Loans	0.1	2.4%
Commercial Real Estate Loans	0.6	45.2%
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	-na-	-na-
Trading & Counterparty	18.7	-na-
Other (1)	0.2	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	7.1	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	8.3	
Less: Capital Actions and Effects of Q1 2009 Results (3)	6.5	
SCAP Buffer	1.8	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for PNC Financial Services Group, Inc. for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	PNC Financial Services Group, Inc.	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	24.1	9.6%
Tier 1 Common Capital	11.7	4.7%
Risk-Weighted Assets	250.9	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	18.8	
First Lien Mortgages	2.4	8.1%
Second/Junior Lien Mortgages	4.6	12.7%
Commercial and Industrial Loans	3.2	6.0%
Commercial Real Estate Loans	4.5	11.2%
Credit Card Loans	0.4	22.3%
Securities (AFS and HTM)	1.3	-na-
Trading & Counterparty	-na-	-na-
Other (1)	2.3	-na-
Memo: Purchase Accounting Adjustments	5.9	
Resources Other Than Capital to Absorb Losses (2)	9.6	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	2.3	
Less: Capital Actions and Effects of Q1 2009 Results (3)	1.7	
SCAP Buffer	0.6	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Regions Financial Corporation for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Regions Financial Corporation	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	12.1	10.4%
Tier 1 Common Capital	7.6	6.6%
Risk-Weighted Assets	116.3	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses	9.2	
First Lien Mortgages	1.0	4.1%
Second/Junior Lien Mortgages	1.1	11.9%
Commercial and Industrial Loans	1.2	7.0%
Commercial Real Estate Loans	4.9	13.7%
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	0.2	-na-
Trading & Counterparty	-na-	-na-
Other (1)	0.8	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	3.3	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	2.9	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.4	
SCAP Buffer (4)	2.5	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

(4) Firm needs to augment the capital buffer with $2.5 billion of Tier 1 Common/contingent Common of which $400 million must be new Tier 1 capital

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program
Estimates for State Street Corporation for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	State Street Corporation	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	14.1	20.2%
Tier 1 Common Capital	10.8	15.5%
Risk-Weighted Assets	69.6	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	8.2	
First Lien Mortgages	-na-	-na-
Second/Junior Lien Mortgages	-na-	-na-
Commercial and Industrial Loans	0.04	22.8%
Commercial Real Estate Loans	0.3	35.5%
Credit Card Loans	-na-	-na-
Securities (AFS and HTM)	1.8	-na-
Trading & Counterparty	-na-	-na-
Other (1)	6.0	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	4.3	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.2	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations
(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses
(3) Capital actions include completed or contracted transactions since Q4 2008
Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for SunTrust Banks, Inc. for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	SunTrust Banks, Inc.	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	17.6	10.9%
Tier 1 Common Capital	9.4	5.8%
Risk-Weighted Assets	162.0	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	11.8	
First Lien Mortgages	2.2	8.2%
Second/Junior Lien Mortgages	3.1	13.7%
Commercial and Industrial Loans	1.5	5.2%
Commercial Real Estate Loans	2.8	10.6%
Credit Card Loans	0.1	17.4%
Securities (AFS and HTM)	0.02	-na-
Trading & Counterparty	-na-	-na-
Other (1)	2.1	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	4.7	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	3.4	
Less: Capital Actions and Effects of Q1 2009 Results (3)	1.3	
SCAP Buffer	2.2	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program
Estimates for U.S. Bancorp for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	U.S. Bancorp	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	24.4	10.6%
Tier 1 Common Capital	11.8	5.1%
Risk-Weighted Assets	230.6	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	15.7	
First Lien Mortgages	1.8	5.7%
Second/Junior Lien Mortgages	1.7	8.8%
Commercial and Industrial Loans	2.3	5.4%
Commercial Real Estate Loans	3.2	10.2%
Credit Card Loans	2.8	20.3%
Securities (AFS and HTM)	1.3	-na-
Trading & Counterparty	-na-	-na-
Other (1)	2.8	-na-
Memo: Purchase Accounting Adjustments	-na-	
Resources Other Than Capital to Absorb Losses (2)	13.7	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	No Need	
Less: Capital Actions and Effects of Q1 2009 Results (3)	0.3	
SCAP Buffer	No Need	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding

Supervisory Capital Assessment Program

Estimates for Wells Fargo & Company Bank Holding Company for the More Adverse Economic Scenario

The estimates below represent a hypothetical 'what-if' scenario that involves an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses or revenues.

	Wells Fargo & Company	
At December 31, 2008	**$ Billions**	**As % of RWA**
Tier 1 Capital	86.4	8.0%
Tier 1 Common Capital	33.9	3.1%
Risk-Weighted Assets	1,082.3	

	More Adverse Scenario	
Estimated for 2009 and 2010 for the More Adverse Scenario	**$ Billions**	**As % of Loans**
Total Estimated Losses (Before purchase accounting adjustments)	86.1	
First Lien Mortgages	32.4	11.9%
Second/Junior Lien Mortgages	14.7	13.2%
Commercial and Industrial Loans	9.0	4.8%
Commercial Real Estate Loans	8.4	5.9%
Credit Card Loans	6.1	26.0%
Securities (AFS and HTM)	4.2	-na-
Trading & Counterparty	-na-	-na-
Other (1)	11.3	-na-
Memo: Purchase Accounting Adjustments	23.7	
Resources Other Than Capital to Absorb Losses (2)	60.0	
SCAP Buffer Added for More Adverse Scenario		
(SCAP buffer is defined as additional Tier 1 Common/contingent Common)		
Indicated SCAP Buffer as of December 31, 2008	17.3	
Less: Capital Actions and Effects of Q1 2009 Results (3)	3.6	
SCAP Buffer	13.7	

(1) Includes other consumer and non-consumer loans and miscellaneous commitments and obligations

(2) Resources to absorb losses include pre-provision net revenue less the change in the allowance for loan and lease losses

(3) Capital actions include completed or contracted transactions since Q4 2008

Note: Numbers may not sum due to rounding