

## Press Release

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April 24, 2009

### Board publishes white paper on process and methodologies employed by federal banking supervisory agencies in capital assessment of large U.S. bank holding companies

For release at 2:00 p.m. EDT

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A white paper describing the process and methodologies employed by the federal banking supervisory agencies in their forward-looking capital assessment of large U.S. bank holding companies was published on Friday.

The white paper is intended to assist analysts and other interested members of the public in understanding the results of the Supervisory Capital Assessment Program, expected to be released in early May. All U.S. bank holding companies with year-end 2008 assets exceeding \$100 billion were required to participate in the assessment, which began February 25. These institutions collectively hold two-thirds of the assets and more than half the loans in the U.S. banking system.

More than 150 examiners, supervisors and economists from the Federal Reserve, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation participated in this supervisory process. Starting from two economic scenarios--a consensus estimate of private-sector forecasters and an economic situation more severe than is generally anticipated--they developed a range of loss estimates and conducted an in-depth review of the banks' lending portfolios, investment portfolios and trading-related exposures, and revenue opportunities. In doing so, they examined bank data and loss projections, compared loss projections across firms, and developed independent benchmarks against which to evaluate the banks' estimates. From this analysis, supervisors determined the capital buffer needed to ensure that the firms would remain appropriately capitalized at the end of 2010 if the economy proves weaker than expected.

 [The Supervisory Capital Assessment Program: Design and Implementation](#)

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