Press Release

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Federal Reserve releases results of Comprehensive Capital Analysis and Review (CCAR)

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The nation's largest banks have strong capital levels and virtually all are now meeting supervisory expectations for capital planning, the Federal Reserve Board on Thursday announced following its annual examination. As a result, the Board is not objecting to the capital plans of all 18 firms but is requiring one firm to address limited weaknesses identified from the test.

The Comprehensive Capital Analysis and Review, or CCAR, evaluated the capital planning processes and capital adequacy of 18 of the largest banking firms, including the firms' planned capital actions, such as dividend payments and share buybacks. Strong capital levels act as a cushion to absorb losses and help ensure that banking organizations have the ability to lend to households and businesses even in times of stress.

"The stress tests have confirmed that the largest banks are both well capitalized and place a high priority on strong capital planning practices," said Vice Chair for Supervision Randal K. Quarles. "The results show that these firms and our financial system are resilient in normal times and under stress."

The Board considers both quantitative and qualitative factors when evaluating a bank's capital plan. Quantitative factors include a bank's projected capital ratio under a hypothetical severe recession. Qualitative factors include the firm's capital planning process, including its risk management, internal controls, and governance practices.

The Board can object to the capital plans of all banks in CCAR each year on quantitative grounds, and firms that have been in CCAR for less than four years are also subject to an objection on qualitative grounds. If the Board objects to a firm's capital plan, the bank cannot make any capital action unless authorized by the Board.

The Board did not object to the capital plan from the U.S. holding company of Credit Suisse, but is requiring the firm to address certain limited weaknesses in its capital planning processes. The Federal Reserve did not object to the capital plans of the remaining 17 firms.

On balance, virtually all firms are now meeting the Federal Reserve's capital planning expectations, which is an improvement from last year's assessment. The firms in the test have significantly increased their capital since the first round of stress tests in 2009. In particular, the largest and most complex banks have more than doubled their common equity capital from around $300 billion to roughly $800 billion during that time.

For media inquiries, call 202-452-2955

Comprehensive Capital Analysis and Review 2019: Assessment Framework and Results (PDF)