



Bank Capital Analysis

A horizontal comparison of capital adequacy

Bank Capital Analysis Semiannual Update

By Sabrina Pellerin

The Bank Capital Analysis provides a horizontal comparison of capital adequacy among banking organizations of varying size and complexity.

Chart 1 shows leverage capital trends over time for U.S. banking organizations. Banks of all size groups increased capital ratios in the decade following the 2007-2008 financial crisis, though the trend in leverage ratios at the largest banks had started flattening and even declining prior to 2020. Balance sheet growth stemming from pandemic policy responses put immediate downward pressure on the weighted average tier 1 leverage ratio for all U.S. banking groups, which have generally recovered at non-U.S. Global Systemically Important Banks (G-SIBs).

Banks across all portfolio groups are now approaching their 15-year peaks, except for U.S. G-SIBs, which are sitting closer to their 15-year low. The weighted average tier 1 leverage ratio across U.S. G-SIBs had been trending upward through year-end 2023 but has reversed course since, declining 30 basis points (bps) year-over-year (y/y) to 6.81 percent as of December 31, 2025, and remains well below leverage capital ratios for large (9.83 percent), regional (10.17 percent), and community (10.89 percent) banking organizations, as shown in Table 1.

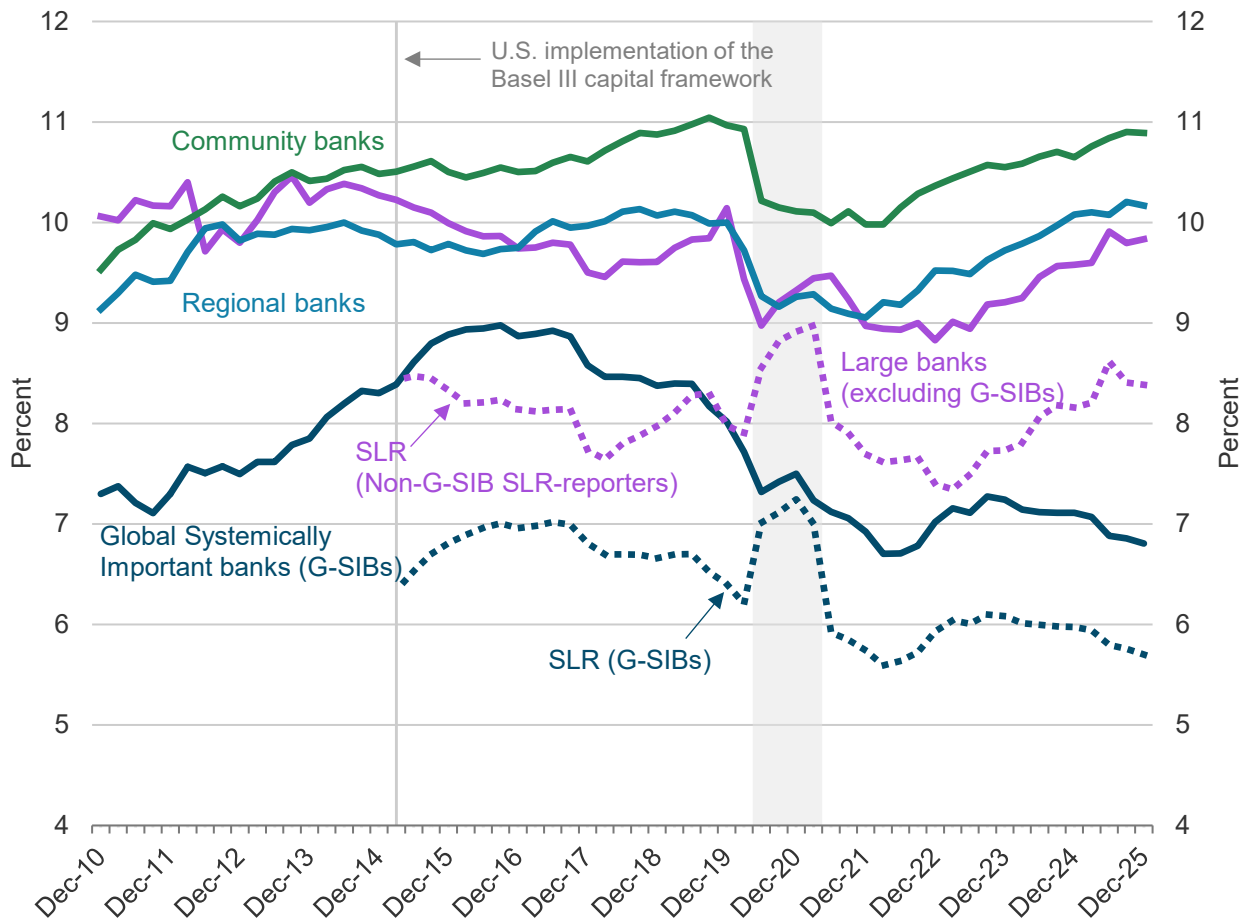
The weighted average supplementary leverage ratio (SLR), also known as the Basel III leverage ratio, for U.S. G-SIBs declined 27 bps y/y to 5.70 percent as of December 31, 2025 (Table 1).¹ For large banking organizations (LBOs) required to report the SLR, the weighted average ratio improved 23 bps y/y to 8.39 percent as of December 31, 2025. The weighted average Basel III leverage ratio across European and Canadian G-SIBs was stable y/y at 4.92 percent, 78 bps lower than that of U.S. G-SIBs. Asian G-SIBs weighted average Basel III leverage ratio declined 12 bps y/y, though is the highest of the G-SIB groups at 6.89 percent.

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¹ Total leverage exposure, the denominator of the SLR, includes certain off-balance sheet exposures in addition to on-balance sheet assets. The tier 1 leverage ratio does not include off-balance sheet items, which are relatively negligible for all but the largest banking organizations. As such, the SLR can also be compared to the tier 1 leverage ratio for smaller banking organizations. For more information on the Bank Capital Analysis, see: [Understanding the Bank Capital Analysis - Federal Reserve Bank of Kansas City \(kansascityfed.org\)](https://www.kansascityfed.org/research/bank-capital-analysis).

Chart 1. SLR and Tier 1 Leverage Ratio
 U.S. Banking Organizations by Supervisory Portfolio Group (% weighted average)



Notes: Tier 1 capital as a percent of total leverage exposure (for SLR) and as a percent of average total assets (for tier 1 leverage ratio). SLR reported only by banking organizations that generally have assets greater than \$250 billion or on-balance sheet foreign exposures above \$10 billion. In response to the COVID-19 pandemic, SLR-reporting U.S. banking organizations were temporarily permitted to exclude U.S. Treasury securities and deposits at Federal Reserve Banks from total leverage exposure calculations for financials from June 30, 2020, through March 31, 2021 (see Board of Governors' April 14, 2020 Interim Final Rule available [here](#)). Gray shaded area denotes the temporary exclusion period. Sources: Federal Reserve Y-9C Reports, FFIEC Call Reports, FFIEC 101 Reports, and S&P Global Market Intelligence LLC.

Table 1. Capitalization Ratios

U.S. Global Systemically Important Banks (G-SIBs) and Large, Regional, and Community Banking Organizations¹

	Tier 1 Capital ⁱⁱ (\$Billions)	Total Assets ⁱⁱⁱ (\$Billions)	Risk-Weighted Assets ^{iv} (\$Billions)	Leverage Exposure ^v (\$Billions)	Tier 1 Risk-Based Capital Ratio ^{vi} (Percent)	Tier 1 Risk-Based Capital Ratio (y/y, bps)	Tier 1 Leverage Ratio ^{vii} (Percent)	SLR ^{viii} (Percent)	SLR (y/y, bps)	Goodwill and Other Intangibles ^{ix} (\$Billions)	Deferred Tax Assets ^x (\$Billions)	Price-to-Book Ratio ^{xi}	Price-to-Adjusted Tangible Book Ratio ^{xii}
U.S. G-SIBs													
Bank of America Corporation	227	3,412	1,773	3,986	12.83	-35	6.79	5.70	-15	71	15	1.43	2.08
Bank of New York Mellon Corporation	26	472	178	389	14.58	85	5.99	6.67	15	20	0	2.02	4.03
Citigroup Inc.	180	2,657	1,316	3,276	13.65	2	6.69	5.48	-36	23	31	1.06	1.47
Goldman Sachs Group, Inc.	119	1,809	727	2,298	16.35	-44	6.57	5.18	-28	7	9	2.37	2.76
JPMorgan Chase & Co.	308	4,425	2,045	5,302	15.04	-174	6.88	5.80	-29	55	7	2.54	3.10
Morgan Stanley	93	1,420	553	1,718	16.78	-98	6.70	5.40	-19	23	2	2.76	3.67
State Street Corporation	18	366	127	285	14.44	128	5.52	6.45	29	9	1	1.48	2.47
Wells Fargo & Company	154	2,149	1,295	2,467	11.86	-71	7.48	6.23	-52	26	2	1.75	2.12
U.S. G-SIBs (\$ Total, % Weighted Average)	1,124	16,710	8,014	19,719	14.03	-63	6.81	5.70	-27	233	67	1.89	2.62
European and Canadian G-SIBs													
Banco Santander (Spain)	111	2,193	739	2,259	15.00	56		4.90	12	20	35	1.44	2.66
Barclays (UK)	86	2,078	480	1,679	17.88	95		5.10	10	11	7	1.01	1.28
BNP Paribas (France)	135	3,279	915	3,013	14.74	-19		4.50	-12	14	7	0.77	0.91
Crédit Agricole Group (France)	145	3,149	778	2,600	18.65	35		5.60	10	25	9	NA	NA
Deutsche Bank (Germany)	71	1,685	408	1,559	17.51	49		4.58	-4	9	10	0.94	1.23
Group BPCE (France)	90	1,932	544	1,749	16.48	31		5.12	-2	6	6	NA	NA
HSBC (UK)	153	3,233	889	2,877	17.26	7		5.30	-30	13	8	1.53	1.74
ING Bank (Netherlands)	61	1,238	400	1,357	15.30	-67		4.51	-21	2	2	1.40	1.49
Royal Bank of Canada (Canada)	79	1,659	521	1,778	15.12	55		4.40	20	19	9	2.26	3.29
Société Générale (France)	74	1,816	462	1,651	16.01	-5		4.47	13	10	6	0.82	1.04
Standard Chartered (UK)	44	920	258	938	17.03	17		4.70	-10	6	1	1.22	1.46
Toronto Dominion (Canada)	75	1,495	454	1,629	16.42	164		4.58	38	16	7	1.67	2.30
UBS (Switzerland)	91	1,617	493	1,622	18.48	88		5.62	-15	7	13	1.60	2.05
European and Canadian G-SIBs (\$ Total, % Weighted Average)	1,215	26,295	7,341	24,709	16.55	34		4.92	1	158	119	1.49	1.49
Asian G-SIBs													
Agricultural Bank of China Limited (China)	460	6,975	3,548	7,323	12.97	-66		6.28	-52	6	21	0.66	0.71
Bank of China Limited (China)	429	5,484	2,993	5,767	14.34	-3		7.44	-9	5	12	0.48	0.50
Bank of Communications Co., Ltd. (China)	181	2,223	1,424	2,484	12.70	59		7.28	33	1	6	0.45	0.47
China Construction Bank (China)	524	6,524	3,386	6,876	15.47	26		7.62	-16	3	20	0.52	0.55
Industrial and Commercial Bank of China (China)	604	7,646	4,042	8,040	14.94	-42		7.51	-24	6	15	0.52	0.54
Mitsubishi UFJ FG (Japan; JPY, Local GAAP)	125	2,667	749	2,285	16.67	29		5.46	15	12	1	1.33	1.47
Mizuho FG (Japan; JPY, Local GAAP)	80	1,898	494	1,641	16.23	78		4.89	25	6	1	1.26	1.40
Sumitomo Mitsui FG (Japan; JPY, Local GAAP)	93	2,020	630	1,798	14.82	73		5.19	16	7	1	1.24	1.34
Asian G-SIBs (\$ Total, % Weighted Average)	2,496	35,437	17,267	36,215	14.46	-8		6.89	-12	45	77	0.59	0.63
U.S. banking organizations by size group (\$ Total, % Weighted Average)													
G-SIBs	1,124	16,710	8,014	19,719	14.03	-63	6.81	5.70	-27	233	67	1.89	2.62
LBOs* (>\$100B, excluding G-SIBs)	439	4,608	3,500		12.54	-7	9.83	8.39	23	132	26		
RBOs (\$10B - \$100B)	321	3,239	2,410		13.33	5	10.17			80	14		
CBOs (<\$10B)	319	2,951	1,717		13.89	31	10.89			19	10		

Sources: Federal Reserve Y-9C Reports, FFIEC Call Reports, FFIEC 101 Reports, and S&P Global Market Intelligence LLC.

ⁱ **G-SIBs:** The Financial Stability Board (FSB) publishes the list of Global Systemically Important Banks (G-SIBs) each November. The December 31, 2025 Bank Capital Analysis uses the list of G-SIBs released on November 27, 2025. The list included 8 U.S. banking organizations and 21 non-U.S. organizations and is available on the FSB's website: www.fsb.org. Note that the other groups of U.S. banks reflect the supervisory portfolios based on asset thresholds determined by the Federal Reserve Board as of December 31, 2025. Data sources: FR Y-9C and S&P Global Market Intelligence LLC for U.S. G-SIBs and S&P Global Market Intelligence LLC for foreign G-SIBs. **Large Banking Organizations (LBO):** Banking organizations with total assets greater than \$100 billion, excluding G-SIBs and subsidiaries of G-SIBs and non-U.S. banks. There are 14 bank holding companies included in the LBO group. Data source: FR Y-9C. **Regional Banking Organizations (RBO):** Generally, banking organizations between \$10 billion and \$100 billion, excluding subsidiaries of G-SIBs, non-U.S. banks and LBOs. There are 90 bank holding companies and four depository institutions with no holding company included in the RBO group. Data source: FR Y-9C (FFIEC Call Report for RBOs with no holding company). **Community Banking Organizations (CBO):** Banking organizations with total assets less than \$10 billion, excluding subsidiaries of G-SIBs, non-U.S. banks, LBOs and RBOs. There are 3,600 depository institutions included in the CBO group. Data source: FFIEC Call Report, as banking organizations with less than \$3 billion in assets do not file the FR Y-9C.

ⁱⁱ Tier 1 capital is common equity capital less goodwill, certain other intangible assets, disallowed deferred tax assets (DTAs), plus additional qualifying tier 1 capital components. Advanced approaches (Category I and II) banking organizations, generally those with total assets above \$700 billion in assets, must include most effects of accumulated other comprehensive income (AOCI), such as unrealized gains and losses on available-for-sale securities, in tier 1 capital, while non-advanced approaches organizations may neutralize the effects of most components of AOCI in tier 1 capital. Tier 1 capital is the numerator of the tier 1 risk-based capital ratio, which uses risk-weighted assets (RWA) in the denominator, and of the tier 1 leverage ratio and SLR. Note that regulatory capital measures are based on principles agreed to by the Basel Committee on Banking Supervision (BCBS) and implemented by regulators in member countries. In the U.S., capital requirements are established by the three federal banking agencies. U.S. regulations include standardized approaches and advanced approaches. The requirements for Board-regulated institutions are in 12 CFR 217. The general phase-in period for the capital rules in the U.S. was 2014–2018. The phase-in period may differ for non-U.S. G-SIBs. The regulatory capital data for non-U.S. G-SIBs may be transitional or fully phased-in, depending upon data availability.

ⁱⁱⁱ Total assets as reported in regulatory financial statements, which are subject to jurisdictional accounting standards.

^{iv} In the U.S., advanced approaches banks calculate RWA and risk-based ratios using the standardized and advanced approaches and use the lower of the two ratios (the higher RWA amount).

^v Leverage ratios and leverage exposure: In the U.S., but not in other BCBS member countries, all banking organizations must report the tier 1 leverage ratio (tier 1 capital as a percent of average assets for the leverage ratio). U.S. Category I, II, and III banking organizations must also calculate the SLR, known outside the U.S. as the Basel III leverage ratio. The minimum required Basel III leverage ratio is 3 percent for G-SIBs and Category I-III organizations, and the BCBS leverage framework requires a buffer above the minimum Basel III leverage ratio for G-SIBs. In the U.S., the buffer, referred to as the enhanced SLR, was modified in November 2025 to equal 50 percent of a G-SIB's method 1 surcharge, capped at 1 percent for depository institution subsidiaries (effective April 1, 2026, or January 1, 2026, for early adopters). Previously, G-SIBs and their depository institution subsidiaries were subject to a minimum buffer of 2 percent and 3 percent, respectively. The denominator of the SLR, called total leverage exposure, is a broader measure than the denominator for the tier 1 leverage ratio. Total leverage exposure adjusts regulatory balance sheet assets for derivatives exposure, securities financing exposure and commitments. All G-SIBs report total leverage exposure using the same reporting form (Pillar 3 Report). U.S. G-SIBs report the SLR ratio in the FR Y-9C and the SLR details in the FFIEC 101 report. S&P Global Market Intelligence LLC reports the fully phased-in Basel III leverage ratio. Many countries (including the U.S. from June 30, 2020 through March 31, 2021), temporarily excluded reserves and certain assets (e.g. U.S. Treasuries) from leverage exposure during Covid-19, though most since ended this practice. The UK permanently excludes central bank reserves from total leverage exposure while applying higher ratio requirements.

^{vi} This ratio measures tier 1 capital to RWA. CBOs that qualify for the Community Bank Leverage Ratio are not required to report RWAs and are therefore excluded from the weighted average.

^{vii} Goodwill and other intangibles, such as deposit intangibles, purchased credit card relationships, and nonmortgage servicing assets.

^{viii} DTAs are the amounts by which taxes payable in future periods may be decreased due to temporary timing differences. DTAs may also include carryforwards of unused tax losses and carryforward of unused tax credits and are net of any valuation allowance.

^{ix} Median price-to-book ratios and price-to-adjusted book ratios are used instead of averages for comparative groups. The price-to-book ratio is price as a percent of book value per share. Book value is calculated using financial period end common equity and common shares outstanding values. The price-to-adjusted tangible book ratio is calculated using financial period end tangible common equity (common equity is adjusted for goodwill, other intangibles, and DTAs) and common shares outstanding values. Price-to-book ratios for the Chinese G-SIBs reflect H-shares. Data are not available for the Credit Agricole Group and Group BPCE.

^x The SLR reported for the LBO group is the weighted average SLR for 6 LBOs that are required to report the SLR (American Express, Capital One Financial Corporation, Northern Trust Corporation, The PNC Financial Services Group, Inc., Truist Financial Corporation, and U.S. Bancorp).