

**Office of the Comptroller of the Currency**  
**Supporting Statement**  
**Market Risk Regulatory Report for Institutions Subject to the Market Risk Capital Rule**  
**OMB Control No. 1557-0325**

A. Justification

1. Circumstances that make the collection necessary:

In July 2013, the agencies adopted the market risk capital rule. The market risk capital rule requires public disclosure of certain information at the consolidated banking organization level as well as certain additional regulatory reporting by insured depository institutions (IDIs), BHCs, and SLHCs (BHCs and SLHCs are collectively referred to as “holding companies” (HCs)).

Those IDIs and HCs that are subject to the agencies’ market risk capital rule<sup>1</sup> report their market risk equivalent assets in the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031 or FFIEC 041) or the Consolidated Financial Statements for Holding Companies (FR Y-9C), as applicable. The Call Report only shows the end result, but does not include the key components of the calculation of market risk.

The FFIEC 102 report fills this gap by expanding the information to all key components of the calculation. The additional detail allows the agencies to assess the reasonableness and accuracy of a market risk institution’s calculation of its minimum capital requirements under the market risk capital rule and to evaluate a market risk institution’s capital in relation to its risks. Each market risk institution (institutions that are subject to the market risk capital rule as incorporated into 12 CFR 3.201 of the revised regulatory capital rules) is required to file the FFIEC 102. The FFIEC 102 allows the agencies to better track growth in more credit-risk related, less liquid, and less actively traded products subject to the market risk rule.

This submission relates to proposed changes that would require a market risk institution to provide its Legal Entity Identifier (LEI) on the reporting form, only if the institution already has an LEI, and add U.S. Intermediate Holding Companies to the Board’s respondent panel.

2. Use of the information:

The reported data improves the agencies’ ability to monitor the levels of, and trends in, the components that comprise the market risk measure under the market risk capital rule within and across market risk institutions. This component reporting allows supervisors to better understand model-implied diversification benefits for individual market risk institutions. The data also enhances institution-to-institution comparisons of the drivers underlying market risk institutions’ measures for market risk, identify potential outliers through market risk institution-

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<sup>1</sup> See 12 CFR part 3, section 201 (OCC).

to-peer comparisons, track these drivers over time relative to trends in other risk indicators at market risk institutions, and focus the agencies' onsite examination efforts.

The market risk information collected in the FFIEC 102: (a) permits the agencies to monitor the market risk profile of and evaluate the impact and competitive implications of the market risk capital rule on individual market risk institutions and the industry as a whole; (b) provides the most current statistical data available to identify areas of market risk on which to focus for onsite and offsite examinations; (c) allows the agencies to assess and monitor the levels and components of each reporting institution's risk-based capital requirements for market risk and the adequacy of the institution's capital under the market risk capital rule; and (d) assists market risk institutions to implement and validate the market risk framework.

These reports help the agencies identify and appropriately reflect these risks in assessments of the safety and soundness of market risk institutions.

3. Consideration of the use of information technology:

Institutions may use any information technology that allows them to meet the requirements of this collection. The agencies require reporting of information in this collection by electronic methods.

4. Efforts to identify duplication:

The information collected is unique. No duplication exists.

5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:

This collection does not have a significant impact on a substantial number of small entities. To qualify as a market risk institution that must report on the FFIEC 102, a bank must have at least \$10 billion of trading assets.

6. Consequences to the Federal program if the collection were conducted less frequently:

Less frequent collection would present safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

This information collection is conducted in a manner that is consistent with guidelines set forth in 5 CFR 1320.

8. Efforts to consult with persons outside the agency:

On July 5, 2016, the agencies, under the auspices of the FFIEC, published an initial notice in the

Federal Register (81 FR 43605) requesting public comment for 60 days on the proposed FFIEC 102 (proposal). The comment period for this notice expired on September 6, 2016. The agencies received no comments. The agencies are not making any changes to the proposal issued for comment in the 60 day notice.

9. Payment to respondents:

There is no payment to respondents.

10. Any assurance of confidentiality:

None. The agencies will make public all information collected.

11. Justification for questions of a sensitive nature:

No personally identifiable information is collected.

12. Burden estimate:

*Estimated Number of Respondents:* 12 national banks and  
federal savings associations.

*Estimated Burden per Response:* 12 burden hours per quarter to file.

*Estimated Total Annual Burden:* 576 burden hours to file.

13. Estimate of the total annual cost to respondents (excluding the cost of any hour burden shown in Item 12):

Not applicable.

14. Estimate of annualized cost to the Federal government:

Not applicable.

15. Changes in burden:

Prior Burden: 13 respondents; 624 total burden hours.

Current Burden: 12 respondents; 576 burden hours.

Difference: - 1 respondent; - 48 burden hours.

The decrease in burden is due to the decrease in the number of market risk institutions.

16. Information regarding collections whose results are planned to be published for statistical

use:

There are no plans to publish the information collected for statistical use.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable.