

**Supporting Statement for the
Regulatory Capital Reporting for Institutions Subject to the
Advanced Capital Adequacy Framework
(FFIEC 101; OMB No. 7100-0319)**

Summary

The Board of Governors of the Federal Reserve System (Board) requests approval from the Office of Management and Budget (OMB) to extend for three years, with revision, the Federal Financial Institutions Examination Council (FFIEC) Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101; OMB No. 7100-0319). The FFIEC 101 collects data regarding the levels and components of risk-based capital from firms subject to the Board's advanced approaches capital framework (advanced approaches framework), as well as data regarding the supplementary leverage ratio (SLR) from firms subject to that requirement. The FFIEC 101 must be filed quarterly by certain large or internationally active state member banks (SMBs), bank holding companies (BHCs), savings and loan holding companies (SLHCs) that are subject to the advanced approaches framework and other Board-regulated institutions that adopt the framework on a voluntary basis (collectively, advanced approaches banking organizations); additionally, certain BHCs, SLHCs, SMBs, and U.S. intermediate holding companies (IHCs) that are not advanced approaches banking organizations must report only certain information regarding the SLR. The revisions to the FFIEC 101 that are the subject of this request have been approved by the FFIEC.

The Board, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (collectively, the agencies) propose to revise the FFIEC 101 by (1) modifying the respondent panel to account for changes in the scope of the advanced approaches framework, (2) revising Schedule A to exclude from the SLR calculation certain central bank deposits of custodial banks, based on recent changes to the agencies' capital rule, and (3) revising the instructions for SLR Table 2 consistent with a proposed rule that would implement a new approach for calculating the exposure amount of derivative contracts under the capital rule (the standardized approach for counterparty credit risk). Most of the proposed revisions would take effect in the same quarters as the effective dates of the capital rule changes, i.e., primarily as of the March 31, 2020, and June 30, 2020, report dates.

The current estimated total annual burden for the FFIEC 101 is 46,060 hours, and would decrease to 35,276 hours. The proposed revisions would result in a decrease of 10,784 hours. The draft form and instructions are available on the FFIEC's public website at https://www.ffiec.gov/ffiec_report_forms.htm.

Background and Justification

A number of federal laws require the Board to establish capital requirements for entities it supervises.¹ The Board's current risk-based and leverage capital standards are codified in the

¹ Section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the Board to establish minimum risk-based and leverage capital requirements on a consolidated basis for the insured depository

Board's Regulation Q - Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks (12 CFR Part 217). The Board's risk-based capital standards include an advanced approaches capital framework for large and internationally active banking organizations. Banking organizations that use this framework report information related to their risk-based capital requirements using the FFIEC 101.

With respect to the advanced approaches framework, the Board uses the data reported on the FFIEC 101 to:

- Assess the components of each advanced approaches banking organization's risk-based capital requirements,
- Assess each advanced approaches banking organization's capital relative to inherent risks and the Board's minimum capital requirements,
- Assess the components of each advanced approaches banking organization and top-tier Category III² BHCs, SHCs, and SMBs, and all Category III IHCs of its SLR. The SLR is the ratio of tier 1 capital to total leverage exposure, as defined in the regulatory capital rule,
- Monitor the levels and components of the risk-based capital requirements for advanced approaches banking organizations through peer, outlier, and risk trend analyses,
- Evaluate the quantitative impact and competitive implications of the implementation of the framework on risk-based capital levels within advanced approaches banking organizations and on an overall industry basis,
- Ensure that the advanced approaches framework is implemented in the United States in a safe and sound manner,
- Provide market participants, depositors, the public, supervisors, and other interested parties with information about advanced approaches banking organizations' risk-based capital, and
- Supplement on-site examination processes and decisions pertaining to the allocation of supervisory resources.

The information collected by the FFIEC 101 is not available from other sources.

Description of Information Collection

The mandatory FFIEC 101 report collects information from all Board-supervised advanced approaches banking organizations, as well as information regarding the SLR from Category III institutions. Advanced approaches banking organizations are required to submit detailed data on the components of their capital and risk-weighted assets in nineteen schedules (A through S). Category III institutions must complete only Schedule A, SLR Tables 1 and 2.

institutions, depository institution holding companies, and nonbank financial companies it supervises (12 U.S.C. § 5371(b)(1)-(2)). Further, the International Lending Supervision Act of 1983 (12 U.S.C. § 3907(a)(1)) mandates that each federal banking agency require banks to achieve and maintain adequate capital by establishing minimum levels of capital or by other methods that the agency may deem appropriate and section 38(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1831o(c)) requires each federal banking agency to adopt a risk-based capital requirement for insured depository institutions.

² See page 5 for a description of the tailoring rule standards (categories).

Advanced Approaches Regulatory Capital and Summary Risk-Weighted Asset Information. Schedule A collects information about the components of Tier 1 capital, Tier 2 capital, and adjustments to regulatory capital as defined within the rule. Schedule B contains summary information about risk-weighted assets by risk type, and, in the case of credit risk exposures, outstanding balances and aggregated information about the drivers and estimates that underlie the calculation of risk-weighted assets. Tables 1 and 2 of Schedule A collect information about each advanced approaches banking organization and top-tier Category III BHCs, SHCs, and SMBs, and all Category III IHCs SLR, the ratio of tier 1 capital to total leverage exposure. Table 1 reconciles balance sheet assets reported in published financial statements and total leverage exposure. Table 2 collects components of on-balance sheet and off-balance sheet exposures, for the calculation of total leverage exposure, tier 1 capital, and the calculation of the SLR.

Schedule B collects general exposure information from advanced approaches banking organizations. Respondents must report:

- Wholesale exposures, including separate reporting for the following types of exposures: Corporate; Bank; Sovereign; Income producing real estate; High volatility commercial real estate; Eligible margin loans, repo-style transactions, and OTC derivatives with cross product netting; and Eligible margin loans, repo-style transactions, and OTC derivatives without cross product netting,
- Retail Exposures, including separate reporting for the following types of exposures: Residential mortgage closed-end first liens, Residential mortgage closed-end junior liens, Residential mortgage revolving exposures, Qualifying revolving exposures, and Other retail exposures,
- Securitization exposures,
- Cleared transactions, including separate reporting for the following types of exposures: Derivative contracts and netting sets to derivatives, Repo-style transactions, and Default fund contributions,
- Equity exposures, and
- Other assets; including separate reporting for the following types of exposures: Unsettled transactions, Assets not included in a defined exposure category, Non-material portfolios of exposures, Credit valuation adjustments, Assets subject to the general risk-based capital requirements, Excess eligible credit reserves not included in Tier 2 capital, Advanced market risk equivalent assets; and Operational risk.

Some of the aggregate data items submitted in Schedule B are derived from information contained in the more detailed confidential supporting schedules described below. The data contained in Schedule B describe the main summary-level components of respondents' risk-weighted assets.

Wholesale Exposures. Schedules C through J request data on respondents' wholesale exposures. Each schedule represents a sub-portfolio of the wholesale exposure category as listed on Schedule B. For each reported sub-portfolio, the schedule groups exposures into sub-portfolio segments using supervisor-defined probability of default (PD) ranges. The reported cells within these schedules then describe the main risk parameters and characteristics of each sub-portfolio segment.

Retail Exposures. Schedules K through O request data on respondents' retail exposure category. Each schedule represents a sub-portfolio of the retail exposure category as listed on Schedule B. PD ranges are used to sub-divide each sub-portfolio into segments.³ The reported cells within these schedules then describe the main risk parameters and characteristics of each sub-portfolio segment. The retail schedules also incorporate risk characteristics that are believed to be commonly used drivers within respondents' risk management and measurement processes, including the distribution of each sub-portfolio segment by loan-to-value ranges (applies only to real estate exposures), weighted average credit bureau score, and weighted average account age.⁴

Securitization Exposures. Schedule P requests data on respondents' securitization and resecuritization exposures that are subject to either the supervisory formula approach, the simplified supervisory formula approach, a 1250 percent risk weight, or deduction. A respondent completes Schedule P by providing information on exposure amount, risk-weighted asset amount, and deduction amount for each securitization and resecuritization based on the treatment the exposure is subject to under the rule.

Cleared Transactions. Schedule Q requests data on respondents' cleared transaction exposures. The schedule divides cleared transactions into subcategories relating to the Clearing member client bank and to the Clearing member bank. For the Clearing member client bank category, a respondent completes Schedule Q by providing exposure amount and risk weighted asset amount information on derivative contracts or netting sets of derivative contracts and repo-style transactions. Schedule Q requests that respondents' provide exposure amount from default fund contributions and risk-weighted asset amounts for exposures within the Clearing member bank category, which include derivative contracts or netting sets of derivative contracts, repo-style transactions, and default fund contributions to non-qualified and qualified central counterparties.

Equities. Schedule R requests information about respondents' equity exposures by type of exposure and by approach to measuring required capital. Schedule R also requests information on equity exposures subject to specific risk weights and equity exposures to investment funds. A respondent completes the appropriate section of the schedule based on whether it uses a simple risk-weight approach, a full internal models approach, or a partially modeled approach to measuring required capital for equity exposures.

Operational Risk. Schedule S requests data on respondents' operational risk exposure. Data items submitted in this schedule include various details about historical operational losses, on a stand-alone and group-wide basis, for the current reporting period and those historical operational losses used to model operational risk capital. The schedule also requests data related to scenarios, distribution assumptions, and loss caps used to model operational risk capital.

³ Unlike the wholesale credit exposure reporting schedules, the PD ranges for retail exposures differ from sub-portfolio to sub-portfolio.

⁴ For qualifying revolving exposures and other (non-mortgage) retail exposures, the exposure at default of accounts under two years old is reported instead of weighted average age for each sub-portfolio exposure segment.

Respondent Panel

The FFIEC 101 panel consists of SMBs, BHCs, SLHCs, and other Board-regulated institutions that are subject to the advanced approaches framework pursuant to subpart E of the Board's Regulation Q (12 CFR Part 217, Subpart E), as well as, with regard to Schedule A, SLR Tables 1 and 2, Category III SMBs, BHCs, SLHCs, and IHCs.

Proposed Revisions to the FFIEC 101

Tailoring Rules

On November 1, 2019, the agencies published a final rule to revise the criteria for determining the applicability of regulatory capital and liquidity requirements for large U.S. banking organizations and the U.S. intermediate holding companies of certain foreign banking organizations (tailoring final rule).⁵

Under the tailoring final rule, the most stringent set of standards (Category I) applies to U.S. global systemically important banks (GSIBs). The second set of standards (Category II) applies to banking organizations that are very large or have significant international activity, but are not GSIBs. Like Category I, this category generally includes standards that reflect agreements reached by the Basel Committee on Banking Supervision. All banking organizations subject to Category I and Category II standards are advanced approaches institutions. The third set of standards (Category III) applies to banking organizations with \$250 billion or more in total consolidated assets that do not meet the criteria for Category I or II. This set of standards also applies to banking organizations with total consolidated assets of \$100 billion or more, but less than \$250 billion, that meet or exceed other specified risk-based indicators. The fourth set of standards (Category IV) applies to banking organizations with total consolidated assets of \$100 billion or more that do not meet the thresholds for one of the other categories.

Under the tailoring final rule, depository institution subsidiaries generally are subject to the same category of standards that apply at the holding company level.⁶

Based on the capital and liquidity requirements that would apply to institutions subject to Category I, II, III, or IV capital standards in the tailoring final rule, the agencies propose to amend the FFIEC 101 to clarify the reporting requirements for those institutions that would be subject to the tailoring final rule. Specifically, the agencies propose changes to FFIEC 101 Schedule A, Advanced Approaches Regulatory Capital, for institutions subject to Category III capital standards.⁷

⁵ Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements, 84 FR 59230 (November 1, 2019); Prudential Standards for Large Bank Holding Companies, Savings and Loan Holding Companies, and Foreign Banking Organizations, 84 FR 59032 (November 1, 2019).

⁶ However, standardized liquidity requirements apply only to depository institution subsidiaries with \$10 billion or more in total consolidated assets under Categories I through III, and such requirements do not apply to depository institution subsidiaries under Category IV.

⁷ The agencies do not believe reporting form or instructional clarifications are needed to reflect capital requirements that would apply to institutions subject to Category I, II, or IV capital standards under the tailoring final rule.

To implement this change, the agencies propose to revise the instructions to state that top-tier Category III BHCs, SLHCs, SMBs, and IHCs must complete FFIEC 101 Schedule A, SLR Tables 1 and 2, only.⁸

Supplementary Leverage Ratio for Certain Central Bank Deposits of Custodial Banks Rule

On November 19, 2019, the agencies announced that they had finalized the proposed revisions to the SLR for certain central bank deposits of banking organizations predominantly engaged in custodial activities.⁹ The final rule, which implements section 402 of the Economic Growth, Regulatory Relief, and Consumer Protection Act,¹⁰ takes effect April 1, 2020. Section 402 directs the agencies to amend the capital rule¹¹ to exclude from the SLR certain central bank deposits of custodial banks. Section 402 defines a custodial bank as any depository institution holding company predominantly engaged in custody, safekeeping, and asset servicing activities, including any insured depository institution subsidiary of such a holding company.

In order to reflect the regulatory changes of the final rule that implements section 402, the agencies propose to revise the total leverage exposure calculation that would be reported on the FFIEC 101, Schedule A. Currently, there are two calculations for the total leverage exposure in Schedule A, one is contained in SLR Table 1 and the other is in SLR Table 2. The agencies propose to add a new data item to both tables in FFIEC 101 Schedule A for the qualifying central bank deduction. The new reporting item would be placed between existing data items 1.7 and 1.8 in SLR Table 1, with the instructions for the total leverage exposure expected to include the new reporting item in the total calculation. Similarly, for SLR Table 2, the new reporting item would be placed between data items 2.2 and 2.3 and the total leverage exposure would be modified to include the new reporting item in the total calculation.

Standardized Approach for Counterparty Credit Risk on Derivative Contracts Rule

On January 24, 2020, the agencies published a final rule to implement a new approach for calculating the exposure amount of derivative contracts under the capital rule: the standardized approach for counterparty credit risk (SA-CCR) (SA-CCR final rule).¹²

Under the final rule, an advanced approaches banking organization may use SA-CCR or the internal models methodology to calculate its advanced approaches total risk-weighted assets, and must use SA-CCR, instead of the current exposure methodology (CEM), to calculate its

⁸ Any Category III banking organization that is a consolidated subsidiary of a top-tier Category III bank holding company, savings and loan holding company, or insured depository institution would not complete or file any part of the FFIEC 101. Those subsidiary banking organizations would report SLR data on Schedule RC-R of the Call Reports.

⁹ See the custodial bank SLR final rule attached to OCC News Release 2019-135 (<https://www.occ.gov/news-issuances/news-releases/2019/nr-ia-2019-135.html>), Board Press Release (<https://www.federalreserve.gov/newsevents/pressreleases/bcreg20191119a.htm>), and FDIC Press Release 109 2019 (<https://www.fdic.gov/news/news/press/2019/pr19109.html>), all of which are dated November 19, 2019.

¹⁰ Pub.L. 115-174.

¹¹ See 12 CFR Part 3 (OCC); 12 CFR Part 217 (Board); 12 CFR Part 324 (FDIC).

¹² 85 FR 4362 (January 24, 2020).

standardized total risk-weighted assets. A non-advanced approaches banking organization may use the CEM or SA-CCR to calculate its standardized total risk-weighted assets. The final rule also implements SA-CCR in other aspects of the capital rule. Notably, the final rule requires an advanced approaches banking organization to use SA-CCR to determine the exposure amount of derivative contracts included in the banking organization's total leverage exposure, the denominator of the SLR. In addition, the final rule incorporates SA-CCR into the cleared transactions framework and makes other amendments, generally with respect to cleared transactions.

An advanced approaches institution must report the exposure amount of its derivatives in SLR Table 2 of FFIEC 101 Schedule A. The Board proposes to revise the instructions for SLR Table 2 consistent with the SA-CCR final rule. In particular, the instructions would state that institutions that are required to use SA-CCR for the purpose of the SLR would apply the SA-CCR-based exposure amount without consideration of the various collateral items currently listed in the instructions for SLR Table 2. Institutions that continue to use the CEM would continue to complete SLR Table 2 in the same manner as currently.

Time Schedule for Information Collection

The FFIEC 101 is collected quarterly as of the end of the last calendar day of March, June, September, and December. Respondents must begin reporting on the FFIEC 101, Schedule A, except for a few specific line items, beginning with the calendar quarter immediately following the quarter in which the respondent becomes an advanced approaches or Category III banking institution (Schedule A, SLR Tables 1 and 2 only for Category III banking institutions), or elects to use the advanced approaches rule (an opt-in institution), and must begin reporting data on the remaining schedules (except for Category III banking institutions) of the FFIEC 101 at the end of the first quarter in which they have begun their parallel run period.

The report due dates are 60 days following the end of a quarter while a respondent is in its parallel run period. After completing its parallel run period, the report due dates are the same as the report due dates currently required of respondents when filing their respective Call Report or FR Y-9C¹³. SMBs must submit the FFIEC 101 to the appropriate Federal Reserve Bank within thirty calendar days following the as-of date; a five-day extension may be given to banks with more than one foreign office. BHCs, SLHCs, and IHCs must submit the FFIEC 101 to the appropriate Federal Reserve Bank within forty calendar days after the March 31, June 30, and September 30 as of dates unless that day falls on a weekend or holiday (received on the first business day after the Saturday, Sunday, or holiday) and within forty-five calendar days after the December 31 as of date.

In general, a reporting entity should maintain in its files a signed and attested record of its completed FFIEC 101 report, including any amended reports, and the related work papers and supporting documentation for five years after the report date, unless there are applicable state requirements that mandate a longer retention time.

¹³ Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB Number 7100-0036) and the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB Number 7100-0128).

Public Availability of Data

For report dates before a reporting institution has completed its parallel run period, Schedule A will be available to the public, except for items 78 (total eligible credit reserves calculated under the advanced approaches rules), 79 (amount of eligible credit reserves includable in tier 2 capital), 86 (expected credit loss that exceeds eligible credit reserves); 87 (advanced approaches risk-weighted assets), 88 (common equity tier 1 capital ratio calculated using the advanced approaches), 89 (additional tier 1 capital ratio calculated using the advanced approaches), and 90 (total capital ratio using the advanced approaches). Information reported in all other schedules of the FFIEC 101 are confidential. For report dates after a reporting institution has completed its parallel run period, all items reported in Schedules A and B (except for Schedule B, items 31.a and 31.b, column D) and items 1 and 2 of Schedule S are available to the public. All other items reported in the FFIEC 101 are confidential. Note that for both before and after an institution has completed its parallel run period, all items reported on Schedule A, SLR Tables 1 and 2, are available to the public.

Individual respondent data, excluding confidential information, are available on the National Information Center public website.

Legal Status

The Board is authorized to collect the information on the FFIEC 101 report from SMBs pursuant to section 9(6) of the Federal Reserve Act (12 U.S.C. § 324), from BHCs pursuant to section 5(c) of the Bank Holding Company Act of 1956 (BHC Act) (12 U.S.C. § 1844(c)(1)(a)), from SLHCs pursuant to section 10 of the Home Owners' Loan Act (12 U.S.C. § 1467a(b)(2)), and from IHCs pursuant to section 5(c) of the BHC Act (12 U.S.C. § 1844(c)(1)(A)), as well as pursuant to sections 102(a)(1) and 165 of the Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. §§ 5311(a)(1) and 5365),¹⁴ and sections 8(a) and 13(a) of the International Banking Act of 1978 (12 U.S.C. §§ 3106(a) and 3108(a)). The quarterly FFIEC 101 report is mandatory for reporting institutions.

For report dates before a reporting institution has completed its parallel run period, Schedule A, except for items 78, 79, and 86-90, is released to the public. Items 78, 79, and 86-90 on Schedule A and all of the information reported in Schedules B through S are withheld as confidential. For report dates after an institution has completed its parallel run period, all of the data items in Schedules A and B, except for Schedule B, items 31.a and 31.b, column D, and data items 1 and 2 of Schedule S are released to the public. Data items 31.a and 31.b, column D of

¹⁴ Section 165(b)(2) of Title I of the Dodd-Frank Act (12 U.S.C. § 5365(b)(2)), refers to “foreign-based bank holding company.” Section 102(a)(1) of the Dodd-Frank Act (12 U.S.C. § 5311(a)(1)), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106(a)). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act (12 U.S.C. § 5365(b)(1)(B)(iv)), certain of the foreign banking organizations that are subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides additional authority to require U.S. IHCs to report the information contained in the FFIEC 101 report.

Schedule B, and all of the data items in Schedules C through S, except for Schedule S, data items 1 and 2, continue to be withheld as confidential after the institution's parallel run period is completed.

Data items 78, 79, and 86-90 of Schedule A collect information on total eligible credit reserves, risk weighted assets, tier one capital ratios and other data calculated using advanced approaches. Schedule B contains summary information about risk-weighted assets and aggregated information that underlie the calculation of risk-weight assets using advanced approaches. Data items 1 and 2 of Schedule S reflect high-level information on an institution's total risk-based capital requirement for operational risk. During the parallel run period, supervisors may request a banking organization amend its internal models, risk measurement, and management infrastructure to implement calculations using advanced approaches. Public disclosure of the above referenced data items before the parallel run period is completed could lead investors, competitors, and the public to misjudge the financial health of the institutions, when in fact there has been no change to their underlying fundamentals and, therefore, could result in substantial competitive harm. Thus, data items 78, 79, and 86-90 of Schedule A, all of Schedule B (except for data items 31.a and 31.b, column D), and data items 1 and 2 of Schedule S only will be released to the public by the FFIEC for the reporting periods after the institution's parallel run period is completed.¹⁵ Before completion of the parallel run period, such information may be withheld as confidential pursuant to exemption 4 of the Freedom of Information Act (FOIA), which exempts from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (5 U.S.C. § 552(b)(4)).

Data items 31.a and 31.b, column D of Schedule B, data items 3-24 of Schedule S, and all of the data items in Schedules C through R. The data items found in these schedules contain more detailed information than are included in the public schedules, including sensitive information breaking down individual banking organization exposures to borrowers by probability of default, exposures at default, and detailed information on the data used to model operational risk capital. Disclosure of this information could result in substantial competitive harm to the reporting institution, particularly because other financial institutions, which are not required to publicly report such data, would competitively benefit from the public disclosure of such detailed information by each reporting institution. Accordingly, these items are withheld as confidential pursuant to exemption 4 of the FOIA after the parallel run period.

If a reporting institution believes that disclosing the data items designated for public disclosure on the FFIEC 101 report is reasonably likely to result in substantial harm to its competitive position, then consistent with exemption 4 of the FOIA, the respondent may request confidential treatment for such information, which will be evaluated on a case-by-case basis.

Finally, the Board uses data from the FFIEC 101 to supplement on-site examination processes. Therefore, this information can be kept confidential under exemption 8 of FOIA (5 U.S.C. § 552(b)(8)), which specifically exempts from disclosure information "contained in or

¹⁵ Before determining an institution's risk-based capital requirements, the institution must conduct a parallel run of no less than four consecutive calendar quarters during which it complies with the qualification requirements in 12 CFR 217.122 to the Board's satisfaction (12 CFR 217.121).

related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.”

Consultation Outside the Agency

The Board, FDIC, and OCC coordinated in developing these revisions.

Public Comments

On October 4, 2019, the agencies, under the auspices of the FFIEC, published an initial notice in the *Federal Register* (84 FR 53227) requesting public comment for 60 days on the extension, with revision, of the FFIEC 101. The comment period for this notice expired on December 3, 2019. The agencies received four comments in response to this notice.

Two commenters recommended that Category III institutions should not be required to file the FFIEC 101. Such institutions are not required to calculate risk-weighted assets according to the advanced approaches rule, but are subject to the SLR. Thus, the only portions of the FFIEC 101 report applicable to Category III institutions are SLR Tables 1 and 2. However, one commenter noted that depository institution subsidiaries of Category III institutions, which are themselves considered Category III institutions, are not required to complete these two tables in the FFIEC 101 and instead report specified SLR data only in Call Report Schedule RC-R, Part I.

In support of their recommendation to eliminate SLR data from the FFIEC 101, these commenters asserted that holding companies that report detailed SLR information in the FFIEC 101 report duplicate information in the Board’s FR Y-15.¹⁶ However, the instructions for the FR Y-15 state that “[i]f the banking organization files the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101) for the same reporting period, then”¹² data items in Schedule A of the FR Y-15 “will be populated automatically” from the corresponding data items reported in FFIEC 101 SLR Table 2. Furthermore, the FR Y-15 does not collect data comparable to the data reported in FFIEC 101 SLR Table 1, “Summary comparison of accounting assets and total leverage exposure.”

Both commenters also noted that Table 13 of the Pillar 3 disclosures requires certain institutions to disclose the same SLR information as is reported in FFIEC 101 SLR Tables 1 and 2. These commenters also cited these Pillar 3 disclosures as a reason for eliminating the SLR Tables from the FFIEC 101. However, the agencies’ capital rule provides that the management of an institution required to make the Pillar 3 public disclosures may provide all of the required disclosures in one place on its public website “or may provide the disclosures in more than one public financial report or other regulatory reports,” provided the institution “publicly provides a summary table specifically indicating the location(s) of all such disclosures.” Thus, an institution could satisfy the Table 13 disclosure requirement through the use of FFIEC 101 SLR Tables 1 and 2, the location of which would be provided in the institution’s summary table.

Although the agencies recognize the existence of overlaps between the SLR information in the FR Y-15, Table 13 of the Pillar 3 disclosures, and SLR Tables 1 and 2 of the FFIEC 101,

¹⁶ Banking Organization Systemic Risk Report (FR Y-15; OMB No. 7100-0352).

the latter serves, or can serve, as the source for some or all of the SLR information in the other two. Therefore, the agencies do not agree with the comments that SLR Tables 1 and 2 in the FFIEC 101 duplicate other available information and will retain these tables.

In addition, one commenter suggested that if the requirement to complete SLR Tables 1 and 2 is retained for top-tier Category III banking organizations, as proposed, “a change to Line 2.20 Tier 1 capital for Category III firms to account for Tier 1 capital calculation differences would be appropriate.” On the FFIEC 101 reporting form, the caption for Item 2.20 currently says, “Tier 1 capital (from Schedule A, item 45).” The agencies note that the existing instructions for Item 2.20 already state that an institution “that does not complete Schedule A, except for the SLR disclosures, must use the corresponding item as reported on the institution’s Schedule RC-R of the Call Reports or Schedule HC-R of the FR Y-9C, as applicable.” Thus, the Item 2.20 instructions already address the commenter’s suggestion. However, the agencies will modify the caption for Item 2.20 to clarify the source for the amount of Tier 1 capital to be reported in this item.

The agencies did not receive comments specifically addressing their proposals to revise the instructions for FFIEC 101 Schedule A, SLR Table 2, consistent with the SA-CCR final rule.

However, for purposes of reporting notional amounts of derivatives in the FFIEC 101, one commenter recommended that the agencies determine whether the notional amount as defined in U.S. GAAP¹⁷ or under the SA-CCR final rule should be used when an institution must report the notional amount of derivative contracts in Schedule A, SLR Table 2. The agencies believe that the SA-CCR notional amount should be reported in Schedule A, SLR Table 2 only for those derivative contracts for which an institution uses SA-CCR to calculate their exposure amounts when the institution determines its standardized total risk-weighted assets. For derivative contracts for which an institution uses CEM to calculate exposure amounts, the notional amounts to be reported should be based on the definition in U.S. GAAP. The agencies will revise the instructions for Schedule A, SLR Table 2 in this manner.

On January 27, 2020, the agencies, under the auspices of the FFIEC, published a final notice in the *Federal Register* (85 FR 4780).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FFIEC 101 is 46,060 hours, and would decrease to 35,276 hours with the proposed revisions, mostly due to the decrease in the number of advanced approaches banking organizations resulting from the final tailoring rule. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

¹⁷ See Accounting Standards Codification Section 815-10-20.

FFIEC 101	<i>Estimated number of respondents</i> ¹⁸	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current				
SMBs	4	4	674	10,784
BHCs and SLHCs	13	4	677	35,204
IHCs	6	4	3	<u>72</u>
<i>Current Total</i>				46,060
Proposed				
SMBs	4	4	674	10,784
BHCs and SLHCs	9	4	677	24,372
BHCs and SLHCs (SLR Tables 1 and 2 only)	4	4	3	48
IHCs	6	4	3	<u>72</u>
<i>Proposed Total</i>				35,276
<i>Change</i>				(10,784)

The current estimated total annual cost to the public for the FFIEC 101 is \$2,653,056 and would decrease to \$2,031,898 with the proposed revisions.¹⁹

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this information collection is \$157,700 per year.

¹⁸ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), <https://www.sba.gov/document/support-table-size-standards>.

¹⁹ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$19, 45% Financial Managers at \$71, 15% Lawyers at \$69, and 10% Chief Executives at \$96). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2018*, published March 29, 2019, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Occupational Classification System, <https://www.bls.gov/soc/>.