

SUPPORTING STATEMENT

ADVANCED CAPITAL ADEQUACY FRAMEWORK REGULATORY REPORTING REQUIREMENTS

FFIEC 101
(OMB No. 3064-0159)

INTRODUCTION

The FDIC is requesting Office of Management and Budget (OMB) approval for a three-year extension, with revision, of the quarterly regulatory reporting requirements established by the Federal Financial Institutions Examination Council (FFIEC) for banks, savings associations, bank holding companies, savings and loan holding companies, and U.S. intermediate holding companies that must apply the advanced approaches risk-based capital rule (Advanced Capital Adequacy Framework or advanced approaches rule) for regulatory capital purposes.¹ Such institutions are referred to as advanced approaches institutions² and must submit the FFIEC 101, Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework. In addition, top-tier Category III bank holding companies, savings and loan holding companies, and insured depository institutions, and all Category III U.S. intermediate holding companies, must complete FFIEC 101 Schedule A, Supplementary Leverage Ratio Tables 1 and 2, only and would not complete or file any other part of the FFIEC 101.

The Federal Reserve Board (FRB or Board) and the Office of the Comptroller of the Currency (OCC) are also submitting requests to OMB for a three-year extension, with revision, of the FFIEC 101 for the advanced approaches institutions under their supervision. The FFIEC, of which the FDIC, the FRB, and the OCC (collectively, the agencies) are members, has approved the proposed revisions to the FFIEC 101 reporting requirements.

In summary, the agencies are proposing to revise the FFIEC 101 information collections to implement various changes to the agencies' regulatory capital rules in response to several recently adopted final rules. The changes to the agencies' regulatory capital rules are the tailoring rule,³ the supplementary leverage ratio (SLR) revisions for certain central bank deposits of custodial banks,⁴ the rule for the standardized approach for counterparty credit risk (SA-CCR) on derivative contracts,⁵ and the high volatility commercial real estate (HVCRE) exposures rule.⁶

¹ See the advanced approaches risk-based capital rule: 12 CFR part 3, subpart E (OCC); 12 CFR part 217, subpart E (FRB); and 12 CFR part 324, subpart E (FDIC).

² Under the agencies' recently adopted tailoring final rule (see 84 FR 59231 (November 1, 2019)), institutions subject to Category I and II capital standards, and consolidated subsidiaries of such institutions, are advanced approaches institutions.

³ See 84 FR 59231 (November 1, 2019).

⁴ See 85 FR 4569 (January 27, 2020).

⁵ See 85 FR 4362 (January 24, 2020).

⁶ See 84 FR 68019 (December 13, 2019).

The agencies propose to make the capital-related reporting changes identified above effective the same quarters as the effective dates of the related final capital rules. Thus, the revisions to the FFIEC 101 for the tailoring rule would take effect March 31, 2020. The FFIEC 101 revisions would take effect June 30, 2020, for the custodial bank SLR final rule, the SA-CCR final rule, and the HVCRE exposures final rule. However, the mandatory compliance date for reporting in accordance with the SA-CCR final rule is the March 31, 2022, report date.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The U.S. implementation of the Advanced Capital Adequacy Framework was initially detailed in the agencies' Risk Based Capital Standards: Advanced Capital Adequacy Framework – Basel II. This final rule was published on December 7, 2007 (72 FR 69288), and became effective April 1, 2008. The Basel II final rule includes an advanced internal ratings-based approach for calculating regulatory credit risk capital and advanced measurement approaches for calculating regulatory operational risk capital. The agencies approved revisions to the Advanced Capital Adequacy Framework as part of their comprehensive revisions to the regulatory capital rules adopted in July 2013: 78 FR 62018, October 11, 2013 (FRB and OCC); 78 FR 55340, September 10, 2013 (FDIC). These revisions took effect for advanced approaches institutions on January 1, 2014.

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).⁷ 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. 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. The third 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.⁸

⁷ See 84 FR 59230 (November 1, 2019).

⁸ 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.

As a result of the tailoring final rule, a bank, savings association, bank holding company, savings and loan holding company, or U.S. intermediate holding company⁹ must apply the Advanced Capital Adequacy Framework if it:

- (i) Is a U.S. global systemically important bank holding company;
- (ii) Has consolidated total assets based on the average of the four most recent calendar quarters, for the most recent quarter or the average of the most recent quarters, as applicable, equal to \$700 billion or more;
- (iii) Has cross-jurisdictional activity based on the average of the four most recent calendar quarters, for the most recent quarter or the average of the most recent quarters, as applicable, equal to \$75 billion or more;
- (iv) Is a subsidiary of a depository institution that uses the Advanced Capital Adequacy Framework to calculate its total risk-weighted assets;
- (v) Is a subsidiary of a bank holding company or savings and loan holding company that uses the Advanced Capital Adequacy Framework its total risk-weighted assets; or
- (vi) Elects to use the Advanced Capital Adequacy Framework to calculate its total risk-weighted assets.

Such an institution must begin reporting on the FFIEC 101, Schedule A, except for a few specific line items, at the end of the quarter after the quarter in which the institution triggers one of the four threshold criteria for applying the Advanced Capital Adequacy Framework or elects to use the framework (an opt-in institution), and must begin reporting data on the remaining schedules of the FFIEC 101 at the end of the first quarter in which the institution has begun its parallel run period.

A fundamental aspect of the Advanced Capital Adequacy Framework is the use of a bank's internal risk estimates for many of the parameters used to derive risk-weighted assets. The FFIEC 101 report provides the agencies and, to a limited extent, the public a basis for comparing the main risk estimates (on an aggregated basis) that underlie a bank's risk-based capital measures across institutions and over time.

In September 2014, the agencies approved a final rule revising the definition of the denominator of the supplementary leverage ratio (SLR) (i.e., total leverage exposure) that had been adopted in July 2013 as part of comprehensive revisions to the agencies' regulatory capital rules.¹⁰ The final rule revised total leverage exposure as defined in the 2013 rule to include the effective notional principal amount of credit derivatives and other similar instruments through which a banking organization provides credit protection (sold credit protection); modified the calculation of total leverage exposure for derivative and repo-style transactions; and revised the credit conversion factors applied to certain off-balance sheet exposures. The final rule also changed the frequency with which certain components of the SLR are calculated and establishes public disclosure requirements for certain items associated with the SLR. The final rule was effective January 1, 2015.

⁹ For simplicity, and unless otherwise indicated, the term "bank" includes banks, savings associations, bank holding companies, savings and loan holding companies, and U.S. intermediate holding companies.

¹⁰ See 79 FR 57725 (September 26, 2014).

Under the tailoring final rule, all banking organizations subject to the advanced approaches rule must report SLR data in SLR Tables 1 and 2 of FFIEC 101 Schedule A unless the banking organization is:

- (i) a consolidated subsidiary of a bank holding company, savings and loan holding company, or depository institution that is subject to the disclosure requirements in Table 13 of section 173 of the advanced approaches rule, or
- (ii) a subsidiary of a non-U.S. banking organization that is subject to comparable public disclosure requirements in its home jurisdiction.

In addition, under the tailoring final rule, these SLR tables are also required to be completed by top-tier Category III bank holding companies, savings and loan holding companies, and insured depository institutions, and all Category III U.S. intermediate holding companies, but these entities would not complete or file any other part of the FFIEC 101.

The proposed changes to the FFIEC 101 report that are the subject of this submission are as follows:

Changes to Implement the Tailoring Final Rule

The tailoring final rule, which is effective for the first quarter of 2020, revises 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. As described above in this Item 1, separate sets of standards apply to entities designated Category I, Category II, Category III, and Category IV. The tailoring rule would narrow the scope of institutions calculating risk-weighted assets under the advanced approaches to Category I and II institutions.

To implement the regulatory capital changes for institutions subject to Category III capital standards from a regulatory reporting perspective, the agencies would revise the instructions for the scope of the FFIEC 101. Specifically, because Category III institutions are not required to calculate risk-weighted assets according to the advanced approaches rule, the FFIEC 101 instructions would be revised to clarify that top-tier Category III bank holding companies, savings and loan holding companies, and insured depository institutions, and all Category III U.S. intermediate holding companies, must complete FFIEC 101 Schedule A, SLR Tables 1 and 2, only and would not complete or file any other part of the FFIEC 101. In addition, any Category III banking organization that is a consolidated subsidiary of a top-tier Category III bank holding company, savings and loan holding company, U.S. intermediate holding company, or insured depository institution would not complete or file any part of the FFIEC 101. All Category IV institutions would not complete or file any part of the FFIEC 101.

Changes to Implement the Custodial Bank Supplementary Leverage Ratio Final Rule

The agencies have revised the regulatory capital rule, effective April 1, 2020, to allow banking organizations predominantly engaged in custodial activities to exclude deposits held at certain

central banks from their total leverage exposure when calculating the supplementary leverage ratio. To implement this change in the FFIEC 101, the agencies would revise the total leverage exposure calculation that would be reported on the FFIEC 101 Schedule A through the addition of a new data item for the qualifying central bank deduction to the calculations of the total leverage exposure in SLR Tables 1 and 2 of this schedule. The new reporting item would be placed between existing data items 1.7 and 1.8 in SLR Table 1 and between data items 2.2 and 2.3 in SLR Table 2.

Changes to Implement the Standardized Approach for Counterparty Credit Risk on Derivative Contracts

The agencies' final rule for the standardized approach for counterparty credit risk (SA-CCR) implements a new approach for calculating the exposure amount of derivative contracts under the regulatory capital rule. This final rule takes effect April 1, 2020, with a mandatory compliance date of January 1, 2022.

The final rule replaces the current exposure methodology (CEM) with SA-CCR in the capital rule for advanced approaches institutions (i.e., Category I and II banking organizations). It will require such institutions to use SA-CCR to calculate their standardized total risk-weighted assets and permits non-advanced approaches banking organizations the option of using SA-CCR in place of CEM to calculate the exposure amount of their noncleared and cleared derivative contracts. Advanced approaches institutions would have to choose either SA-CCR or the internal models methodology (IMM) to calculate the exposure amount of their noncleared and cleared derivative contracts when calculating their risk-based capital under the advanced approaches. The final rule provides for the eventual elimination of the current methods under CEM for advanced approaches institutions to determine the risk-weighted asset amount for their default fund contributions to a central counterparty (CCP) or a qualifying central counterparty (QCCP) and implements a new and simpler method that would be based on the banking organization's pro-rata share of the CCP's and QCCP's default fund.

The final rule also requires advanced approaches institutions to use SA-CCR to determine the exposure amount of derivative contracts for purposes of calculating total leverage exposure for the supplementary leverage ratio. If an institution subject to Category III capital standards chooses to use SA-CCR to calculate its total risk-weighted assets, it must use SA-CCR to determine the exposure amount of derivative contracts for its total leverage exposure. The final rule also allows a clearing member banking organization to recognize the counterparty credit risk-reducing effect of client collateral in replacement cost and potential future exposure for purposes of calculating total leverage exposure under certain circumstances.

With the implementation of SA-CCR, the agencies are not revising the FFIEC 101 reporting form. However, in connection with their calculation of the supplementary leverage ratio, Category I, II, and III banking organizations must report the exposure amount of their derivatives in SLR Table 2 of FFIEC 101 Schedule A. Thus, the agencies would revise the instructions for SLR Table 2 to be consistent with SA-CCR. Institutions that continue to use the CEM would use the existing FFIEC 101 Schedule A instructions to complete SLR Table 2.

Changes to Implement the Definitional Change for High Volatility Commercial Real Estate (HVCRE) Exposures

The agencies have adopted a final rule that conforms the HVCRE exposure definition in the regulatory capital rule to the statutory definition enacted in 2018 and clarifies the capital treatment for loans that finance the development of land under the revised HVCRE exposure definition. This final rule takes effect April 1, 2020. The changes to the HVCRE exposure definition would affect the reporting of such exposures in Schedule G—Wholesale Exposures—High Volatility Commercial Real Estate in the FFIEC 101. Therefore, the agencies would make conforming revisions to the FFIEC 101 instructions to align with the new HVCRE exposure definition in the final rule effective as of the June 30, 2020, report date. No revisions to the FFIEC 101 reporting form are necessary.

2. Use of the information:

The FFIEC 101 reporting requirements entail the quarterly collection of detailed information, encompassing up to approximately 2,700 data elements on nineteen schedules, that pertains to the main components of a respondent bank's regulatory capital and risk-weighted asset calculations under the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable. The FDIC uses the information collected through these reporting requirements in the following ways:

- To assess and monitor the levels and components of each reporting bank's regulatory capital requirements and the adequacy of the bank's capital under the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable;
- To evaluate the impact and competitive implications of the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable, on individual reporting banks and on an industry-wide basis; and
- To supplement on-site examination processes at individual reporting banks.

The reporting schedules also assist banks in understanding expectations around the system development necessary for implementation and validation of the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable. Submitted FFIEC 101 report data that are released publicly on an individual institution basis also provide other interested parties with information about advanced approaches institutions' and Category III institutions' regulatory capital.

By incorporating the complete international leverage ratio common disclosure template into SLR Tables 1 and 2 of FFIEC 101 Schedule A, the agencies also ensure transparency and comparability of reporting of regulatory capital elements among internationally active banks.

3. Consideration of the use of improved information technology:

All banks and savings associations are subject to an electronic filing requirement for the FFIEC 101 Report. In this regard, the agencies have created a secure shared database for collecting,

managing, validating, and distributing report data. This database system, the Central Data Repository (CDR), was implemented in 2005 and is the only method available to banks and savings associations for submitting their FFIEC 101 Report data. Under the CDR system, institutions file their FFIEC 101 Report data via the Internet.

4. Efforts to identify duplication:

There is no other report that collects information pertaining to a bank's regulatory capital calculations under the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable, at the insured institution level. The Basel II final rule requires certain related public disclosures (referred to as Pillar 3 disclosures) at the consolidated holding company level. However, the regulatory reporting requirements in the FFIEC 101 report are generally more detailed than Pillar 3 disclosures, requiring reporting of greater detail about aggregated risk estimates underlying the calculation of a bank's risk-based capital ratios, and are also more standardized in terms of the breakdown of reported portfolio exposures and reported ranges of risk estimates. In addition, while the regulatory reporting requirements apply to large, internationally active organizations and their depository institution subsidiaries, the Pillar 3 disclosures are not made by these subsidiary institutions. Thus, the Pillar 3 disclosures would not be an acceptable substitute for the Advanced Capital Adequacy Framework Regulatory Reporting Requirements.

Tables 1 and 2 of FFIEC 101 Schedule A collect information related to the agencies' SLR disclosures required in Table 13 of section 173 of the advanced approaches rule. Completing the FFIEC 101 items for the SLR satisfies a bank's requirement to disclose Table 13 and thereby avoids duplication.

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

This information collection will not have a significant economic impact on a substantial number of small entities. Category I and II banking organizations that are subject to the Advanced Capital Adequacy Framework on a mandatory basis are large (\$700 billion or more in consolidated assets) or internationally active organizations (\$75 billion or more in cross-jurisdictional activity) and their depository institution subsidiaries. Category III banking organizations that are subject to the supplementary leverage ratio have \$250 billion or more in total consolidated assets, but do not meet the criteria for Category I or II, or have total consolidated assets of \$100 billion or more, but less than \$250 billion, and meet or exceed other specified risk-based indicators. Category III also includes the depository institution subsidiaries of such banking organizations. As a consequence, the advanced approaches rule and the supplementary leverage ratio, and the corresponding FFIEC 101 reporting requirements, have limited applicability to small institutions, including the approximately 2,700 FDIC-supervised institutions with assets of \$600 million or less.

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

Less frequent reporting would reduce the ability of the FDIC to identify and respond in a timely manner to noncompliance with minimum regulatory capital ratios, adverse risk trends that become apparent in the forward-looking risk estimates reported by Category I and II respondents, and evidence of risk estimates that call into question the accuracy of a Category I or II bank's capital calculation or place other institutions with similar types of exposures at a competitive disadvantage. To be most useful as an off-site analytical tool, these reports are intended to correspond to the frequency and timing of other regulatory submissions including the Consolidated Reports of Condition and Income (Call Report)¹¹ and the FRB's Bank Holding Company FR Y-9C report.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):

There are no special circumstances. This information collection is conducted in accordance with the guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

On October 4, 2019, the FDIC, the FRB, and the OCC jointly published an initial Paperwork Reduction Act Federal Register notice proposing to extend, with revision, the FFIEC 101 and the Call Report¹² (84 FR 53227). The comment period ended on December 3, 2019. The agencies received comments on the proposed reporting changes covered in the notice from four entities: three bankers' associations and one savings association. Most of the comments received pertained to the Call Report. After carefully considering the comments received on the October 2019 notice that addressed the FFIEC 101, the agencies are adopting the FFIEC 101 reporting changes proposed in that notice (except for those for one regulatory capital rulemaking that has not yet been finalized) as proposed, but with a clarification of one caption in Supplementary Leverage Ratio Table 2. The comments received that pertain to the FFIEC 101 and the agencies' responses are discussed in the following sections.

Tailoring Final Rule Reporting Revisions – 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 supplementary leverage ratio (SLR). Thus, the only portions of the FFIEC 101 report applicable to Category III institutions are Supplementary Leverage Ratio 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-15.¹³ However, the instructions for the FR Y-15 state that "[i]f the banking organization files the Regulatory Capital Reporting for

¹¹ For the FDIC, OMB No. 3064-0052.

¹² Ibid.

¹³ Banking Organization Systemic Risk Report (FR Y-15), FRB OMB No. 3064-0352.

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 disclosures¹⁴ 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.”¹⁵ 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, 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 the agencies had 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 Report 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.

Revisions to the Supplementary Leverage Ratio for Certain Central Bank Deposits of Custodial Banks – The agencies received no comments on the proposed changes to FFIEC 101 Schedule A for the SLR for custodial banks and will implement the changes as proposed.

Standardized Approach for Counterparty Credit Risk on Derivative Contracts – The agencies did not receive comments specifically addressing their proposal to revise the instructions for FFIEC 101 Schedule A, SLR Table 2, consistent with the SA-CCR final rule.

¹⁴ See 12 CFR section 3.173 (OCC); 12 CFR section 217.173 (Board); 12 CFR section 324.173 (FDIC).

¹⁵ See 12 CFR section 3.172(c)(1) (OCC); 12 CFR section 217.172(c)(1) (Board); 12 CFR section 324.172(c)(1) (FDIC).

High Volatility Commercial Real Estate (HVCRE) Exposures – The agencies received no comments on their proposal to make conforming revisions to the FFIEC 101 instructions to align them with the new HVCRE exposure definition.

9. Payment or gifts to respondents:

No payment or gift will be provided to respondents.

10. Any assurance of confidentiality:

All data submitted in the FFIEC 101 report is shared among the agencies but, pursuant to 5 U.S.C. § 552(b)(4) and (8), these data will not be released to the public except as follows.

For report dates before an advanced approaches reporting institution has completed its parallel run period, FFIEC 101 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).

For report dates after an advanced approaches reporting institution has completed its parallel run period, all items reported in FFIEC 101 Schedules A and B and items 1 and 2 of Schedule S are available to the public.

To ensure transparency of regulatory capital data reported by banking organizations subject to Category I, II, or III capital standards, the agencies make public the SLR information collected in SLR Tables 1 and 2 of FFIEC 101 Schedule A, regardless of an advanced approaches reporting institution's parallel run status.

11. Justification for questions of a sensitive nature:

The FFIEC 101 report contains no questions of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

The proposed revisions that are the subject of this submission are not expected to result in a change in the overall reporting burden of completing the FFIEC 101 report, which is currently estimated at 674 hours per quarter, on average, for each FDIC-supervised institution required to prepare the FFIEC 101 report.

There is currently one FDIC-supervised institutions required to submit the FFIEC 101 report each quarter. The total estimated annual reporting burden for this bank is 2,696 hours. This estimate reflects considerations pertaining to the time required to complete other types of

regulatory reports as well as the greater level of detail required in the FFIEC 101 report relative to other regulatory submissions.

The annual recurring salary and employee benefit cost to the FDIC-supervised institutions that are subject to the FFIEC 101 reporting requirements for the burden hours shown above is estimated to be \$228,836. This cost is based on the application of an hourly rate of \$84.88¹⁶ to the estimated 2,696 total hours of annual reporting burden, which considers the specialized technical skills in the fields of credit risk and operational risk of those bank staff members involved in implementing the Advanced Capital Adequacy Framework who are responsible for completing the regulatory reporting requirements as well as time spent by executive officers responsible for reviewing and approving the completed FFIEC 101 report prior to submission.

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

The change in burden associated with this submission is caused by a decrease from two to one in the number of reporting institutions supervised by the FDIC required to file the FFIEC 101.

As discussed in Item 12 above, the proposed revisions to the FFIEC 101 report that are the subject of this submission are not expected to produce a change in the overall reporting burden of completing the FFIEC 101 report, which is currently estimated at 674 hours per quarter for FDIC-supervised institutions.

A comparison of the burden requested in this submission with the currently approved burden is as follows:

Currently approved burden	5,392 hours
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¹⁶ This estimate is derived from the May 2018 75th percentile hourly wage rate reported by the Bureau of Labor Statistics, National Industry-Specific Occupational Employment, and Wage Estimates for Financial Managers (\$71.49), Bookkeeping, Accounting, and Auditing Clerks (\$23.31), and Financial Specialists (\$46.29), and the mean hourly wage for Chief Executives (\$102.30) and Lawyers (\$86.14) in the Depository Credit Intermediation sector. The wage rates have been adjusted for changes in the Consumer Price Index for all Urban Consumers between May 2018 and September 2019 (2.28 percent) and grossed up by 51 percent to account for non-monetary compensation as reported by the September 2019 Employer Costs for Employee Compensation Data. Assuming that 15 percent of the work would require the skills of a chief executive at an hourly cost of \$158.05, 5 percent would require a Lawyer at an hourly cost of \$133.09, 25 percent would require a Financial Manager at an hourly cost of \$110.45, 35 percent would require a Bookkeeping, Accounting, and Auditing Clerk at an hourly cost of \$36.01, and 20 percent would require a Financial Specialist at an hourly cost of \$71.52, the hourly wage estimate for this information collection is $(0.15*158.05 + 0.05*133.09 + 0.25*110.45 + 0.35*36.01 + 0.2*71.52 = \$84.88)$.

Revisions to content of report (program change)	± 0 hours
<u>Adjustment (change in use)</u>	<u>- 2,696 hours</u>
Requested burden:	2,696 hours

Net change in burden: - 2,696 hours

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

Not applicable.

17. Exceptions to Display of expiration date:

None.

18. Exceptions to certification:

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.