These changes reflect the SCB rule; changes are effective 12-31-20.

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Please note certain items may be renumbered with the final rule due to the multi-capital proposal that was out for comment 12-27-20.

Capital Buffer for Holding Companies not Subject to the Capital Plan Rule (items ~~4~~5-47)

45

Line Item 45~~46~~ Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments.

Line Item 45~~46(a)~~ Capital conservation buffer.

Report the holding company's capital conservation buffer as a percentage, rounded to four decimal places. Except as described below, the capital conservation buffer is equal to the lowest of ratios (1), (2), (3) below:

For example, the capital conservation buffer to be reported in this item 45 for the December 31, ~~2019~~2020 report date, would be based on the capital ratios reported in Schedule HC-R, Part I, of the FR Y-9C Report for December 31, 2020~~2019~~.

For all holding companies ~~institutions~~, except advanced approaches ~~institutions~~ holding companies that exit parallel run:

(1) Schedule HC-R, Part I, item 41, Column A, less 4.5000, which is the minimum common equity tier 1 capital ratio requirement under section 10 of the regulatory capital rules;

(2) Schedule HC-R, Part I, item 42, Column A, less 6.0000 percent, which is the minimum tier 1 capital ratio requirement under section 10 of the regulatory capital rule;

(3) Schedule HC-R, Part I, item 43, Column A, less 8.0000 percent, which is the minimum total capital ratio requirement under section 10 of the regulatory capital rules.

However, if any of the three ratios calculated above is less than zero (i.e., is negative), the holding company's capital conservation buffer is zero.

For advanced approaches holding companies that exit parallel run only:

(1) The lower of Schedule HC-R, Part I, item 41, column A and column B, less 4.5000 percent, which is the minimum common equity tier 1 capital ratio requirement under section 10 of the regulatory capital rules;

(2) The lower of Schedule HC-R, Part I, item 42, column A and column B, less 6.0000 percent, which is the minimum tier 1 capital ratio requirement under section 10 of the regulatory capital rules; and

(3) The lower of Schedule HC-R, Part I, item 43, column A and column B, less 8.0000 percent, which is the minimum total capital ratio requirement under section 10 of the regulatory capital rules.

~~**Line Item 46(b) Advanced approaches holding companies that exit parallel run only.**~~

~~Report the total applicable capital buffer, as reported in FFIEC 101, Schedule A, item 64.~~

Note: Holding companies must complete items 46 and 47 if the amount in item 45 is less than or equal to the required minimum capital conservation buffer of 2.5000 percent (plus any other applicable capital buffers, if the institution is an advanced approaches holding company).

Line Item 4~~6~~7 Eligible retained income.

Report the amount of eligible retained income as the net income attributable to the holding company for the four calendar quarters preceding the current calendar quarter, based on the holding company's most recent quarterly FRY-9 report. Report, as appropriate, net of any distributions and associated tax effects not already reflected in net income. (See the instructions for Schedule HC-R, Part I, item 47~~8~~, for the definition of "distributions" from section 2 of the regulatory capital rules.)

For example, the amount of eligible retained income to be reported in this item 46~~7~~ for the ~~March~~ December 31, 2020~~16~~, report date would be based on the net income attributable to the holding company for the four calendar quarters ending on December 31, 2020~~15~~. This net income amount would equal the net income attributable to the holding company~~'s most recently reported in Schedule HI, item 14,~~ for December 31, 20~~15~~20 (i.e., after adjustments for amended Reports of Income). This net income amount would next be reduced by any distributions and associated tax effects not already reflected in net income; the resulting amount would be the eligible retained income to be reported in this item 46~~7~~. Thus, if the holding company had declared dividends on its common stock during each calendar quarter in 20~~15~~20 and had no other distributions during 20~~15~~20, the holding company would reduce its net income amount by the total amount of the dividends declared in 20~~15~~20 and report the resulting amount as its eligible net income in this item 46~~7~~.

As an additional example, the amount of eligible retained income to be reported in this item 46~~7~~ for the ~~June 30~~ March 31, 2021~~16~~, report date would be based on the net income attributable to the holding company for the four calendar quarters ending on the preceding March 31, 2021~~16~~. This net income amount would be calculated by:

(1) Subtracting the net income attributable to the holding company most recently reported in Schedule HI, item 14, for March 31, 2020~~15~~ (i.e., after adjustments for amended Reports of Income), from the net income attributable to the holding company's most recently reported in Schedule HI, item 14, for December 31, 2020~~15~~ (i.e., after adjustments for amended Reports of Income), and

(2) Adding the result from (1) above to the net income attributable to the holding company's most recently reported in Schedule HI, item 14, for March 31, 2021~~16~~ (i.e., after adjustments for amended Reports of Income).

This net income amount would next be reduced by any distributions and associated tax effects not already reflected in net income (e.g., dividends declared on the institution's common stock between April 1, 2020~~15~~, and March 31, 2021~~16~~); the resulting amount would be the eligible retained income to be reported in this item 46~~7~~.

Line Item 47~~8~~ Distributions and discretionary bonus payments during the quarter.

Report the amount of distributions and discretionary bonus payments during the calendar quarter ending on the report date.

For example, for purposes of the December 31, 2020, report date, report in item 47 the distributions and discretionary bonus payments made during the quarter ending December 31, 2020.

As defined in section 2 of the regulatory capital rules, "distribution" means:

(1) A reduction of tier 1 capital through the repurchase of a tier 1 capital instrument or by other means, except when a holding company, within the same quarter when the repurchase is announced, fully replaces a tier 1 capital instrument it has repurchased by issuing another capital instrument that meets the eligibility criteria for:

   (i) A common equity tier 1 capital instrument if the instrument being repurchased was part of the holding company's common equity tier 1 capital, or

   (ii) A common equity tier 1 or additional tier 1 capital instrument if the instrument being repurchased was part of the holding company's tier 1 capital;

(2) A reduction of tier 2 capital through the repurchase, or redemption prior to maturity, of a tier 2 capital instrument or by other means, except when a holding company, within the same quarter when the repurchase or redemption is announced, fully replaces a tier 2 capital instrument it has repurchased by issuing another capital instrument that meets the eligibility criteria for a tier 1 or tier 2 capital instrument;

(3) A dividend declaration or payment on any tier 1 capital instrument;

(4) A dividend declaration or interest payment on any tier 2 capital instrument if the holding company has full discretion to permanently or temporarily suspend such payments without triggering an event of default; or

(5) Any similar transaction that the Federal Reserve determines to be in substance a distribution of capital.

As defined in section 2 of the regulatory capital rules, "discretionary bonus payment" means a payment made to an executive officer of an institution, where:

(1) The holding company retains discretion as to whether to make, and the amount of, the payment until the payment is awarded to the executive officer;

(2) The amount paid is determined by the holding company, without prior promise to, or agreement with,

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the executive officer; and

(3) The executive officer has no contractual right, whether express or implied, to the bonus payment.

As defined in section 2 of the regulatory capital rules, “executive officer” means a person who holds the title or, without regard to title, salary, or compensation, performs the function of one or more of the following positions: president, chief executive officer, executive chairman, chief operating officer, chief financial officer, chief invest- ment officer, chief legal officer, chief lending officer, chief risk officer, or head of a major business line, and other staff that the board of directors of the holding company deems to have equivalent responsibility.

Supplementary Leverage Ratio

Line Item 48 Advanced approaches and Category III holding companies: Supplementary leverage ratio

(From FFIEC 101 Schedule A, Table 2, item 2.22)

Advanced approaches holding companies and Category III holding companies must report the supplementary leverage ratio from FFIEC 101 Schedule A, Table 2, Item 2.22.

Insert A

FR Y-9C Instructional Insert A for SCB

Risk-based Capital Buffer for Holding Companies Subject to the Capital Plan Rule Only:

For line items 49 and 50, Column A reflects buffer calculations under the standardized approach, Column B represents buffer calculations under the advanced approaches.

Line Item 49 Capital conservation buffer requirement (sum of items 49.a through 49.c)

Line Item 49(a) of which: Stress capital buffer or 2.5000 percent (for advanced approaches)

Column A: Report the holding company's stress capital buffer requirement as determined under 12 CFR 225.8.

Column B: Report 2.5000 percent, if applicable

Line Item 49(b) of which: GSIB surcharge (if applicable)

Column A: Report the holding company's GSIB surcharge as determined under 12 CFR 217.11 (c), if applicable.

Column B: Report the holding company's GSIB surcharge as determined under 12 CFR 217.11 (c), if applicable.

Line Item 49(c) of which: Countercyclical capital buffer amount (if applicable)

Column A: Report the countercyclical capital buffer amount as determined under 12 CFR 217.11 (b). If applicable, report that amount reported in FFIEC 101, Schedule A, item 66.

Column B: Report the countercyclical capital buffer amount as determined under 12 CFR 217.11 (b). If applicable, report that amount reported in FFIEC 101, Schedule A, item 66.

Line Item 50 Capital conservation buffer

Column A: Report the holding company's standardized approach capital conservation buffer as a percentage, rounded to four decimal places. Except as described below, the standardized approach capital conservation buffer is equal to the lowest of the following ratios:

(1) Schedule HC-R, Part I, item 41, Column A, less 4.5000, which is the minimum common equity tier 1 capital ratio requirement under section 10 of the regulatory capital rules;

(2) Schedule HC R, Part I, item 42 , Column A, less 6.0000 percent, which is the minimum tier 1 capital ratio requirement under section 10 of the regulatory capital rule;

(3) Schedule HC-R, Part I, item 43, Column A, less 8.0000 percent, which is the minimum total capital ratio requirement under section 10 of the regulatory capital rules.

However, if any of the three ratios calculated above is less than zero (i.e., is negative), the holding company's standardized approach capital conservation buffer is zero.

For example, for the December 31, 2020 report date, the standardized approach capital conservation buffer reported in item 50 would be equal to the lower of (1), (2), and (3) (floored at zero), using items 41, 42, and 43, respectively, as reported for the December 31, 2020 report date.

Column B: Report the holding company's advanced approaches capital conservation buffer as a percentage, rounded to four decimal places. Except as described below, the advanced approaches capital conservation buffer is equal to the lowest of the following ratios:

(1) Schedule HC-R, Part I, item 41, Column B, less 4.5000, which is the minimum common equity tier 1 capital ratio requirement under section 10 of the regulatory capital rules;

(2) Schedule HC R, Part I, item 42, Column B, less 6.0000 percent, which is the minimum tier 1 capital ratio requirement under section 10 of the regulatory capital rule Schedule

(3) HC-R, Part I, item 43, Column B, less 8.0000 percent, which is the minimum total capital ratio requirement under section 10 of the regulatory capital rules.

Leverage buffer and requirements for holding companies subject to the capital plan rule

Line Item 51 Total leverage exposure for the supplementary leverage ratio (SLR) (if applicable)

Advanced approaches and Category III holding companies must report the total leverage exposure from FFIEC 101 Schedule A, Table 2, Item 2.21.

Line Item 52 Leverage buffer requirement (if applicable)

All GSIB holding companies report 2.0000 percent.

All non-GSIB holding companies report 0.0000 percent.

Line Item 53 Leverage ratio buffer (if applicable)

For all GSIB holding companies, report the leverage buffer as a percentage, rounded to four decimal places, if applicable, from FFIEC 101 Schedule A, Table 2, Item 2.23.

The leverage buffer is equal to Schedule HC-R, item 48, less 3.0000 percent, which is the minimum leverage buffer requirement under section 10(a)(5) of the regulatory capital rules. However, if the holding company's leverage buffer calculated above is less than zero (i.e., is negative), the holding company's leverage buffer is zero.

Maximum Payout Ratios and Amounts for Holding Companies Subject to the Capital Plan Rule:

Line Item 54 Eligible retained income.

The calculation of the eligible retained income varies depending on the amount of the capital conservation buffer requirement that the holding company reports in item 49(a), and the amount of the capital conservation buffer the holding company reports in item 50.

- If the lowest ratio is determined by the standardized approach capital conservation buffer:
    - If the amount of the capital conservation buffer requirement reported in item 49(a) is greater than 2.5000 percent, and the amount of the capital conservation buffer reported in item 50 minus the amount in item 49(b) and minus the amount in 49(c) is greater than 2.5000 percent, then the eligible retained income reported in item 54 should be calculated as the net income attributable to the holding company for the four calendar quarters preceding the current calendar quarter.
    - If the amount of the capital conservation buffer requirement reported in item 49(a) is equal to 2.5000 percent or, if the amount of the capital conservation buffer reported in item 50 minus the amount in item 49(b) and minus the amount in 49(c) is less than 2.5000 percent, then the eligible retained income

reported in item 54 should be calculated as the net income attributable to the holding company for the four calendar quarters preceding the current calendar quarter, net of any distributions and associated tax effects not already reflected in net income for the four calendar quarters preceding the current calendar quarter (see the instructions for Schedule HC-R, Part I, item 47 for the definition of distributions from section 2 of the regulatory capital rules).

- If the lowest ratio is determined by advanced approaches capital conservation buffer; or, if applicable, the leverage buffer then the eligible retained income reported in item 54 should be calculated as the net income attributable to the holding company for the four calendar quarters preceding the current calendar quarter, net of any distributions and associated tax effects not already reflected in net income for the four calendar quarters preceding the current calendar quarter (see the instructions for Schedule HC-R, Part I, item 47 for the definition of distributions from section 2 of the regulatory capital rules).

For example, the amount of eligible retained income to be reported in this item 54 for the December 31, 2020, report date would be based on the net income attributable to the holding company for the four calendar quarters ending on December 31, 2020.

Line Item 55. Maximum payout ratio

Report the maximum payout ratio for the reporting institution, which corresponds to the lowest ratio determined by its standardized approach capital conservation buffer; if applicable, advanced approaches capital conservation buffer; and, if applicable, leverage buffer; as set forth in Table 2 to 12 CFR 217.11.

Line Item 56. Maximum payout amount

Report the maximum payout amount, equal to the holding company's eligible retained income (item 54) multiplied by the maximum payout ratio reported in item 55.

For example, in order to determine the maximum payout amount that a firm may pay in capital distributions and discretionary bonus payments for the first quarter of 2021, a firm would multiply its applicable maximum payout ratio by its eligible retained income. The eligible retained income used to calculate the maximum payout amount for the period from January 1, 2021 to March 31, 2021 would be based on the firm's net income for the four calendar quarters ending on March 31,2021 and the maximum payout ratio would be determined based on the capital ratios of the firm as of March 31, 2020 (as described in item 55). Firms that are subject to stress buffer requirements are expected to know their capital positions on a daily basis. If a firm has any uncertainty regarding its quarter-end capital ratios prior to filing its regulatory reports, it should be conservative with capital distributions (including buybacks) during the beginning of a calendar quarter in order to avoid a situation in which it distributes more than the amount permitted under the capital rule.

Line Item 57 Distributions and discretionary bonus payments during the quarter.

Report the amount of distributions and discretionary bonus payments made during the calendar quarter ending on the report date.

For example, for purposes of the December 31, 2020, report date, report in item 57 the distributions and discretionary bonus payments made during the quarter ending December 31, 2020.

See instructions for item 47 above for the definition of "distribution."