

**Supporting Statement for the Consolidated Reports of Condition and Income  
(Call Report) (FFIEC 031, FFIEC 041, FFIEC 051)  
OMB Control No. 1557-0081**

## **Background**

The Office of the Comptroller of the Currency (OCC), in coordination with the Federal Deposit Insurance Corporation (FDIC) and the Board of Governors of the Federal Reserve System (Board) (collectively, the agencies), each of which is submitting a separate request, hereby requests approval from the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act for a proposal to extend for three years, with revisions, the Consolidated Reports of Condition and Income (Call Report), Control No. 1557-0081. These reports are currently approved collections of information.

## **Summary of Actions and Related Revisions**

On January 24, 2020, the agencies issued a final rule<sup>1</sup> (SA-CCR final rule) that amends the regulatory capital rule to implement a new approach for calculating the exposure amount for derivative contracts for purposes of calculating total risk-weighted assets (RWA), which is called the standardized approach for counterparty credit risk (SA-CCR). The final rule also incorporates SA-CCR into the determination of the exposure amount of derivatives for total leverage exposure under the supplementary leverage ratio, and the cleared transaction framework under the capital rule. Banking institutions that are not advanced approaches institutions may elect to use SA-CCR to calculate standardized total RWA by notifying their appropriate federal supervisor.<sup>2</sup> Advanced approaches institutions are required to use SA-CCR to calculate standardized total RWA starting on January 1, 2022. Advanced approaches institutions may adopt SA-CCR prior to January 1, 2022, but must notify their appropriate federal supervisor of early adoption.<sup>3</sup>

The agencies are proposing to revise Schedule RC-R, Part I, Regulatory Capital Components and Ratios, on all versions of the Call Report by adding a new line item 31.b, “Standardized Approach for Counterparty Credit Risk opt-in election.”<sup>4</sup> This new item would identify institutions that have chosen to early adopt or voluntarily elect SA-CCR, which would allow for enhanced comparability of the reported derivative data and for better supervision of the implementation of the framework at these institutions. Due to the inherent complexity of adopting SA-CCR, this identification is particularly important for non-advanced approaches institutions that choose to voluntarily adopt SA-CCR.

### **A. JUSTIFICATION**

#### **1. *Circumstances and Need:***

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<sup>1</sup> 85 FR 4362 (Jan. 24, 2020).

<sup>2</sup> 12 CFR 3.34(a)(1)(ii) (OCC); 12 CFR 217.34(a)(1)(ii) (Board); 12 CFR 324.34(a)(1)(ii) (FDIC).

<sup>3</sup> 12 CFR 3.300(g) (OCC); 12 CFR 217.300(h) (Board); 12 CFR 324.300(g) (FDIC).

<sup>4</sup> 86 FR 38810 (July 22, 2021) (July 2021 notice).

The OCC requires the information collected on the Call Reports to fulfill its statutory obligation to supervise national banks and Federal savings associations. These institutions are required to file detailed schedules of assets, liabilities, and capital accounts in the form of a condition report and summary statement as well as detailed schedules of operating income and expense, sources and disposition of income, and changes in equity capital.

Institutions submit Consolidated Reports of Condition and Income (Call Report) data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data provide the most current statistical data available for evaluating institutions' corporate applications, identifying areas of focus for on-site and off-site examinations, and monetary and other public policy purposes. The agencies use Call Report data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than ten percent of the total amount of deposits of insured depository institutions in the United States. Call Report data are also used to calculate institutions' deposit insurance assessments and national banks' and federal savings associations' semiannual assessment fees.

Within the Call Report information collection system as a whole, there are three reporting forms that apply to different categories of banks: (1) all banks that have domestic and foreign offices (FFIEC 031), total assets of \$100 billion or more, or are Category I or II institutions (2) banks with domestic offices only (FFIEC 041), and (3) banks with domestic offices only with total assets of \$5 billion or less (FFIEC 051).

## **2. *Use of Information Collected:***

Institutions submit Consolidated Reports of Condition and Income (Call Report) data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data provide the most current statistical data available for evaluating institutions' corporate applications, identifying areas of focus for on-site and off-site examinations, and monetary and other public policy purposes. The agencies use Call Report data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than ten percent of the total amount of deposits of insured depository institutions in the United States. Call Report data are also used to calculate institutions' deposit insurance assessments and national banks' and federal savings associations' semiannual assessment fees.

## **3. *Use of Technology to Reduce Burden:***

All banks and savings associations are subject to an electronic filing requirement for Call Reports. Institutions may use information technology to the extent feasible to maintain required records and prepare their Call Reports.

## **4. *Efforts to Identify Duplication:***

There is no other series of reporting forms that collect this information from all commercial and savings banks. Although there are other information collections that are similar

to certain items on the Call Reports, the information they collect would be of limited value as a replacement for the Call Reports.

**5. *Minimizing the Burden on Small Entities:***

The agencies attempt to limit the information collected to the minimum information needed to evaluate the condition of an institution, regardless of size.

**6. *Consequences of Less Frequent Collection:***

The Federal financial regulatory agencies must have condition and income data at least quarterly to properly monitor individual bank and industry trends and to comply with a statutory requirement to obtain four reports of condition per year. 12 U.S.C. § 1817(a)(3). Less frequent collection of this information would impair the agencies' ability to monitor financial institutions and could delay regulatory response.

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

Not applicable.

**8. *Consultation with Persons Outside the OCC:***

**60-Day FRN**

On July 22, 2021, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on proposals to revise and extend the Call Reports (FFIEC 031, FFIEC 041, and FFIEC 051) to add a new item related to early or voluntary adoption of SA-CCR.<sup>5</sup>

The comment period for the July 2021 notice ended on September 20, 2021. The agencies received one comment that was generally supportive of the proposed new Call Report line item related to the SA-CCR final rule and are proceeding with that proposed revision.

**9. *Payment or Gift to Respondents:***

No payments or gifts will be given to respondents.

**10. *Confidentiality:***

Except for selected data items, the Call Report is not given confidential treatment.

**11. *Information of a Sensitive Nature:***

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<sup>5</sup> 86 FR 24755 (May 10, 2021).

No information of a sensitive nature is requested.

**12. Estimate of Annual Burden:**

**Aggregated Estimates:**

Estimated Number of Respondents: 1,090 national banks and federal savings associations.

Estimated Time per Response: 42.10 burden hours per quarter to file.

Estimated Recordkeeping Burden for Attestation: 0 hours.

Estimated Total Annual Burden: 183,556 burden hours to file.

The OCC estimates the cost of the hour burden to respondents as follows:

183,556 hours @ \$114.17/hour = \$20,956,588.52

To estimate wages, the OCC reviewed May 2020 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$114.17 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (2 percent as of Q1 2021), plus an additional 33.4 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2020 for NAICS 522: credit intermediation and related activities).

**Breakdown reflected in ICR:**

FFIEC 031: 45 respondents x 42.10 hours x 4 = 7,578 hours

FFIEC 041: 303 respondents x 42.10 hours x 4 = 51,025.20 hours

FFIEC 051: 763 respondents x 42.10 hours x 4 = 128,489.20 hours

Total: 187,092.40 hours

**13. Capital, Start-up, and Operating Costs:**

Not applicable.

**14. Estimates of Annualized Cost to the Federal Government:**

Not applicable.

**15. Change in Burden:**

The total estimated aggregated burden hours are unchanged because the agencies anticipate that the burden associated with this change is immaterial. In addition, the agencies expect few reporting institutions to early adopt or voluntarily elect SA-CCR.

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

Not applicable.

**17. *Exceptions to Expiration Date Display:***

None.

**18. *Exceptions to Certification:***

None.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.