

**Supporting Statement for the
Report of Institution-to-Aggregate Granular Data on
Assets and Liabilities on an Immediate Counterparty Basis
(FR 2510; OMB No. 7100-0376)**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, without revision, the Report of Institution-to-Aggregate Granular Data on Assets and Liabilities on an Immediate Counterparty Basis (FR 2510; OMB No. 7100-0376). The FR 2510 collects granular exposure data on the assets, liabilities, and off-balance sheet holdings of certain large banking organizations, providing breakdowns by country, instrument, currency, maturity, sector, and other factors, and also collects country exposure data on an immediate counterparty basis and detailed information on firms' derivatives exposures. The respondent panel consists of bank holding companies (BHCs) headquartered in the United States that are global systemically important BHCs (U.S. G-SIBs) under the Board's Regulation Q - Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks (12 CFR Part 217).¹ The information collected by the FR 2510 supports the Board's supervision of U.S. G-SIBs by allowing for a more complete balance sheet analysis of these firms and allows the Board to more closely monitor the systemic impacts of such firms' activities and investments.

The estimated total annual burden for FR 2510 is 18,176 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/default.aspx>.

Background and Justification

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1844(c)) authorizes the Board to require an BHC, and any subsidiaries thereof, to submit reports on its financial condition, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the BHC. Additionally, promoting financial stability is a key element in meeting the Federal Reserve's dual statutory mandate for monetary policy regarding full employment and stable prices.

In 2019, the FR 2510 was implemented in the United States as an internationally agreed upon common data template for G-SIBs (global Institution-to-Aggregate (I-A) template) designed to facilitate the aggregation and analysis of consistent and comparable data from G-SIBs based in different jurisdictions. The global I-A template was developed by the Board in cooperation with the Financial Stability Board. Implementation of the global I-A template was

¹ See 12 CFR Part 217, Subpart H; see also 12 CFR 217.400(b)(1) (applying Subpart H to an BHC that is an advanced approaches Board-regulated institution or a Category III Board-regulated institution but is not a consolidated subsidiary of an BHC and is not a consolidated subsidiary of a foreign banking organization). As of November 2020, the U.S. G-SIBs are JP Morgan Chase & Co., Bank of America Corporation, Wells Fargo & Company, Citigroup Inc., the Goldman Sachs Group, Inc., Morgan Stanley, the Bank of New York Mellon Corporation, and State Street Corporation.

coordinated with respective host-country jurisdictions for G-SIBs through an International Data Hub (IDH) hosted by the Bank for International Settlements (BIS). Through this mechanism, data collected via the FR 2510 is gathered and transmitted securely to the IDH. The IDH combines the data with corresponding data from other jurisdictions to produce analytical reports containing unique and authoritative aggregation and comparisons of banks' positions.

The information collected via the FR 2510 facilitates supervisory monitoring and analysis of common or correlated exposures and funding dependencies across G-SIBs. In doing so, the FR 2510 (together with corresponding collections in other jurisdictions) provides valuable systemic information to supervisors and policymakers and promotes improvements in firms' ability to aggregate and report their exposures and positions in a consistent, timely, and accurate manner. Since the initial batch of the FR 2510 data were delivered to IDH in early 2020, summary reports and analysis of the combined set of global data are already underway and being shared. These outputs provide significant value, both for supervision of U.S. G-SIBs and for broader analysis of the global financial system, that will increase over time as IDH and member jurisdictions continue to build a time series and gain experience with the data.

The FR 2510 was intended to build on, and complement, the Country Exposure Report (FFIEC 009; OMB No. 7100-0035), as well as certain balance sheet and off-balance sheet information collected on the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128). Relative to the FFIEC 009 and FR Y-9C, the FR 2510 provides significantly more detail regarding the balance sheet and derivatives exposures of U.S. G-SIBs. The global I-A template enhances the value of such reports by providing more detail on potential currency and maturity mismatches between assets and funding at the G-SIBs, which could reveal emerging risk management needs at individual institutions as well as the extent to which a crisis in a given currency might propagate through bank balance sheets. The information collected by the FR 2510 also facilitates the aggregation and analysis of data from G-SIBs based in different jurisdictions. This information is not available from other sources.

Description of Information Collection

The FR 2510 collects granular exposure data on the assets, liabilities, and off-balance sheet holdings of U.S. G-SIBs, providing breakdowns by instrument, currency, maturity, and sector. The FR 2510 also collects data covering detailed positions for each U.S. G-SIB's top 35 countries of exposure, on an immediate-counterparty basis, as reported in the FFIEC 009, broken out by instrument and counterparty sector, with limited further breakouts by remaining maturity, subject to a \$2 billion minimum threshold for country exposure. Further, the FR 2510 collects information on financial derivatives by instrument type and foreign exchange derivatives by currency.

Relative to other data sources, the FR 2510 supports a more complete balance-sheet analysis by providing more information about reporting banking organizations' consolidated exposures to, and funding positions with, different countries according to instrument, counterparty sector, currency, and remaining maturity. The FR 2510 is used in conjunction with data collected from other report forms. The definitions and structure of the FR 2510, to the extent feasible, are aligned for U.S. implementation with these other U.S. regulatory and statistical

reports to minimize reporting burden on U.S. respondents and to maximize analytical consistency with existing U.S. reports. These other reports include the FFIEC 009, the FR Y-9C, the Banking Organization Systemic Risk Report (FR Y-15; OMB No. 7100-0352), the Complex Institution Liquidity Monitoring Report (FR 2052a; OMB No. 7100-0361), and the Semiannual Report of Derivatives Activity (FR 2436; OMB No. 7100-0286).

The FR 2510 is comprised of three schedules, as described below.

(1) The I-A Immediate Counterparty Schedule

The I-A Immediate Counterparty Schedule (I-A IC) is the main schedule of the FR 2510. The schedule captures information on banking organizations' asset positions, liability positions, and contingent liabilities on a combination of the following five dimensions:

- (1) Instrument,
- (2) Currency,
- (3) Remaining maturity,
- (4) Counterparty country, and
- (5) Counterparty sector.

The I-A IC positions are allocated to the country and sector where the immediate counterparty resides. Immediate-counterparty positions are reported in Tables 1 and 2. Table 1 is a consolidated balance sheet of the granular portfolio with total positions broken out by the following seven different currencies:

- (1) U.S. Dollar,
- (2) Euro,
- (3) Japanese Yen,
- (4) British Pound,
- (5) Swiss Franc,
- (6) Yuan Renminbi, and
- (7) Other currencies.

The instruments and currencies are broken out into four remaining maturity categories, as follows:

- (1) Non-maturity instruments,
- (2) Overnight to less than three months,
- (3) 3 months to less than 1 year, and
- (4) 1 year and over.

Table 2 is a consolidated balance sheet showing I-A exposures by instrument and counterparty sector to countries above a de minimis threshold of \$2 billion, with banking organizations completing a table for each country above the threshold, with total positions by counterparty sector and by remaining maturity. The de minimis rules cover an estimated 97 percent of total claims extended to counterparties in 79 countries (based on the Bank for International Settlements Consolidated Banking Statistics). Maximum coverage is provided for advanced economies (99 percent), with lower percentages for Africa and Middle East (65 percent) and Emerging Europe (85 percent).

Positions are reported along the following counterparty sectors:

- (1) Banks,
- (2) Non-bank financial institutions,
- (3) Non-financial corporations,
- (4) Households,
- (5) Government, and
- (6) Unallocated by sector.

Positions are broken out into the following three remaining maturity categories:

- (1) Non-maturity instruments,
- (2) Less than 1 year, and
- (3) 1 year and over.

(2) Financial Derivatives Schedule

The Financial Derivatives Schedule captures details on the gross fair-value (mark-to-market) and notional amounts of financial derivatives broken out according to certain subcategories of derivative instruments. Information regarding gross fair values (mark-to-market) and notional amounts facilitates cross-country comparisons and the ability to overcome substantially different offset requirements for derivatives between the accounting standards applied by reporting banking organizations.

Derivatives are reported along the following three categories:

- (1) Exchange-traded derivatives,
- (2) Centrally cleared over-the-counter (OTC) derivatives, and
- (3) Bilateral/uncleared OTC derivatives.

Derivatives are reported according to the following six categories of risk:

- (1) Equity derivatives,
- (2) Interest rate derivatives,
- (3) Foreign exchange derivatives,
- (4) Credit derivatives,
- (5) Commodity derivatives, and
- (6) Other derivatives.

(3) Foreign Exchange Derivatives Schedule

The Foreign Exchange Derivatives Schedule captures gross notional currency derivative positions (separated into short and long positions) for a limited number of foreign exchange derivatives, with details on remaining maturity and currency, but no detail concerning counterparty country and sector.

The scope of foreign exchange derivatives includes the following:

- (1) Currency forwards,
- (2) Foreign exchange swaps,
- (3) Currency swaps, and

(4) Cross-currency interest rate swaps.

For each derivative type, the contract's remaining maturity is broken out into the following maturity categories:

- (1) Non-maturity instruments (on-demand and open positions),
- (2) Overnight to less than 3 months,
- (3) 3 months to less than 1 year, and
- (4) 1 year and over.

Respondents generally submit the FR 2510 electronically to the Federal Reserve, and the data is then gathered and transmitted to the IDH.

Respondent Panel

The FR 2510 panel comprises any bank holding company that is organized under the laws of the United States or any U.S. state and that is identified as a global systemically important BHC under the Board's Regulation Q.²

Time Schedule for Information Collection

The FR 2510 is submitted quarterly as of the end of March, June, September, and December. The filing deadline is 50 calendar days after the March 31, June 30, and September 30 as of dates, and 65 calendar days after the December 31 as of date.

Public Availability of Data

No data collected by this information collection are published.

Legal Status

The FR 2510 is authorized by section 5 of the Bank Holding Company Act of 1956 (BHC Act). Section 5 of the BHC Act authorizes the Board to require a bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to its financial condition, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the bank holding company (12 U.S.C. § 1844(c)(1)(A)). The FR 2510 is mandatory for U.S. G-SIBs.

The information collected in the FR 2510 is collected as part of the Board's supervisory process and is therefore considered confidential pursuant to exemption 8 of the Freedom of Information Act (FOIA), which protects information contained in "examination, operating, or condition reports" obtained in the bank supervisory process (5 U.S.C. § 552(b)(8)). In addition, individual respondents may request that information be kept confidential pursuant to exemption 4 of the FOIA, which protects nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent (5 U.S.C. § 552(b)(4)).

² See 12 CFR 217.402.

Determinations of confidentiality based on exemption 4 of the FOIA would be made on a case-by-case basis.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On October 18, 2021, the Board published an initial notice in the *Federal Register* (86 FR 57672) requesting public comment for 60 days on the extension, without revision, of the FR 2510. The comment period for this notice expired on December 17, 2021. The Board received one comment from a banking trade association.

First, the commenter identified certain reporting differences between the FFIEC 009 and the FR 2510 and argued that reporting of similar items between the two reports should be more aligned in order to minimize reporting burden. Specifically, the commenter highlighted the difference in remaining maturity on debt securities held for trading between the FFIEC 009 and the FR 2510. On the FFIEC 009, only a single bucket containing maturities of one year or less is required, whereas the FR 2510 requires four maturity buckets across the entire term structure. While the Board acknowledges the additional burden in reporting all maturity buckets in the FR 2510, this was part of the original design of the report and was meant to “provide significantly more detail regarding the balance sheet and derivatives exposures of U.S. G-SIBs.”³ This original design was part of an internationally agreed upon process to facilitate the aggregation and analysis of consistent and comparable data from G-SIBs globally. In addition, the FR 2510 collects a more fulsome set of remaining maturity information to better understand the credit market and liquidity profiles of U.S. G-SIBs, which may have systemic implications at the individual institution level or the aggregate level. The FFIEC 009, on the other hand, collects overall country risk exposures for banks of all sizes and such detail is not needed for smaller institutions.

The commenter also noted that the FR 2510 instructions allow respondents to use either the final contractual maturity or the next repricing date, where applicable, for reporting the remaining maturity of debt securities. In contrast, the FFIEC 009 instructions do not offer firms this option and require the use of final contractual maturity. The Board recognizes that on the FR 2510, firms are allowed to report next repricing date; however, firms are not required to do so. FR 2510 respondents are free to report remaining maturity of debt securities data on the same basis as the FFIEC 009. Also, the option to use final contractual maturity or next repricing date is comparable to how remaining maturity of debt securities is reported on the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128), specifically on the Securities Schedule HC-B, line items M2 and M2(a) – M2(c).

Additionally, the commenter identified an inconsistency between the FR 2510 and the FFIEC 009 with respect to the sector utilized for the reporting of central bank exposures. On the FR 2510, claims on central banks are reported in the “Unallocated” sector, which is designated

³ See 83 FR 42680 (August 27, 2018).

for positions for which the sector of the counterparty is unknown or the sector information does not need to be reported. However, the reporting instructions to the FFIEC 009 require respondents to include central banks in the “Public” sector, which includes government departments and agencies. While the Board acknowledges that this difference can cause issues with comparability and can be burdensome for the reporting institutions, this distinction was intentional, as to avoid lumping claims on central banks together with claims banks have on governments such as sovereign bond and municipal security holdings.

Second, the commenter highlighted a concern with the inconsistency of reporting debt securities on the FR 2510 and the FR Y-9C. The FR 2510 requires debt securities to be broken out into the following three categories: Asset-backed securities (ABS), Other secured debt securities, and unsecured debt securities. This segmentation is not the same as found on the FR Y-9C, which requires respondents to break down debt securities into the following six groupings: U.S. Treasury securities, U.S. government agency and sponsored agency obligations, Securities issued by states and political subdivisions in the U.S., Mortgage-back securities (MBS), Asset-backed securities and structured financial products, and Other debt securities. The commenter pointed out that this discrepancy requires firms to look through and track features of securities that are not captured on other reports in great detail, creating significant burden. The commenter requested that the FR 2510 be modified to adopt the debt securities classification from the FR Y-9C. While the Board acknowledges the burden entailed in having two different classifications for the same debt securities, the internationally-agreed template for G-SIBs includes a different and less detailed breakdown than that which U.S. regulators have specified in various regulatory reports including the FR Y-9C, which is aggregated around several classes of securities that are idiosyncratic to and proportionately more important in U.S. debt markets.

Finally, the commenter raised several process issues regarding rounding differences between the data reported on the FR 2510 and the FFIEC 009, synchronizing proposed future changes to these reports, and providing adequate lead time for any proposed revisions to the FR 2510.⁴ With respect to the rounding differences, the Federal Reserve regularly reviews and updates operational controls associated with Reporting Central outside of the clearance process and will review this recommendation accordingly. To the degree that there are future proposed changes to the FR 2510 or the FFIEC 009, which apply to both reports, the Board will strive to make these changes on similar timelines and provide adequate lead time for such changes. The Board does not plan at this time to propose changes to the FR 2510 that are consistent with the current FFIEC 009 proposal.⁵ Those proposed changes to the FFIEC 009 are not applicable to the FR 2510.

The Board believes that the differences in reporting between the FR 2510, the FFIEC 009, and the FR Y-9C are warranted for the reasons described above. Therefore, the Board will not adopt any revisions to the FR 2510 as part of the extension of this collection.

On May 10, 2022, the Board published a final notice in the *Federal Register* (87 FR 28009).

⁴ Specifically, the commenter asked for a delayed effective date of any changes made to the FR 2510. This comment is not applicable to the current extension of the FR 2510, as no revisions were proposed or are being adopted.

⁵ 87 FR 3170 (January 20, 2022).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2510 is 18,176 hours. The estimated average hours per response for this information collection is 568 hours. The estimated burden for completing Table 1 and Table 2 of the I-A IC Schedule is 85 hours and 469 hours, respectively. The estimated burden for completing the Financial Derivatives Schedule is 4 hours. The estimated burden for completing the Foreign Exchange Derivatives Schedule is 10 hours. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

FR 2510	<i>Estimated number of respondents⁶</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current	8	4	568	18,176

The estimated total annual cost to the public for the FR 2510 is \$1,098,739.⁷

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 report is \$31,900.

⁶ 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>.

⁷ 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 \$21, 45% Financial Managers at \$74, 15% Lawyers at \$71, and 10% Chief Executives at \$102). 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 2021*, published March 31, 2022, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.