

**Supporting Statement for the  
Systemic Risk Report  
(FR Y-15; OMB No. 7100-0352)**

## **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 reporting and recordkeeping requirements associated with the Systemic Risk Report (FR Y-15; OMB No. 7100-0352). The FR Y-15 quarterly report collects systemic risk data from U.S. bank holding companies (BHCs) and covered U.S. savings and loan holding companies (SLHCs) with \$100 billion or more in total consolidated assets,<sup>1</sup> foreign banking organizations (FBOs) with \$100 billion or more in combined U.S. assets, and any U.S.-based organizations designated as global systemically important banks (GSIB) that otherwise do not meet the consolidated assets threshold for BHCs.<sup>2</sup> The Board uses the FR Y-15 data to monitor, on an ongoing basis, the systemic risk profile of certain financial institutions that are subject to enhanced prudential standards under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).<sup>3</sup> In addition, the FR Y-15 is used to (1) facilitate the implementation of the surcharge for GSIBs, (2) identify other financial institutions which may present significant systemic risk, and (3) analyze the systemic risk implications of proposed mergers and acquisitions.

The estimated total annual burden for the FR Y-15 is 84,240 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms>.

## **Background and Justification**

Section 165 of the Dodd-Frank Act directs the Board to establish enhanced prudential standards, including risk-based capital requirements, for certain large financial institutions. These standards must be more stringent than the standards applicable to other financial institutions that do not present similar risks to U.S. financial stability. Further, these standards must increase in stringency based on several factors, including the size and risk characteristics of a company subject to the rule, and the Board must take into account the differences among BHCs and nonbank financial companies. Additionally, the Board has subjected covered SLHCs to supervisory and company-run stress testing requirements; risk-management and risk-committee requirements; liquidity risk management, stress testing, and buffer requirements; and single-counterparty credit limits, pursuant to section 10(g) of the Home Owners' Loan Act.<sup>4</sup>

One such standard is the GSIB surcharge, which is calculated using an indicator-based approach that focuses on those aspects of a BHC's operations that are likely to generate negative

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<sup>1</sup> Covered SLHCs are those that are not substantially engaged in insurance or commercial activities. See 12 CFR 217.2.

<sup>2</sup> See 12 CFR 217.402.

<sup>3</sup> Pub. L. No. 111-203 (2010); 12 U.S.C. § 5365.

<sup>4</sup> 12 U.S.C. § 1467a(g); see also 84 FR 59053-54 (November 1, 2019).

externalities in the case of its failure or distress. The GSIB surcharge rule's methodologies assess six components of a BHC's systemic footprint: size, interconnectedness, substitutability, complexity, cross-jurisdictional activity, and reliance on short-term wholesale funding. The indicators comprising these six components are reported on the FR Y-15. The FR Y-15 report is also used to monitor the systemic risk profile of the financial institutions that are subject to enhanced prudential standards under section 165.

Additionally, the Dodd-Frank Act requires that the Board consider the extent to which a proposal would result in greater or more concentrated risks to the stability of the United States banking or financial system as part of its review of certain banking applications.<sup>5</sup> The data reported on the FR Y-15 are used by the Board to analyze the systemic risk implications of such applications. This information is not available from other sources.

## **Description of Information Collection**

### *Reporting Requirements*

The report consists of the following schedules:<sup>6</sup>

- Schedule A - Size Indicator,
- Schedule B - Interconnectedness Indicators,
- Schedule C - Substitutability Indicators,
- Schedule D - Complexity Indicators,
- Schedule E - Cross-Jurisdictional Activity Indicators,
- Schedule F - Ancillary Indicators,
- Schedule G - Short-term Wholesale Funding Indicator,
- Schedule H - FBO Size Indicator,
- Schedule I - FBO Interconnectedness Indicators,
- Schedule J - FBO Substitutability Indicators,
- Schedule K - FBO Complexity Indicators,
- Schedule L - FBO Cross-Jurisdictional Activity Indicators,
- Schedule M - FBO Ancillary Indicators, and
- Schedule N - FBO Short-term Wholesale Funding Indicator.

Some of the reporting requirements within the schedules overlap with data already collected in the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128), Country Exposure Report (FFIEC 009; OMB No. 7100-0035), Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101; OMB No. 7100-0319), and Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP; OMB No. 7100-0128). Where relevant data are already collected by those reports, the FR Y-15 automatically populates items based on the source form so that the information does not need to be reported twice. Automatically retrieved items are listed in the

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<sup>5</sup> 12 U.S.C. §§ 1842(c)(7) and 1828(c)(5).

<sup>6</sup> Respondents may also submit an optional narrative statement as part of the FR Y-15 submission. The optional narrative statement provides management of the respondent the ability to submit a public statement regarding the values reported on the FR Y-15.

general instructions of the FR Y-15 under section H, titled “Data Items Automatically Retrieved from Other Reports.”

Schedules A-G of the FR Y-15 are reported by U.S. banking organizations, while Schedules H-N are reported by FBOs. An FBO that has one or more U.S. intermediate holding companies (IHCs) must submit a separate FR Y-15 report on behalf of each of its IHCs and for the FBO’s combined U.S. operations.

### **Schedule A - Size Indicator**

The Size Indicator Schedule includes items addressing derivative exposures and securities financing transaction (SFT) exposures. The schedule also includes other on-balance sheet assets, regulatory adjustments, gross notional amounts of items subject to different credit conversion factors (0%, 20%, 50%, and 100%) under section 217.33 of the Board’s Regulation Q - Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks (12 CFR Part 217), securities received as collateral in securities lending, cash collateral received in conduit securities lending transactions, and credit derivatives sold net of related credit production bought.

### **Schedule B - Interconnectedness Indicators**

The Interconnectedness Indicators Schedule is comprised of three subcategories: intra-financial system assets, intra-financial system liabilities, and securities outstanding. Intra-financial system assets are comprised of funds deposited with or lent to unaffiliated financial institutions, certificates of deposit, unused portion of committed lines extended to other financial institutions,<sup>7</sup> holdings of securities issued by other financial institutions, net positive current exposure of SFTs with other financial institutions, and information about over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value.

Intra-financial system liabilities include deposits due to depository institutions, deposits due to non-depository financial institutions, borrowings obtained from other financial institutions, unused portions of committed lines obtained from other financial institutions, net negative current exposure of SFTs with other financial institutions, and information about OTC derivatives with other financial institutions that have a net negative fair value.

Securities outstanding include secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificates of deposit, common equity, and preferred shares and other forms of subordinated funding. Standby letters of credit extended to other financial institutions are reported as a memorandum item.

### **Schedule C - Substitutability Indicators**

The Substitutability Indicators Schedule includes the value of payments sent by the

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<sup>7</sup> An “other financial institution” for the purposes of the intra-financial system assets and intra-financial system liabilities indicators is a financial institution as defined in the General Instructions to Schedule B and is outside of the consolidated reporting group.

banking organization over the reporting year via large value payment systems or through an agent. These payments are reported by currency. Additional currencies are reported as memorandum items. Payments made in currencies not listed are also collected. The schedule also includes assets held as a custodian on behalf of customers, equity underwriting activity, debt underwriting activity, and unsecured settlement/clearing lines provided. The schedule also includes measurements of trading volume activity, as measured by the type of security traded, as memorandum items.

### **Schedule D - Complexity Indicators**

The Complexity Indicators Schedule includes the notional amount of OTC derivatives cleared through a central counterparty, the notional amount of OTC derivatives settled bilaterally, trading securities, available-for-sale (AFS) securities, trading and AFS securities that meet the definition of Level 1 liquid assets, trading and AFS securities that meet the definition of Level 2 liquid assets after haircuts, assets valued for accounting purposes using Level 3 measurement inputs, and held-to-maturity securities.<sup>8</sup>

### **Schedule E - Cross-Jurisdictional Activity Indicators**

The Cross-Jurisdictional Activity Indicators Schedule includes foreign claims on an ultimate-risk basis (i.e., immediate-counterparty claims that have been adjusted, where relevant, based on the country of residence of the guarantor or collateral provided), foreign liabilities (excluding local liabilities in local currency), any foreign liabilities to related offices included in the reported foreign liabilities total, and local liabilities in local currency. The schedule also includes measurements of foreign derivative claims, foreign derivative liabilities, and consolidated foreign liabilities excluding derivatives as memorandum items.

### **Schedule F - Ancillary Indicators**

The Ancillary Indicators Schedule includes total liabilities, retail funding, total gross revenue, total net revenue, foreign net revenue, gross value of cash provided and gross fair value of securities provided in SFTs, gross value of cash received and gross fair value of securities received in SFTs, gross positive fair value of OTC derivative contracts, gross negative fair value of OTC derivative contracts, and number of jurisdictions where the banking organization has a branch, a subsidiary, or other entity that is consolidated under U.S. generally accepted accounting principles.

### **Schedule G - Short-Term Wholesale Funding Indicator**

The Short-Term Wholesale Funding Indicator Schedule captures first, second, and third tier funding and all other components of short-term wholesale funding. First-tier funding consists of funding secured by Level 1 liquid assets, retail brokered deposits and sweeps, unsecured wholesale funding obtained outside of the financial sector, and firm short positions involving

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<sup>8</sup> For definitions of Level 1 and Level 2 liquid assets, see 12 CFR 249.20. For a definition of Level 3 measurement inputs see Financial Accounting Standards Board (FASB) Accounting Standards Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, Fair Value Measurements).

Level 2B liquid assets or assets that do not qualify as high-quality liquid assets (HQLA).<sup>9</sup> Second-tier funding consists of funding secured by Level 2A liquid assets and covered asset exchanges.<sup>10</sup> Third-tier funding consists of funding secured by Level 2B liquid assets, other covered asset exchanges, and unsecured wholesale funding obtained within the financial sector. The schedule also captures average risk-weighted assets.

### **Schedule H - FBO Size Indicator**

The FBO Size Indicator Schedule includes items addressing derivative exposures and securities financing transaction (SFT) exposures. The schedule also includes other on-balance sheet assets, regulatory adjustments, gross notional amounts of items subject to different credit conversion factors (0%, 20%, 50%, and 100%) under section 217.33 of the Board's Regulation Q, securities received as collateral in securities lending, cash collateral received in conduit securities lending transactions, and credit derivatives sold net of related credit protection bought. The schedule also includes measurements of total consolidated assets, total off-balance sheet exposures, and total nonbank assets as memorandum items.

### **Schedule I - FBO Interconnectedness Indicators**

The FBO Interconnectedness Indicators Schedule is comprised of three subcategories: intra-financial system assets, intra-financial system liabilities, and securities outstanding. Intra-financial system assets are comprised of funds deposited with or lent to unaffiliated financial institutions, certificates of deposit, unused portion of committed lines extended to other financial institutions, holdings of securities issued by other financial institutions, net positive current exposure of SFTs with other financial institutions, and information about OTC derivatives with other financial institutions that have a net positive fair value.

Intra-financial system liabilities include deposits due to depository institutions, deposits due to non-depository financial institutions, borrowings obtained from other financial institutions, unused portions of committed lines obtained from other financial institutions, net negative current exposure of SFTs with other financial institutions, and information about OTC derivatives with other financial institutions that have a net negative fair value.

Securities outstanding include secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificates of deposit, common equity, and preferred shares and other forms of subordinated funding. Standby letters of credit extended to other financial institutions are reported as a memorandum item.

### **Schedule J - FBO Substitutability Indicators**

The FBO Substitutability Indicators Schedule includes the value of payments sent by the banking organization over the reporting year via large value payment systems or through an agent. These payments are reported by currency. Additional currencies are reported as

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<sup>9</sup> For the list of assets that are Level 2B liquid assets and a definition of HQLA, see 12 CFR 249.20 and 249.3, respectively.

<sup>10</sup> For the list of assets that are Level 2A liquid assets, see 12 CFR 249.20.

memorandum items. Payments made in currencies not listed are also collected. The schedule also includes assets held as a custodian on behalf of customers, equity underwriting activity, debt underwriting activity, and unsecured settlement/clearing lines provided. The schedule also includes measurements of trading volume activity, as measured by the type of security traded, as memorandum items.

### **Schedule K - FBO Complexity Indicators**

The FBO Complexity Indicators Schedule includes the notional amount of OTC derivatives cleared through a central counterparty, the notional amount of OTC derivatives settled bilaterally, trading securities, available-for-sale (AFS) securities, equity securities with readily determinable fair values not held for trading, trading, AFS and equity securities with readily determinable fair values not held for trading that meet the definition of Level 1 liquid assets, trading, AFS and equity securities with readily determinable fair values not held for trading that meet the definition of Level 2 liquid assets with haircuts, assets valued for accounting purposes using Level 3 measurement inputs, and held-to-maturity securities.

### **Schedule L - FBO Cross-Jurisdictional Activity Indicators**

The FBO Cross-Jurisdictional Activity Indicators Schedule includes foreign claims on an ultimate-risk basis (i.e., immediate-counterparty claims that have been adjusted, where relevant, based on the country of residence of the guarantor or collateral provided), adjusted foreign claims on an ultimate risk basis, foreign liabilities (excluding local liabilities in local currency), any foreign liabilities to related offices included in the reported foreign liabilities total, and local liabilities in local currency. The schedule also includes measurements of foreign derivative claims, foreign derivative liabilities, and consolidated foreign liabilities excluding derivatives as memorandum items.

### **Schedule M - FBO Ancillary Indicators**

The FBO Ancillary Indicators Schedule includes total liabilities, retail funding, total gross revenue, total net revenue, foreign net revenue, gross value of cash provided and gross fair value of securities provided in SFTs, gross value of cash received and gross fair value of securities received in SFTs, gross positive fair value of OTC derivative contracts, gross negative fair value of OTC derivative contracts, and number of jurisdictions where the banking organization has a branch, a subsidiary, or other entity that is consolidated under U.S. generally accepted accounting principles. For purposes of Schedule M, a foreign office is a branch or office of a U.S. entity that is located outside of the U.S. Branches of bank subsidiaries located on military facilities belonging to the parent FBO's home country, wherever located, are not considered foreign offices.

### **Schedule N - FBO Short-term Wholesale Funding Indicator**

The FBO Short-Term Wholesale Funding Indicator uses the netting instructions and rules of consolidation from the Complex Institution Liquidity Monitoring Report (FR 2052a; OMB No. 7100-0361) to capture first, second, and third tier funding and all other components of short-

term wholesale funding. Banking organizations that have reported the FR 2052a daily for the last twelve months must report the average value using daily data for the U.S. operations of the FBO. All other respondents must report the average value using monthly data (i.e., provide the average of the twelve month-end balances within the last four quarters).

First-tier funding consists of funding secured by level 1 liquid assets, retail brokered deposits and sweeps, unsecured wholesale funding obtained outside of the financial sector, and firm short positions involving level 2B liquid assets or assets that do not qualify as HQLA. Second-tier funding consists of funding secured by Level 2A liquid assets and covered asset exchanges. Third-tier funding consists of funding secured by Level 2B liquid assets, other covered asset exchanges, and unsecured wholesale funding obtained within the financial sector. The schedule also captures average risk-weighted assets.

#### *Recordkeeping Requirements*

Respondents must maintain in their files a manually signed and attested printed copy of the data submitted on the FR Y-15. A copy of the cover page of the submitted report should be attached to the printout placed in the respondent's files. These records must be kept for three years following the submission of the relevant FR Y-15 report. A signature is not submitted as part of the electronic submission of the FR Y-15.

#### **Respondent Panel**

The FR Y-15 panel comprises top-tier U.S. BHCs and covered SLHCs with \$100 billion or more in total consolidated assets, FBOs with \$100 billion or more in total combined U.S. assets, and any U.S. BHC designated as a GSIB based on its method 1 score calculated under 12 CFR 217.404 as of December 31 of the previous calendar year.

#### **Time Schedule for Information Collection**

The FR Y-15 must be submitted as of the last calendar day of March, June, September, and December. The submission date for the March, June, and September reports is 50 calendar days after the as of date. The submission date for the December report is 65 calendar days after the as of date. The records kept pursuant to this form are maintained by each institution on an ongoing basis.

Respondents are required to submit the report electronically using the Board's standard electronic submission application, Reporting Central. The application validates the report data for mathematical and logical consistency and provides the reporting institution with a confirmation of receipt of its submission. An institution that is required to file the FR Y-15 with the Federal Reserve System should contact the relevant Federal Reserve Bank if the institution believes it may not be able to submit the form electronically.

#### **Public Availability of Data**

The FR Y-15 data collection is made available to the public through the National

Information Center at <https://www.ffiec.gov/npw>, except for items deemed confidential, as discussed below.

## Legal Status

Sections 163 and 165 of the Dodd-Frank Act, as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act, authorize the Board to consider risk to U.S. financial stability in regulating and examining BHCs with \$100 billion or more in consolidated assets and nonbank financial companies that are under the Board's supervision (12 U.S.C. §§ 5363 and 5365). The Board is further authorized to impose prudential standards for such entities and to differentiate among companies on an individual basis or by category, taking into consideration their capital structure, complexity, financial activities, size, and any other risk-related factors that the Board deems appropriate (12 U.S.C. § 5365(a)(2)(C)).<sup>11</sup> This authorization also covers certain foreign banks with U.S. operations under the International Banking Act of 1978 (IBA) (12 U.S.C. § 3106(a)).<sup>12</sup> Sections 165(b)(1)(B) and 165(f) of the Dodd-Frank Act authorize the Board to establish enhanced public disclosures for companies subject to prudential standards under section 165 (12 U.S.C. §§ 5365(b)(1)(B) and (f)).

In addition, the reporting requirements associated with the FR Y-15 are authorized for BHCs pursuant to section 5 of the BHC Act (12 U.S.C. § 1844); for SLHCs pursuant to sections 10(b)(2) and 10(g) of the Home Owners' Loan Act (12 U.S.C. §§ 1467a(b)(2) and 1467a(g)); and for IHCs pursuant to section 5 of the BHC Act and sections 8(a) and 13(a) of the IBA (12 U.S.C. §§ 3106(a) and 3108(a)). The FR Y-15 is mandatory.

Most information provided on the FR Y-15 is made public unless a reporting entity submits a specific request for confidentiality, either on the FR Y-15 or on the form from which the data item is obtained.<sup>13</sup> Such information may be kept confidential under exemption 4 of the Freedom of Information Act (FOIA) if the submitter substantiates that it is confidential commercial or financial information that is both customarily and actually treated as private (5 U.S.C. § 552(b)(4)). In addition, items 1 through 4 of Schedule G, which contain sensitive information regarding the reporting entity's liquidity position, may be accorded confidential treatment under exemption 4 until the first reporting date after the final liquidity coverage ratio disclosure standard has been implemented. Information collected on the FR Y-15 may also be considered confidential under FOIA exemption 8 if it is obtained as part of an examination or supervision of a financial institution (5 U.S.C. § 552(b)(8)).

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<sup>11</sup> The Board is required to establish prudential standards for BHCs with assets equal to or greater than \$250 billion and nonbank financial companies supervised by the Board that (A) are more stringent than the standards and requirements applicable to nonbank financial companies and bank holding companies that do not present similar risks to the financial stability of the United States and (B) increase in stringency based on the considerations enumerated in section 165(b)(3). 12 U.S.C. § 5365(a)(1).

<sup>12</sup> Section 8(a) provides that certain foreign banks with U.S. operations will be treated as BHCs for purposes of the Bank Holding Company Act of 1956 (BHC Act), and sections 163 and 165 of the Dodd-Frank Act amend the BHC Act.

<sup>13</sup> As noted, several data items in the FR Y-15 are retrieved from the FR Y-9C and other items may be retrieved from the FFIEC 101. Confidential treatment will also extend to any automatically calculated items on the FR Y-15 that have been derived from confidential data items and that, if released, would reveal the underlying confidential data.



## Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

## Public Comments

On July 6, 2022, the Board published an initial notice in the *Federal Register* (87 FR 40235) requesting public comment for 60 days on the extension, without revision, of the FR Y-15. The comment period for this notice expired on September 6, 2022. The Board did not receive any comments. The Board adopted the extension, without revision, of the FR Y-15 as originally proposed. On November 23, 2022, the Board published a final notice in the *Federal Register* (87 FR 71640).

## Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR Y-15 is 84,240 hours. The number of respondents represents the actual number of filers that met the reporting criteria as of December 31, 2021. These reporting and recordkeeping requirements represent approximately 1.2 percent of the Board's total paperwork burden.

<b>FR Y-15</b>	<i>Estimated number of respondents<sup>14</sup></i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Reporting	52	4	404	84,032
Recordkeeping	52	4	1	<u>208</u>
<i>Total</i>				84,240

The estimated total annual cost to the public for the FR Y-15 is \$5,092,308.<sup>15</sup>

## 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 the FR Y-15 is \$474,000.

<sup>14</sup> Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$750 million in total assets), <https://www.sba.gov/document/support-table-size-standards>.

<sup>15</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by a 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 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/>.