

**Supporting Statement for the
Regulatory Capital Reporting for Institutions Subject to the
Advanced Capital Adequacy Framework
(FFIEC 101; OMB No. 7100-0319)**

Summary

The Board of Governors of the Federal Reserve System (Board) requests approval from the Office of Management and Budget (OMB) to extend for three years, without revision, the Federal Financial Institutions Examination Council (FFIEC) Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101; OMB No. 7100-0319). The FFIEC 101 collects data regarding the levels and components of risk-based capital from firms subject to the Board's advanced approaches capital framework (advanced approaches framework), as well as data regarding the supplementary leverage ratio (SLR) from firms subject to that requirement. The FFIEC 101 must be filed quarterly by certain large or internationally active state member banks (SMBs), bank holding companies (BHCs), savings and loan holding companies (SLHCs) that are subject to the advanced approaches framework and other Board-regulated institutions that adopt the framework on a voluntary basis (collectively, advanced approaches banking organizations); additionally, certain BHCs, SLHCs, SMBs, and U.S. intermediate holding companies (IHCs) that are not advanced approaches banking organizations must report only certain information regarding the SLR. The extension to the FFIEC 101 that is the subject of this request has been approved by the FFIEC. The Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency (OCC) (together with the Board, the agencies) have also submitted similar requests for OMB review to request this information from banks under their supervision.

The estimated total annual burden for the FFIEC 101 is 35,288 hours. The form and instructions are available on the FFIEC's public website at https://www.ffiec.gov/ffiec_report_forms.htm.

Background and Justification

A number of federal laws require the Board to establish capital requirements for entities it supervises.¹ The Board's current risk-based and leverage capital standards are codified in the Board's Regulation Q - Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks (12 CFR Part 217). The Board's risk-based capital standards include an advanced approaches capital framework for large and internationally active banking organizations. Banking organizations that use this framework report information related to their risk-based capital requirements using the FFIEC 101.

¹ Section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the Board to establish minimum risk-based and leverage capital requirements on a consolidated basis for the insured depository institutions, depository institution holding companies, and nonbank financial companies it supervises (12 U.S.C. § 5371(b)(1)-(2)). Further, the International Lending Supervision Act of 1983 (12 U.S.C. § 3907(a)(1)) mandates that each federal banking agency require banks to achieve and maintain adequate capital by establishing minimum levels of capital or by other methods that the agency may deem appropriate and section 38(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1831o(c)) requires each federal banking agency to adopt a risk-based capital requirement for insured depository institutions.

With respect to the advanced approaches framework, the Board uses the data reported on the FFIEC 101 to:

- Assess the components of each advanced approaches banking organization's risk-based capital requirements,
- Assess each advanced approaches banking organization's capital relative to inherent risks and the Board's minimum capital requirements,
- Assess the components of each advanced approaches banking organization and top-tier Category III BHCs, SHCs, and SMBs, and all Category III IHCs of its SLR. The SLR is the ratio of tier 1 capital to total leverage exposure, as defined in the regulatory capital rule,
- Monitor the levels and components of the risk-based capital requirements for advanced approaches banking organizations through peer, outlier, and risk trend analyses,
- Evaluate the quantitative impact and competitive implications of the implementation of the framework on risk-based capital levels within advanced approaches banking organizations and on an overall industry basis,
- Ensure that the advanced approaches framework is implemented in the United States in a safe and sound manner,
- Provide market participants, depositors, the public, supervisors, and other interested parties with information about advanced approaches banking organizations' risk-based capital, and
- Supplement on-site examination processes and decisions pertaining to the allocation of supervisory resources.

The information collected by the FFIEC 101 is not available from other sources.

Description of Information Collection

The mandatory FFIEC 101 report collects information from all Board-regulated advanced approaches banking organizations, as well as information regarding the SLR from Category III institutions. Advanced approaches banking organizations are required to submit detailed data on the components of their capital and risk-weighted assets in nineteen schedules (A through S). Category III institutions must complete only Schedule A, SLR Tables 1 and 2.

Advanced Approaches Regulatory Capital and Summary Risk-Weighted Asset Information. Schedule A collects information about the components of Tier 1 capital, Tier 2 capital, and adjustments to regulatory capital as defined within the rule. Schedule B contains summary information about risk-weighted assets by risk type, and, in the case of credit risk exposures, outstanding balances and aggregated information about the drivers and estimates that underlie the calculation of risk-weighted assets. Tables 1 and 2 of Schedule A collect information about each advanced approaches banking organization and top-tier Category III BHCs, SHCs, and SMBs, and all Category III IHC's SLR, the ratio of tier 1 capital to total leverage exposure. Table 1 reconciles balance sheet assets reported in published financial statements and total leverage exposure. Table 2 collects components of on-balance sheet and off-balance sheet exposures, for the calculation of total leverage exposure, tier 1 capital, and the calculation of the SLR.

Schedule B collects general exposure information from advanced approaches banking organizations. Respondents must report:

- Wholesale exposures, including separate reporting for the following types of exposures: Corporate; Bank; Sovereign; Income producing real estate; High volatility commercial real estate; Eligible margin loans, repo-style transactions, and OTC derivatives with cross product netting; and Eligible margin loans, repo-style transactions, and OTC derivatives without cross product netting,
- Retail Exposures, including separate reporting for the following types of exposures: Residential mortgage closed-end first liens, Residential mortgage closed-end junior liens, Residential mortgage revolving exposures, Qualifying revolving exposures, and Other retail exposures,
- Securitization exposures,
- Cleared transactions, including separate reporting for the following types of exposures: Derivative contracts and netting sets to derivatives, Repo-style transactions, and Default fund contributions,
- Equity exposures, and
- Other assets; including separate reporting for the following types of exposures: Unsettled transactions, Assets not included in a defined exposure category, Non-material portfolios of exposures, Credit valuation adjustments, Assets subject to the general risk-based capital requirements, Excess eligible credit reserves not included in Tier 2 capital, Advanced market risk equivalent assets; and Operational risk.

Some of the aggregate data items submitted in Schedule B are derived from information contained in the more detailed confidential supporting schedules described below. The data contained in Schedule B describe the main summary-level components of respondents' risk-weighted assets.

Wholesale Exposures. Schedules C through J request data on respondents' wholesale exposures. Each schedule represents a sub-portfolio of the wholesale exposure category as listed on Schedule B. For each reported sub-portfolio, the schedule groups exposures into sub-portfolio segments using supervisor-defined probability of default (PD) ranges. The reported cells within these schedules then describe the main risk parameters and characteristics of each sub-portfolio segment.

Retail Exposures. Schedules K through O request data on respondents' retail exposure category. Each schedule represents a sub-portfolio of the retail exposure category as listed on Schedule B. PD ranges are used to sub-divide each sub-portfolio into segments.² The reported cells within these schedules then describe the main risk parameters and characteristics of each sub-portfolio segment. The retail schedules also incorporate risk characteristics that are believed to be commonly used drivers within respondents' risk management and measurement processes, including the distribution of each sub-portfolio segment by loan-to-value ranges (applies only to real estate exposures), weighted average credit bureau score, and weighted average account age.³

² Unlike the wholesale credit exposure reporting schedules, the PD ranges for retail exposures differ from sub-portfolio to sub-portfolio.

³ For qualifying revolving exposures and other (non-mortgage) retail exposures, the exposure at default of accounts under two years old is reported instead of weighted average age for each sub-portfolio exposure segment.

Securitization Exposures. Schedule P requests data on respondents' securitization and resecuritization exposures that are subject to either the supervisory formula approach, the simplified supervisory formula approach, a 1250 percent risk weight, or deduction. A respondent completes Schedule P by providing information on exposure amount, risk-weighted asset amount, and deduction amount for each securitization and resecuritization based on the treatment the exposure is subject to under the rule.

Cleared Transactions. Schedule Q requests data on respondents' cleared transaction exposures. The schedule divides cleared transactions into subcategories relating to the Clearing member client bank and to the Clearing member bank. For the Clearing member client bank category, a respondent completes Schedule Q by providing exposure amount and risk weighted asset amount information on derivative contracts or netting sets of derivative contracts and repo-style transactions. Schedule Q requests that respondents provide exposure amount from default fund contributions and risk-weighted asset amounts for exposures within the Clearing member bank category, which include derivative contracts or netting sets of derivative contracts, repo-style transactions, and default fund contributions to non-qualified and qualified central counterparties.

Equities. Schedule R requests information about respondents' equity exposures by type of exposure and by approach to measuring required capital. Schedule R also requests information on equity exposures subject to specific risk weights and equity exposures to investment funds. A respondent completes the appropriate section of the schedule based on whether it uses a simple risk-weight approach, a full internal models approach, or a partially modeled approach to measuring required capital for equity exposures.

Operational Risk. Schedule S requests data on respondents' operational risk exposure. Data items submitted in this schedule include various details about historical operational losses, on a stand-alone and group-wide basis, for the current reporting period and those historical operational losses used to model operational risk capital. The schedule also requests data related to scenarios, distribution assumptions, and loss caps used to model operational risk capital.

Respondent Panel

The FFIEC 101 panel comprises SMBs, BHCs, SLHCs, and other Board-regulated institutions that are subject to the advanced approaches framework pursuant to subpart E of the Board's Regulation Q (12 CFR Part 217, Subpart E), as well as, with regard to Schedule A, SLR Tables 1 and 2, top-tier Category III SMBs, BHCs, SLHCs, and all Category III IHCs.

Frequency and Time Schedule

The FFIEC 101 is collected quarterly as of the end of the last calendar day of March, June, September, and December. Respondents must begin reporting on the FFIEC 101, Schedule A, except for a few specific line items, beginning with the calendar quarter immediately following the quarter in which the respondent becomes an advanced approaches or Category III banking institution (Schedule A, SLR Tables 1 and 2 only for Category III banking institutions), or elects to use the advanced approaches rule (an opt-in institution), and must begin

reporting data on the remaining schedules (except for Category III banking institutions) of the FFIEC 101 at the end of the first quarter in which they have begun their parallel run period.

The report due dates are 60 days following the end of a quarter while a respondent is in its parallel run period. After completing its parallel run period, the report due dates are the same as the report due dates currently required of respondents when filing their respective Call Report or FR Y-9C⁴. SMBs must submit the FFIEC 101 to the appropriate Federal Reserve Bank within thirty calendar days following the as of date; a five-day extension may be given to banks with more than one foreign office. BHCs, SLHCs, and IHCs must submit the FFIEC 101 to the appropriate Federal Reserve Bank within forty calendar days after the March 31, June 30, and September 30 as of dates unless that day falls on a weekend or holiday (received on the first business day after the Saturday, Sunday, or holiday) and within forty-five calendar days after the December 31 as of date.

In general, a reporting entity should maintain in its files a signed and attested record of its completed FFIEC 101 report, including any amended reports, and the related work papers and supporting documentation for five years after the report date, unless there are applicable state requirements that mandate a longer retention time.

Public Availability of Data

For report dates before a reporting institution has completed its parallel run period, 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). Information reported in all other schedules of the FFIEC 101 are confidential. For report dates after a reporting institution has completed its parallel run period, all items reported in Schedules A and B (except for Schedule B, items 31.a and 31.b, column D) and items 1 and 2 of Schedule S are available to the public. All other items reported in the FFIEC 101 are confidential. Note that for both before and after an institution has completed its parallel run period, all items reported on Schedule A, SLR Tables 1 and 2, are available to the public.

Individual respondent data, excluding confidential information, are available on the National Information Center public website.

Legal Status

The Board is authorized to collect the information on the FFIEC 101 report from SMBs pursuant to section 9(6) of the Federal Reserve Act (12 U.S.C. § 324), from BHCs pursuant to section 5(c) of the Bank Holding Company Act of 1956 (BHC Act) (12 U.S.C. § 1844(c)), from SLHCs pursuant to section 10 of the Home Owners' Loan Act (12 U.S.C. § 1467a(b)(2)), and

⁴ Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036) and the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128).

from IHCs pursuant to section 5(c) of the BHC Act (12 U.S.C. § 1844(c)(1)(A)), as well as pursuant to sections 102(a)(1) and 165 of the Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. §§ 5311(a)(1) and 5365.)⁵ and sections 8(a) and 13(a) of the International Banking Act of 1978 (12 U.S.C. §§ 3106 and 3108(a)). The quarterly FFIEC 101 report is mandatory for reporting institutions.

For report dates before a reporting institution has completed its parallel run period, Schedule A, except for items 78, 79, and 86-90, is released to the public. All of the information reported in the other schedules of the FFIEC 101 will be confidential. For report dates after reporting institution has completed its parallel run period, all items reported in Schedules A and B (except for Schedule B, items 31.a and 31.b, column D) and items 1 and 2 of Schedule S will be available to the public. All other items reported in the FFIEC 101 will be confidential. All items reported on Schedule A, SLR Tables 1 and 2, are available to the public.

A reporting institution may request confidential treatment for some or all of the portions of the FFIEC 101 report that will be made available to the public if the institution is of the opinion that disclosure of specific commercial or financial information in the report would likely result in substantial harm to its competitive position, or that disclosure of the submitted information would result in an unwarranted invasion of personal privacy. If a reporting institution requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. To the extent a reporting institution submits confidential commercial or financial information in connection with the FFIEC 101, which is both customarily and actually treated as private by the reporting institution, the reporting institution may request confidential treatment pursuant to exemption 4 of the FOIA (5 U.S.C. § 552(b)(4)).

Finally, the Board uses data from the FFIEC 101 to supplement on-site examination processes. Therefore, this information can be kept confidential under FOIA exemption 8 (5 U.S.C. § 552(b)(8)), because it is matter contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.

Consultation Outside the Agency

The Board, FDIC, and OCC coordinated in developing this clearance.

⁵ Section 165(b)(2) of Title I of the Dodd-Frank Act (12 U.S.C. § 5365(b)(2)), refers to “foreign-based bank holding company.” Section 102(a)(1) of the Dodd-Frank Act (12 U.S.C. § 5311(a)(1)), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106(a)). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act (12 U.S.C. § 5365(b)(1)(B)(iv)), certain of the foreign banking organizations that are subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides additional authority to require U.S. IHCs to report the information contained in the FFIEC 101 report.

Public Comments

On June 29, 2023, the agencies, under the auspices of the FFIEC, published an initial notice in the *Federal Register* (88 FR 42131) requesting public comment for 60 days on the extension, without revision, of the FFIEC 101. The comment period for this notice expired on August 28, 2023. The agencies did not receive any comments. On October 13, 2023, the agencies, under the auspices of the FFIEC, published a final notice in the *Federal Register* (88 FR 71083) requesting public comment for 30 days on the extension, with revision, of the FFIEC 101. The comment period for this notice expires on November 13, 2023.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FFIEC 101 is 35,288 hours. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

FFIEC 101	<i>Estimated number of respondents⁶</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
SMBs	4	4	674	10,784
BHCs and SLHCs	9	4	677	24,372
BHCs and SLHCs (SLR Tables 1 and 2 only)	5	4	3	60
IHCs	6	4	3	<u>72</u>
	<i>Total</i>			35,288

The estimated total annual cost to the public for the FFIEC 101 is \$2,337,830.⁷

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

⁶ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>.

⁷ Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$22, 45% Financial Managers at \$80, 15% Lawyers at \$79, and 10% Chief Executives at \$118). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2022*, published April 25, 2023, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this report is \$157,700 per year.