

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

1. Explain the circumstances that make the collection of information necessary.

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 the 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.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current 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 IHCs 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.¹ 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,

¹ Unlike the wholesale credit exposure reporting schedules, the PD ranges for retail exposures differ from sub-portfolio to sub-portfolio.

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.²

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.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All affected institutions must submit their completed reports electronically using the Federal Reserve's Reporting Central application.

² 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.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The data collected through the FFIEC 101 are unique and cannot be replaced by data already collected by the federal government.

- 5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

Of the respondents to the FFIEC 101, 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>.

- 6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Less frequent reporting would reduce the ability of the Board to identify and respond in a timely manner to noncompliance with minimum regulatory capital ratios, adverse risk trends that become apparent in the forward-looking risk estimates reported by respondents, and evidence of risk estimates that call into question the accuracy of a bank's capital calculation or place other institutions with similar types of exposures at a competitive disadvantage. To be most useful as an off-site analytical tool, these reports are intended to correspond to the frequency and timing of other regulatory submissions including the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036) and the Board's Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128).

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2).**

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

- 8. Describe comments in response to the *Federal Register* notice and efforts to consult outside the agency.**

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.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There are no payments or gifts provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If the collection requires a systems of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

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.

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, 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.

11. Provide additional justification for any questions of a sensitive nature.

There are no questions of a sensitive nature.

12. Provide estimates of the annual hourly burden of the collection of information.

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 respondents</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.

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/>.

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information.

There are no annualized costs to the respondents.

14. Provide estimates of annualized costs to the Federal government.

The estimated cost to the Federal Reserve System for collecting and processing the FFIEC 101 is \$157,700.

15. Explain the reasons for any program changes or adjustments reported on the burden worksheet.

There are no changes or adjustments.

16. Provide information regarding plans for publication 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.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No such approval is sought.

18. Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”

There are no exceptions.