

Supporting Statement
Regulatory Capital Reporting for Institutions Subject to the
Advanced Capital Adequacy Framework (FFIEC 101)
OMB Control No. 1557-0239

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) is proposing to extend for three years, without revision, the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101), which is currently an approved collection of information for each agency.

A. JUSTIFICATION.

1. Circumstances that make the collection necessary:

The OCC is charged with assuring the safety and soundness of national banks and Federal savings associations. (12 U.S.C. 1). In carrying out those duties, banks must submit information to the OCC: 12 U.S.C. 161 (national banks) and 12 U.S.C. 1464 (savings associations). The OCC uses this information to assess and monitor the levels and components of each bank's risk-based capital requirements and the adequacy of the entity's capital under the Advanced Capital Adequacy Framework, which is a significant component of a bank's safety and soundness.

2. Use of the information:

The OCC uses the information to assess and monitor the levels and components of each bank's risk-based capital requirements and the adequacy of the entity's capital under the Advanced Capital Adequacy Framework. The data allows the OCC to evaluate the quantitative impact and competitive implications of the framework on individual respondents and on the industry. The reporting schedules assist banks in understanding expectations surrounding the system development necessary for implementation and validation of the framework. The data also improves the OCC's ability to monitor bank activities through the examination processes.

The purpose of the detailed reports, identified below, is to obtain information that broadly reflects risk segments within each portfolio. The reports enable the OCC to conduct off-site assessment of banks' regulatory capital calculations, perform trend analyses of capital changes, conduct peer analyses of capital and risk parameters, and direct the focus of on-site examination efforts.

The information is collected using the form "FFIEC 101." The FFIEC 101 contains nineteen schedules, A through S, for banks to submit detailed data on the components of their capital and risk-weighted assets.

Schedule A includes information about the components of Tier 1 capital, Tier 2 capital, and adjustments to regulatory capital. It also includes Tables 1 and 2 for the Supplementary Leverage Ratio.

Schedule B contains: summary information about risk-weighted assets by risk type and, for credit risk exposures, outstanding balances and aggregated information about the drivers and estimates on which the calculation of risk-weighted assets are based.

Schedules C-J include data items within the wholesale exposure category for banks' risk-weighted assets.

Schedules K-O are data items within the retail exposure category and each schedule represents a sub-portfolio of the retail exposure category for banks' risk-weighted assets.

Schedules P and Q are data items within the securitization exposure class for banks' risk-weighted assets.

Schedule R provides: information about a bank's equity exposures by type of exposure and by approach to measuring required capital and information on equity exposures subject to specific weights and equity exposures to investment funds.

Schedule S provides data within the operational risk exposure class. The data items include details about historical operational losses for the reporting period and those used to model operational risk capital.

3. Consideration of the use of improved information technology:

Banks must file the information required under this collection electronically. Any information technology that permits review by OCC examiners may be used.

4. Efforts to identify duplication:

The required information is unique and is not duplicative of any other information already collected.

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

Small banks are not impacted by this collection. The FFIEC 101 is only required for Category I and II institutions, and Category III top-tier holding companies, all of which have consolidated total assets of \$250 billion or more.

6. Consequences if the collection were conducted less frequently:

The OCC would not be able to adequately monitor capital levels and ensure the safety and soundness of national banks and Federal savings associations in a timely manner.

7. Special circumstances:

There are no special circumstances in this collection.

8. Efforts to consult with persons outside the agency:

The agencies issued a Federal Register notice on June 29, 2023, and requested comment for 60 days on the FFIEC 101. See 88 FR 42131. No comments were received.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

The FFIEC 101 information collections are generally given confidential treatment (5 U.S.C. 552(b)(4)). However, the agencies make public the information collected on the FFIEC 101 Schedule A, except for a few advanced approaches-specific line items identified below, for all advanced approaches institutions regardless of their parallel run status starting with the report for the March 31, 2014, report date. For report dates after the reporting institution conducts a satisfactory parallel run Schedules A and B, as well as line items 1 and 2 of Schedule S, of the institution's FFIEC 101 are no longer given confidential treatment.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Estimated Number of Respondents: 10 national banks and federal savings associations.

Estimated Time per Response: 674 burden hours per quarter to file for banks and federal savings associations.

Estimated Total Annual Burden: 26,960 burden hours to file.

Cost of Hour Burden to Respondents:

26,960 hours x \$128.05 = \$3,452,228

To estimate wages the OCC reviewed May 2022 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 \$128.05 per hour, which is based on the average of the 90th percentile for six occupations

adjusted for inflation (5.1 percent as of Q1 2023), plus an additional 34.3 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2022 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):

Not applicable.

14. Estimate of annualized costs to the Federal government:

Not applicable.

15. Change in burden:

The change in burden increased due to 5 national banks being scoped into the reporting requirements, generally due to becoming subsidiaries of larger banking organizations. This increase in respondents increased the total burden by 13,480 hours compared to the prior submission.

16. Publication of information for statistical purposes:

The OCC is not publishing the information for statistical purposes.

17. Reasons for not displaying OMB approval expiration date:

Not applicable.

18. Exceptions to the certification statement in Item 19 of OMB Form 83-I:

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Not applicable.