Draft

FFIEC 101 – Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework

Proposed Revisions to the FFIEC 101 for September 30, 2016

The attached draft proposed revisions to the FFIEC 101 reporting form and instructions reflect the proposed revisions described in the federal banking agencies' initial Paperwork Reduction Act Federal Register notice published in the Federal Register on April 18, 2016. The Federal Register notice for these proposed Call Report revisions is available at http://www.ffiec.gov/forms101.htm.

NOTE: The agencies have not proposed any other revisions to the FFIEC 101 reporting form and instructions.

Draft as of April 22, 2016

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Federal Financial Institutions Examination Council

Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework—FFIEC 101

Report at the close of business March 31, 2016 (20160331)
(AAXX 9999)

This report is required by law: 12 U.S.C. § 161 (National banks), 12 U.S.C. § 324 and 12 U.S.C. § 1844(c) (State member banks and BHCs, respectively), 12 U.S.C. § 1817 (Insured state nonmember commercial and savings banks), and 12 U.S.C. § 1464 (Savings associations).

The FFIEC 101 is to be prepared in accordance with federal regulatory authority instructions. The report must be signed by a senior officer of the reporting entity who can attest that the risk estimates and other information submitted in this report meet the requirements set forth in 12 CFR Part 3, Subpart E (OCC); 12 CFR Part 217, Subpart E (Federal Reserve); 12 CFR Part 324, Subpart E (FDIC) (the advanced approaches rule) and the FFIEC 101 reporting instructions. The senior officer may be the chief financial officer, the chief risk officer, or the equivalent senior officer.

I, the undersigned senior officer of the named bank, bank holding company, or savings association attest that the FFIEC 101 report for this report date has been prepared in conformance with the instructions issued by the federal regulatory authority and that the reported risk estimates meet the requirements set forth in the advanced approaches rule to the best of my knowledge and belief.

To fulfill the signature and attestation requirement for the FFIEC 101 for this report date, attach the bank's completed signature page (or a photocopy or a computer-generated version of this page) to the hard-copy records of the data file submitted electronically that the bank must place in its files.

The appearance of the bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show the caption of each reported item and the reported amount.

Printed Name of Senior Officer (AAXX C490)

Signature of Senior Officer

Title of Officer (AAXX C491)

Date of Signature (MM/DD/YYYY) (AAXX J196)

Legal Title of Bank (AAXX J197)

Mailing Address of the Bank Street / PO Box (AAXX 9110)

City (AAXX 9130)

State Abbreviation (AAXX 9200) Zip Code (AAXX 9220)

INSERT A

Person to whom questions about this report should be directed:

Name / Title (AAXX 8901)

Area Code / Phone Number (AAXX 8902)

Area Code / FAX Number (AAXX 9116)

E-mail Address of Contact (AAXX 4086)

For Federal Reserve Bank Use Only
BHC RSSD ID ____
SUB RSSD ID ____
C.I. ____

The estimated average reporting burden for this information collection is 676 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. A federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; and Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

INSERT A

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Legal Entity Identifier (LEI) of the Reporting Institution (Report only if the reporting institution already has an LEI.)

For Federal Reserve Bank Use Only

C.I. ________

Schedule A—Advanced Approaches Regulatory Capital —Continued

This schedule is to be submitted on a consolidated basis.

Dollar Amounts in Thousands	(Column A) The 1st month of the quarter Amount	(Column B) The 2nd month of the quarter Amount	(Column C) The 3rd month of the quarter Amount	
Supplementary leverage ratio (effective date for items 91 through 98 to be determined):				
91. Carrying value of all on-balance sheet assets minus amounts deducted from tier 1 capital				91.
92. Total potential future exposure amount for each derivative contrac				92.
93. Ten percent of the notional amount of unconditionally cancellable commitments				93.
94. Total notional amounts of all other off-balance sheet exposures				94.
95. Month-end total leverage exposure for the supplementary leverage ratio (sum of items 91 through 94)				95.
96. Month-end tier 1 capital for the supplementary leverage ratio calculation				96.
	Percentage	Percentage	Percentage	
97. Monthly supplementary leverage ratio (item 96 divided by item 95)				97.
			Percentage	
98. Supplementary leverage ratio: mean of the three monthly ratios reported in item 97 columns A, B, and C				98.

Items 91-98 of Schedule A would be replaced by Tables 1 and 2 shown on the following pages.

Schedule A—Advanced Approaches Regulatory Capital – Continued

Top-tier advanced approaches banking organizations should complete Tables 1 and 2 on a consolidated basis. An advanced approaches banking organization that is a consolidated subsidiary of a top-tier banking organization should not complete Tables 1 and 2.

Dollar Amounts in Thousands		XXXX	Tril	Bil	Mil	Thou	
Table 1							
Summary comparison of accounting assets and total leverage exposure							
1.1.	Total consolidated assets as reported in published financial statements…………………	XXXX					1.1.
1.2.	Adjustment for investments in banking, financial, insurance, and commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation ……………………………………………………………………………	XXXX					1.2.
1.3.	Adjustment for fiduciary assets recognized on-balance sheet but excluded from total leverage exposure ………………………………………………………………………………						1.3
1.4.	Adjustment for derivative transactions ………………………………………………………	XXXX					1.4.
1.5.	Adjustment for repo-style transactions ………………………………………………………	XXXX					1.5.
1.6.	Adjustment for off-balance sheet exposures …………………………………………………	XXXX					1.6.
1.7.	Other adjustments ……………………………………………………………………………………						1.7.
1.7a	Adjustments for deductions from tier 1 capital ………………………………………………	XXXX					1.7a
1.7b	Adjustments for frequency of calculations …………………………………………………	XXXX					1.7b
1.8.	Total leverage exposure (sum of items 1.1 through 1.6 minus items 1.7a and 1.7b) ..	XXXX					1.8.
Table 2							
Supplementary leverage ratio							
On-balance sheet exposures							
2.1.	The balance sheet carrying value of all on-balance sheet assets (excluding on-balance sheet assets for derivative transactions and repo-style transactions, but including collateral) ………………………………………………………………………………	XXXX					2.1.
2.2.	Deductions from common equity tier 1 capital and additional tier 1 capital ………….	XXXX					2.2.
2.3.	Total on-balance sheet exposures (item 2.1 minus item 2.2) …………………………………	XXXX					2.3.
Derivative transactions							
2.4.	Replacement cost for all derivative transactions……………………………………………………	XXXX					2.4.
2.5.	Add-on amounts for potential future exposure (PFE) for all derivative transactions ..	XXXX					2.5.
2.6.	Gross-up for collateral posted in derivative transactions if collateral is deducted from on-balance sheet assets ………………………………………………………………………	XXXX					2.6.
2.7.	Deduction of receivable assets for qualifying cash variation margin posted in derivative transactions (report as a positive amount) ………………………………….	XXXX					2.7.
2.8.	Exempted exposures to central counterparties (CCPs) in cleared transactions (report as a positive amount) ……………………………………………………………….	XXXX					2.8.
2.9.	Adjusted effective notional principal amount of sold credit protection …………………..	XXXX					2.9.
2.10.	Adjusted effective notional principal amount offsets and PFE deductions for sold credit protection (report as a positive amount) …………………………………………….	XXXX					2.10.
2.11.	Total derivative exposures (sum of items 2.4, 2.5, 2.6, and 2.9, minus items 2.7, 2.8, and 2.10)………………………………………………………………………………………………………	XXXX					2.11.
Repo-style transactions							
2.12.	Gross assets for repo-style transactions, with no recognition of netting …………………	XXXX					2.12.
2.13.	Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions (report as a positive value) …………………….	XXXX					2.13.
2.14.	Counterparty credit risk for all repo-style transactions……………………………………………	XXXX					2.14.
2.15.	Exposure amount for repo-style transactions where an institution acts as an agent..	XXXX					2.15.

2.16. Total exposures for repo-style transactions (sum of items 2.12, 2.14, and 2.15, minus item 2.13)……	XXXX					2.16.
Off-balance sheet exposures						
2.17. Off-balance sheet exposures at gross notional amounts……	XXXX					2.17.
2.18. Adjustments for conversion to credit equivalent amounts (report as a positive amount) ……	XXXX					2.18.
2.19. Total off-balance sheet exposures (item 2.17 minus item 2.18)……	XXXX					2.19.
Capital and total leverage exposure						
2.20. Tier 1 capital (from Schedule A, item 45)……	XXXX					2.20.
2.21. Total leverage exposure (sum of items 2.3, 2.11, 2.16, and 2.19) ……	XXXX					2.21.
Supplementary leverage ratio		Percentage				
2.22. Supplementary leverage ratio (item 2.20 divided by item 2.21) ……	XXXX	_ _ . _ _ _ _				2.22.
2.23. Holding companies subject to enhanced SLR standards only: Leverage buffer ……	XXXX	_ _ . _ _ _ _				2.23.

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Instructions for Preparation of FFIEC 101

Draft Revisions to the Instructions

FFIEC 101 General Instructions

[Note: The following instructions would be added at the end of the FFIEC 101 General Instructions.]

P. Legal Entity Identifier

The Legal Entity Identifier (LEI) is a 20-digit alpha-numeric code that uniquely identifies entities that engage in financial transactions. An institution must provide its LEI on the cover page of the FFIEC 101 report only if the institution already has an LEI. An institution that does not have an LEI is not required to obtain one for purposes of reporting it on the FFIEC 101 report.

FFIEC 101 Schedule A Instructions

[Note: The existing instructions for Schedule A, items 91-98, would be removed and would be replaced by the following instructions for proposed Tables 1 and 2 of Schedule A.]

Schedule A – Advanced Approaches Regulatory Capital – Continued

Supplementary Leverage Ratio (SLR)

SLR Tables 1 and 2 are required to be completed by each advanced approaches institution as described in section 173(a)(2) of the advanced approaches risk-based capital rule.[1] Generally, the SLR disclosures apply to an advanced approaches institution, unless it is (1) a consolidated subsidiary of a bank holding company (BHC), savings and loan holding company, or a depository institution that is subject to these disclosure requirements; or (2) a subsidiary of a non-U.S. banking organization that is subject to comparable public disclosure requirements in its home jurisdiction.

These SLR tables are also required to be completed by intermediate holding companies (IHCs) formed or designated for purposes of compliance with the Board's Regulation YY (12 CFR 252.153) that meet the threshold for application of the advanced approaches rule effective with the March 31, 2018, reporting date.[2] In addition, any subsidiary BHC that is controlled by a foreign banking organization (FBO) prior to the establishment or designation of the IHC and that is subject to the SLR must complete the SLR tables through the December 31, 2017, reporting date.

Tables 1 and 2 are to be completed on a consolidated basis.

An advanced approaches institution must calculate its SLR as the ratio of tier 1 capital to total leverage exposure, as defined in the regulatory capital rule.[3]

For purposes of calculating the SLR, qualifying cash variation margin means cash variation margin that satisfies the following requirements, consistent with section 10(c)(4)(ii)(C) of the regulatory capital rule:

1. For derivative contracts that are not cleared through a qualifying central counterparty (QCCP), the cash collateral received by the recipient counterparty is not segregated (by law, regulation or an agreement with the counterparty);
2. Variation margin is calculated and transferred on a daily basis based on the mark-to-fair value of the derivative contract;
3. The variation margin transferred under the derivative contract or the governing rules for a cleared transaction is the full amount that is necessary to fully extinguish the net current credit exposure to the counterparty of the derivative contract, subject to the threshold and minimum transfer amounts applicable to the counterparty under the terms of the derivative contract or the governing rules for a cleared transaction;

[1] A top-tier advanced approaches banking organization would be required to complete Tables 1 and 2 of FFIEC 101 Schedule A, regardless of parallel run status. Any advanced approaches banking organization that is a consolidated subsidiary of a top-tier advanced approaches bank holding company, savings and loan holding company, or insured depository institution should not complete Tables 1 and 2.

[2] See 12 CFR 252.153 (Board).

[3] See 12 CFR 3.10(c)(4) (OCC); 12 CFR 217.10(c)(4) (Board); 12 CFR 324.10(c)(4) (FDIC).

4. The variation margin is in the form of cash in the same currency as the currency of settlement set forth in the derivative contract, provided that for the purposes of this paragraph, currency of settlement means any currency for settlement specified in the governing qualifying master netting agreement and the credit support annex to the qualifying master netting agreement, or in the governing rules for a cleared transaction; and
5. The derivative contract and the variation margin are governed by a qualifying master netting agreement between the legal entities that are the counterparties to the derivative contract or by the governing rules for a cleared transaction, and the qualifying master netting agreement or the governing rules for a cleared transaction must explicitly stipulate that the counterparties agree to settle any payment obligations on a net basis, taking into account any variation margin received or provided under the contract if a credit event involving either counterparty occurs.

Financial subsidiaries (applicable to national banks and insured state banks):
Any exposures arising from financial subsidiaries must be excluded from the amounts reported in Table 1, items 1.4, 1.5, 1.6, and 1.7; and Table 2, items 2.1 (except as noted) and 2.4 through 2.19.

Table 1: Summary comparison of accounting assets and total leverage exposure

An institution must report the following items for purposes of reconciling its balance sheet assets reported in the published financial statements and total leverage exposure.

1.1 **<u>Total consolidated assets as reported in published financial statements.</u>** Report the amount of total consolidated assets at quarter end as reported on the institution's published financial statements.

1.2 **<u>Adjustment for investments in banking, financial, insurance, and commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation.</u>** This item generally applies to institutions that have financial subsidiaries. The aggregate adjustment may be either a positive or a negative amount.

If a financial subsidiary is not consolidated into the institution for purposes of the institution's balance sheet, include in this item as a deduction (i.e., as a negative value) the quarterly average for the institution's ownership interest in the financial subsidiary accounted for under the equity method of accounting that is included in the institution's balance sheet carrying value of all on-balance sheet assets in Table 1, item 1.1.

If a financial subsidiary is consolidated into the institution for purposes of the institution's balance sheet, include in this item as a deduction (i.e., as a negative value) the quarterly average of the assets of the subsidiary that is included in the institution's total consolidated assets as reported in published financial statements in Table 1, item 1.1. Include in this item the quarterly average of institution assets representing claims on the financial subsidiary, other than the institution's ownership interest in the subsidiary, that were eliminated in consolidation. Because the institution's claims on the subsidiary were eliminated in consolidation, these assets would not otherwise be included.

Non-includable subsidiaries:
A savings association with a non-includable subsidiary should make similar exclusions from Table 1, item 1.1, determined in the same manner as described above for financial subsidiaries, except that for a non-includable subsidiary accounted for under the equity method of accounting, the exclusion should be the quarterly average for the savings association's outstanding investments (both equity and debt) in, and extensions of credit to, the subsidiary.

1.3 **<u>Adjustment for fiduciary assets recognized on-balance sheet but excluded from total leverage exposure.</u>** Not applicable.

1.4 **<u>Adjustment for derivative transactions.</u>** The amount reported in this item includes the accounting and regulatory adjustments required to reconcile what an institution reports on its published financial statements with the amount an institution includes for exposures to derivatives transactions in total leverage exposure (calculated on a quarter end basis), in addition to any off-balance sheet and related regulatory adjustments (calculated using the mean of the amount calculated as of the last day of each of the three months of the reporting quarter). The amount is calculated as follows:

	From the amount reported in Table 2, item 2.11;
Subtract	The amount reported in Table 2, item 2.4;
Add	The amount reported in Table 2, item 2.4, that is not already included in Table 1, item 1.1, as of the last day of the reporting quarter;
Subtract	The amount reported in Table 2, item 2.6;
Add	The amount reported in Table 2, item 2.6, as of the last day of the reporting quarter;
Add	The amount reported in Table 2, item 2.7;
Subtract	The amount reported in Table 2, item 2.7, as of the last day of the reporting quarter;
Add	Only the replacement cost included in Table 2, item 2.8; and
Subtract	Only the replacement cost included in Table 2, item 2.8, as of the last day of the reporting quarter.

An institution must not include in this item any amount related to adjustments to account for any difference in the frequency of calculations of total consolidated assets from quarter-end (as reported in Table 1, item 1.1) and the mean of the amount calculated as of each day of the reporting quarter (as reported in certain subcomponents of Table 2, item 2.11). Any amount related to such adjustments for the difference (if any) in the frequency of calculations must be reported in Table 1, item 1.7b.

1.5 **<u>Adjustment for repo-style transactions.</u>** The amount reported in this item includes the accounting and regulatory adjustments required to reconcile what an institution reports on its published financial statements with the amount an institution includes for exposures to repo-style transactions in its total leverage exposure (calculated on a quarter end basis), in addition to any off-balance sheet and related regulatory adjustments (calculated using the mean of the amount calculated as of the last day of each of the three months of the reporting quarter). The amount is calculated as follows:

	From the amount reported in Table 2, item 2.16;
Subtract	The amount reported in Table 2, item 2.12;
Add	The amount reported in Table 2, item 2.12, that is not already included in Table 1, item 1.1, as of the last day of the reporting quarter;
Add	The amount reported in Table 2, item 2.13; and
Subtract	The amount reported in Table 2, item 2.13, as of the last day of the reporting quarter.

An institution must not include in this item any amount related to adjustments to account for any difference in the frequency of calculations of total consolidated assets from quarter-end (as reported in Table 1, item 1.1) and the mean of the amount calculated as of each day of the reporting quarter (as reported in certain subcomponents of Table 2, item 2.16). Any amount related to adjustments for differences (if any) in the frequency of calculations must be reported in Table 1, item 1.7b.

1.6 **Adjustment for off-balance sheet exposures.** Report the credit equivalent amount of off-balance sheet exposures, which is the amount reported in Table 2, item 2.19.

1.7 **Other adjustments.**

1.7a **Adjustments for deductions from tier 1 capital.** Report (as a positive amount) deductions from common equity tier 1 capital and additional tier 1 capital as reported in Table 2, item 2.2.

1.7b **Adjustments for frequency of calculations.** The amount reported in this item adjusts for the difference between the frequency of calculations of total consolidated assets in Table 1, item 1.1, as well as the accounting and regulatory adjustments reported for exposures to derivatives transactions in Table 1, item 1.4, and repo-style transactions in Table 1, item 1.5, that are reported on a quarter end basis and the mean of the amount calculated for these components as of each day of the reporting quarter.

This amount may be positive, negative, or zero. The value will be zero for this item if there is no difference between the quarter end value reported in Table 1, item 1.1 and the mean of the amount of total consolidated assets calculated as of each day of the reporting quarter. Report this amount as a negative value if the mean of the amount of total consolidated assets calculated as of each day of the reporting quarter is greater than the quarter end value reported in Table 1, item 1.1. Report this amount as a positive value if the mean of the amount of total consolidated assets calculated as of each day of the reporting quarter is less than the quarter end value reported in Table 1, item 1.1.

1.8 **Total leverage exposure.** Report the sum of Table 1, items 1.1 through 1.6, minus items 1.7a and 1.7b. This item must equal Table 2, item 2.21.

Table 2: Supplementary leverage ratio

On-balance sheet exposures

An institution must report the following amounts with respect to its on-balance sheet exposures.

2.1 **The balance sheet carrying value of all on-balance sheet assets (excluding on-balance sheet assets for derivative transactions and repo-style transactions, but including collateral).** Report the balance sheet carrying value, of all on-balance sheet assets (excluding on-balance sheet carrying value for derivative transactions and repo-style transactions), net of allowance for loan and lease losses (ALLL) as defined in the regulatory capital rule. Specifically, do not include in this item the value of receivables in reverse repurchase transactions. However, include in this item securities provided in a repurchase agreement, securities pledged in a securities borrowing transaction, securities lent in a securities lending transaction, and cash and other collateral received under any such repo-style transaction. Also include in this item the amount of on-balance sheet cash and collateral received from a counterparty in derivative transactions.

Report this item as the mean of the amount calculated as of each day of the reporting quarter.

Financial subsidiaries:
If a financial subsidiary is not consolidated into the institution for purposes of the institution’s balance sheet, exclude from this item the quarterly average for the institution's ownership interest in the financial subsidiary accounted for under the equity method of accounting that is included in the institution’s balance sheet carrying value of all on-balance sheet assets in this item 2.1.

If a financial subsidiary is consolidated into the institution for purposes of the institution’s balance sheet, exclude from this item the quarterly average of the assets of the subsidiary that is included in the institution’s balance sheet carrying value of all on-balance sheet assets in this item 2.1, minus any deductions from common equity tier 1 capital and additional tier 1 capital attributable to the financial subsidiary that have been included in Table 2, item 2.2. Include in this item the quarterly average of institution assets representing claims on the financial subsidiary, other than the institution’s ownership interest in the subsidiary, that were eliminated in consolidation. Because the institution’s claims on the subsidiary were eliminated in consolidation, these assets would not otherwise be included.

Non-includable subsidiaries:
A savings association with a non-includable subsidiary should make similar exclusions from Table 2, item 2.1, determined in the same manner as described above for financial

subsidiaries, except that for a non-includable subsidiary accounted for under the equity method of accounting, the exclusion should be the quarterly average for the savings association's outstanding investments (both equity and debt) in, and extensions of credit to, the subsidiary.

2.2 **<u>Deductions from common equity tier 1 capital and additional tier 1 capital.</u>** Report (as a positive value) the sum of Schedule A, items 28 and 43, net of Schedule A, items 11, 14, and the amount reported in item 27 that is due to insufficient amounts of additional tier 1 capital, and which is included in the amount reported in item 43 (to avoid double counting), as calculated as of the end of the reporting quarter.

2.3 **<u>Total on-balance sheet exposures.</u>** Report Table 2, item 2.1, minus Table 2, item 2.2.

Derivative transactions

An institution must report the following amounts with respect to its derivative transactions.

2.4 **<u>Replacement cost for all derivative transactions.</u>** Report the replacement cost for all derivative transactions, cleared and non-cleared. This amount may be calculated net of qualifying cash variation margin. An institution may not reduce the replacement cost of its derivative transactions by any other collateral, except for qualifying cash variation margin. For derivative transactions that are subject to a qualifying master netting agreement, an institution may calculate the replacement cost on a net basis. The replacement cost with respect to a netting set is the greater of zero and the sum of the fair value of all derivative transactions within the netting set. For derivative transactions not covered by a qualifying master netting agreement, the replacement cost must be calculated separately for each single derivative transaction and is the greater of zero and the fair value of the derivative.

For client cleared derivative transactions under the agency model, include the replacement cost of derivative transactions where a clearing member banking organization guarantees the performance of a clearing member client to a central counterparty (CCP). This amount may be calculated net of qualifying cash variation margin.

For client cleared derivative transactions under the principal model, include the replacement cost of derivative transactions with a CCP where a clearing member banking organization reports on its balance sheet the derivative transaction that offsets a derivative transaction with its clearing member client. This amount may be calculated net of qualifying cash variation margin.

If the clearing member client and the clearing member banking organization are affiliates and consolidated on the reporting institution's balance sheet, the institution is not required to include the exposure to the clearing member client in the reported amount.

Report this item as the mean of the amount calculated as of each day of the reporting quarter.

2.5 **Add-on amounts for potential future exposure (PFE) for all derivative transactions.** Report the potential future exposure (PFE) amount for each derivative transaction included in Table 2, item 2.4 (include each transaction regardless of whether the transaction or the transaction's netting set has a positive or negative mark-to-fair value), including the PFE amount for each credit derivative transaction, or other similar instrument, through which the institution provides credit protection.

The PFE amount must be calculated according to section 34 of the regulatory capital rule, but without regard to section 34(b). For derivative transactions that are subject to a qualifying master netting agreement, an institution may calculate the PFE using the adjusted sum of the PFE amounts or A_{net} according to section 34(a)(2)(ii); however, cash variation margin may not be used to reduce the net current credit exposure or the gross current credit exposure in the net-to-gross ratio. For derivative transactions that are not subject to a qualifying master netting agreement, the PFE amount must be calculated separately for each single derivative transaction.

Report this item as the mean of the amount calculated as of the last day of each of the most recent three months.

2.6 **Gross-up for collateral posted in derivative transactions if collateral is deducted from on-balance sheet assets.**
Report the sum of the following amounts:

1. The amount of non-cash collateral that the institution has posted to a counterparty in a derivative transaction that has reduced the institution's on-balance sheet assets as reported in Table 2, item 2.1; and,
2. The amount of cash collateral that the institution has posted to a counterparty in a derivative transaction that does not meet the criteria for qualifying cash variation margin and has reduced the institution's on-balance sheet assets as reported in Table 2, item 2.1.[4] No gross-up amount is necessary with respect to cash collateral if either the posted cash collateral meets the criteria for qualifying cash variation margin, or the institution does not exercise the GAAP offset option.

Report this item as the mean of the amount calculated as of each day of the reporting quarter.

2.7 **Deduction of receivable assets for qualifying cash variation margin posted in derivative transactions (report as a positive amount).** An institution may report the amount of receivable (or other) assets that are included in on-balance sheet assets in Table 2, item 2.1, and are related to qualifying cash variation margin that the institution posts to counterparties under derivative transactions.

[4] Under U.S. generally accepted accounting principles (GAAP), an institution has the option to offset the negative fair value of its derivative liability to a counterparty by the amount of cash collateral posted to the counterparty and reduce its balance sheet assets by the amount of cash collateral posted (GAAP offset option).

For example, if an institution has not exercised the GAAP offset option, then it would have a receivable/other asset on its balance sheet as a result of posting cash collateral to its counterparty. Consistent with the regulatory capital rule, an institution may exclude this resulting receivable (or other asset) from total leverage exposure in the amount of the qualifying cash variation margin that the institution has posted to a counterparty. An institution may exclude this amount from total leverage exposure by reporting in this item the value of such qualifying cash variation margin that has been included in Table 2, item 2.1, as a receivable.

Report this item as the mean of the amount calculated as of each day of the reporting quarter.

2.8 **Exempted exposures to central counterparties (CCPs) in cleared transactions (report as a positive amount).** For client cleared derivative transactions under the principal model, report the replacement cost included in Table 2, item 2.4, and the PFE amount included in Table 2, item 2.5, in which the clearing member institution does not guarantee the performance of a CCP with respect to a transaction cleared on behalf of a clearing member client.

Report the replacement cost as the mean of the amount calculated as of each day of the reporting quarter, and the PFE amount as the mean of the amount calculated as of the last day of each of the three months of the reporting quarter.

2.9 **Adjusted effective notional principal amount of sold credit protection.** Report the effective notional principal amount (that is, the apparent or stated notional principal amount multiplied by any multiplier in the derivative contract) of a credit derivative, or other similar instrument (sold credit protection), through which an institution provides credit protection (for example, credit default swaps or total return swaps that reference instruments with credit risk, such as a bond). A clearing member institution is not required to include the effective notional principal amount of sold credit protection that the institution clears on behalf of a clearing member client through a CCP.

An institution may reduce the effective notional principal amount of the sold credit protection by the amount of any reduction in the fair value of the sold credit protection if the reduction is recognized in common equity tier 1 capital.

Report this item as the mean of the amount calculated as of the last day of each of the three months of the reporting quarter.

2.10 **Adjusted effective notional principal amount offsets and PFE deductions for sold credit protection (report as a positive amount).** Report the sum of the following amounts:

1. The amount of purchased credit protection used to reduce the effective notional principal amount of sold credit protection in accordance with section

10(c)(4)(ii)(D)(*2*) of the regulatory capital rule. For example, purchased credit protection may only be used to reduce the effective notional principal amount of sold credit protection if the remaining maturity of the purchased credit derivative is equal to or greater than the remaining maturity of the credit derivative through which the institution provides credit protection; and,

2. An institution may include in this item the PFE associated with credit derivative transactions in which the institution has sold credit protection, in accordance with section 10(c)(4)(ii)(B)(1) and (2) of the regulatory capital rule.

Report this item as the mean of the amount calculated as of the last day of each of the three months of the reporting quarter.

2.11 **<u>Total derivative exposures.</u>** Report the sum of Table 2, items 2.4, 2.5, 2.6, and 2.9, minus items 2.7, 2.8, and 2.10.

Repo-style transactions

An institution must report the following amounts with respect to its repo-style transactions.

2.12 **<u>Gross assets for repo-style transactions, with no recognition of netting.</u>** Report:

1. The gross value of receivables for reverse repurchase transactions;
2. Less, the value of securities received in security-for-security repo-style transactions (which are included in on-balance sheet assets in Table 2, item 2.1), in which the institution acts as a securities lender (transferor) and has not sold or re-hypothecated the securities received;
3. Plus, the value of securities sold under a repurchase transaction or transferred in a securities lending transaction that qualify for sales treatment under GAAP, but must be included in total leverage exposure for purposes of calculating the SLR.

Report this item as the mean of the amount calculated as of each day of the reporting quarter.

2.13 **<u>Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions (report as a positive value).</u>** Where an institution acts as a principal and has repurchase and reverse repurchase transactions with the same counterparty, report the lesser of (i) the gross value of payables for the repurchase transactions or (ii) the gross value of receivables for the reverse repurchase transactions that the reporting institution has with the same counterparty, provided the following criteria are met:

1. The offsetting transactions have the same explicit final settlement date under their governing agreements;
2. The right to offset the amount owed to the counterparty with the amount owed by the counterparty is legally enforceable in the normal course of business and in the event of receivership, insolvency, liquidation, or similar proceeding; and
3. Under the governing agreements, the counterparties intend to settle net, settle

simultaneously, or settle according to a process that is the functional equivalent of net settlement (that is, the cash flows of the transactions are equivalent, in effect, to a single net amount on the settlement date), where both transactions are settled through the same settlement system, the settlement arrangements are supported by cash or intraday credit facilities intended to ensure that settlement of both transactions will occur by the end of the business day, and the settlement of the underlying securities does not interfere with the net cash settlement.

Report this item as the mean of the amount calculated as of each day of the reporting quarter.

2.14 **Counterparty credit risk for all repo-style transactions.** Report the aggregate amount of counterparty credit risk for all repo-style transactions in which the institution acts as principal. Do not include repo-style transactions in which the institution acts as an agent.

For repo-style transactions subject to a qualifying master netting agreement, the counterparty credit risk must be calculated as the greater of zero and the total fair value of the instruments, gold, or cash that the institution has lent, sold subject to repurchase, or provided as collateral to a counterparty, less the total fair value of the instruments, gold, or cash that the institution borrowed, purchased subject to resale, or received as collateral from its counterparty for those transactions. If the repo-style transaction is not subject to a qualifying master netting agreement, the counterparty credit risk must be calculated on a transaction-by-transaction basis.

Report this item as the mean of the amount calculated as of the last day of each of the three months of the reporting quarter.

2.15 **Exposure amount for repo-style transactions where an institution acts as an agent.** Report the aggregate exposure amount for repo-style transactions where an institution acts as an agent and provides a guarantee (indemnity) to a customer with regard to the performance of the customer's counterparty.

If the guarantee is limited to the difference between the fair value of the security or cash the customer has lent and the fair value of the collateral that the borrower has provided, report the difference between the fair value of the instruments, gold, and cash received from a counterparty from the fair value of any instruments, gold and cash lent to the counterparty, or zero, whichever is greater.

If the guarantee is greater than the difference between the fair value of the security or cash the customer has lent and the fair value of the security or cash the borrower has provided, the institution must include the amount of the guarantee that is greater than such difference.

For repo-style transactions where a qualifying master netting agreement is in place, or the transactions are cleared, the institution would be able to net the total fair value of instruments, gold, and cash lent to a counterparty against the cash received from the same counterparty across all transactions.

For repo-style transactions that are not subject to a qualifying master netting agreement, an institution must calculate counterparty credit risk on a transaction-by-transaction basis.

Report this item as the mean of the amount calculated as of the last day of each of the three months of the reporting quarter.

2.16 **Total exposures for repo-style transactions.** Report the sum of Table 2, items 2.12, 2.14, and 2.15, minus item 2.13.

Off-balance sheet exposures

An institution must report the following amounts with respect to its off-balance sheet exposures. All off-balance sheet exposures must be reported as the mean of the amount calculated as of the last day of each of the three months of the reporting quarter.

2.17 **Off-balance sheet exposures at gross notional amounts.** The notional amount of all off-balance sheet exposures (excluding off-balance sheet exposures associated with repo-style transactions, repurchase or reverse repurchase or securities borrowing or lending transactions that qualify for sales treatment under GAAP, and derivative transactions).

2.18 **Adjustments for conversion to credit equivalent amounts (report as a positive amount).**
Report the aggregate adjustments for conversion of off-balance sheet exposures in Table 2, item 2.17, to credit equivalent amounts as follows:

1. For unconditionally cancellable commitments that receive a credit conversion factor (CCF) of 10 percent for purposes of calculating the SLR, multiply the notional amount of these commitments by 90 percent.
2. For commitments that receive a CCF of 20 percent under section 33(b) of the regulatory capital rule, multiply the notional amount of these commitments by 80 percent.
3. For commitments that receive a CCF of 50 percent under section 33(b) of the regulatory capital rule, multiply the notional amount of these commitments by 50 percent.

Add the amounts in steps 1-3 and report the sum in this item 2.18. Note that no adjustment is made to off-balance sheet exposures that receive a CCF of 100 percent under section 33(b) of the regulatory capital rule.

2.19 **Total off-balance sheet exposures.** Report Table 2, item 2.17, minus item 2.18.

Capital and total leverage exposure

2.20 **Tier 1 capital.** Report the tier 1 capital amount as reported in Schedule A, item 45.

2.21 **Total leverage exposure.** Report the sum of Table 2, items 2.3, 2.11, 2.16, and 2.19.

Supplementary leverage ratio

2.22 **<u>Supplementary leverage ratio.</u>** Report the ratio of Table 2, item 2.20, divided by item 2.21, as a percentage, rounded to four decimal places.

2.23 **<u>Holding companies subject to enhanced SLR standards only: Leverage buffer.</u>** Report Table 2, item 2.22, minus the SLR minimum in section 10(a)(5) of the regulatory capital rule as a percentage, rounded to four decimal places. If the holding company's supplementary leverage ratio is less than or equal to the minimum, the holding company's leverage buffer is zero.