**FFIEC 041 Draft Reporting Form and Instructions for Call Report Revisions Related to the Standardized Approach for Counterparty Credit Risk (SA-CCR)**

The following draft reporting form and draft instructions, both of which are subject to change, present the pages from the FFIEC 041 Call Report as they are proposed to be revised as of the December 31, 2021, report date. These proposed revisions related to SA-CCR are described in the federal banking agencies' initial 60-day Paperwork Reduction Act (PRA) *Federal Register* notice published on July 22, 2021. As discussed in the agencies' final PRA *Federal Register* notice published in the Federal Register on November 4, 2021, the agencies are proceeding with the SA-CCR related revisions to the FFIEC 041 Call report as proposed, subject to final approval by the U.S. Office of Management and Budget.

The banking agencies issued the Standardized Approach on Counterparty Credit Risk (SA-CCR) final rule on January 24, 2020. The proposed revisions include a new item that would be added to Schedule RC-R, Part I to identify institutions that have chosen to early adopt or voluntarily elect to use SA-CCR.

The initial and final PRA *Federal Register* notice is available on the FFIEC's webpage for the FFIEC 041 Call Report.

Draft as of November 4, 2021

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DRAFT

# Schedule RC-R—Continued

## Part I—Continued

| **Leverage Ratio*** | RCOA | Percentage | |
|---|---|---|---|
| 31. Leverage ratio (item 26 divided by item 30) | 7204 | | 31. |

| | 0=No / 1=Yes | RCOA | | |
|---|---|---|---|---|
| a. Does your institution have a community bank leverage ratio (CBLR) framework election in effect as of the quarter-end report date? (enter "1" for Yes; enter "0" for No) | | LE74 | | 31.a. |

If your institution entered “1” for Yes in item 31.a:
- Complete items 32 through 37 and, if applicable, items 38.a through 38.c,
- Do not complete items 39 through 55.b, and
- Do not complete Part II of Schedule RC-R.

If your institution entered “0” for No in item 31.a:
- Skip (do not complete) items 32 through 38.c,
- Complete items 39 through 55.b, as applicable, and
- Complete Part II of Schedule RC-R.

Insert A →

**Qualifying Criteria and Other Information for CBLR Institutions***

| Dollar Amounts in Thousands | (Column A) RCOA | Amount | (Column B) RCOA | Percentage | |
|---|---|---|---|---|---|
| 32. Total assets[1] | 2170 | | | | 32. |
| 33. Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a dollar amount in column A and as a percentage of total assets (5% limit) in column B | KX77 | | KX78 | | 33. |
| 34. Off-balance sheet exposures: | | | | | |
| a. Unused portion of conditionally cancellable commitments | KX79 | | | | 34.a. |
| b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b) | KX80 | | | | 34.b. |
| c. Other off-balance sheet exposures | KX81 | | | | 34.c. |
| d. Total off-balance sheet exposures (sum of items 34.a through 34.c). Report as a dollar amount in column A and as a percentage of total assets (25% limit) in column B | KX82 | | KX83 | | 34.d. |

| Dollar Amounts in Thousands | RCOA | Amount | |
|---|---|---|---|
| 35. Unconditionally cancellable commitments | S540 | | 35. |
| 36. Investments in the tier 2 capital of unconsolidated financial institutions | LB61 | | 36. |
| 37. Allocated transfer risk reserve | 3128 | | 37. |
| 38. Amount of allowances for credit losses on purchased credit-deteriorated assets:[2] | | | |
| a. Loans and leases held for investment | JJ30 | | 38.a. |
| b. Held-to-maturity debt securities | JJ31 | | 38.b. |
| c. Other financial assets measured at amortized cost | JJ32 | | 38.c. |

*If your institution entered “0” for No in item 31.a, complete items 39 through 55.b, as applicable, and Part II of Schedule RC-R.*
*If your institution entered “1” for Yes in item 31.a, do not complete items 39 through 55.b or Part II of Schedule RC-R.*

| Dollar Amounts in Thousands | RCOA | Amount | |
|---|---|---|---|
| **Tier 2 Capital**[3] | | | |
| 39. Tier 2 capital instruments plus related surplus | P866 | | 39. |
| 40. Non-qualifying capital instruments subject to phase-out from tier 2 capital | P867 | | 40. |

* Report each ratio as a percentage, rounded to four decimal places, e.g., 12.3456.

1. For report dates through December 31, 2021, report the lesser of total assets reported in Schedule RC, item 12, as of *December 31, 2019*, or the current report date, which must be less than $10 billion.
2. Items 38.a through 38.c should be completed only by institutions that have adopted ASU 2016-13.
3. An institution that has a CBLR framework election in effect as of the quarter-end report date is neither required to calculate tier 2 capital nor make any deductions that would have been taken from tier 2 capital as of the report date.

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# Insert A

Item 31.b is to be completed only by non-advanced approaches institutions that elect to use the Standardized Approach for Counterparty Credit Risk (SA-CCR) for purposes of the standardized approach and supplementary leverage ratio.

| | | | | |
|---|---|---|---|---|
| b. Standardized Approach for Counterparty Credit Risk opt-in election (enter “1” for Yes; leave blank for No.) | | RCOA | | |
| | 1=Yes | NC99 | | 31.b |



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**Part I. (cont.)**

**Item No. Caption and Instructions**

NOTE: Item 31.b is to be completed by non-advanced approaches institutions that elect to use the Standardized Approach for Counterparty Credit Risk (SA-CCR) for purposes of the standardized approach and supplementary leverage ratio (as applicable) and advanced approaches institutions that adopt SA-CCR prior to the mandatory compliance date. Other institutions should leave this item blank.

**31.b** **Standardized Approach for Counterparty Credit Risk opt-in election:** A non-advanced approaches institution may continue to use Current Exposure Model or elect to use SA-CCR for purposes of the standardized approach and supplementary leverage ratio (as applicable). Where a banking institution has the option to choose among the approaches applicable to such institution under the capital rule, it must use the same approach for all purposes. For advanced approaches institutions, adoption of the SA-CCR methodology is mandatory beginning January 1, 2022 and voluntary prior to that date. The SA-CCR rule provides advanced and non-advanced approaches institutions the option to adopt SA-CCR for purposes of standardized total risk-weighted assets and, if applicable, the supplementary leverage ratio, beginning with the first quarter of 2020.[1]

Non-advanced approaches institutions that elect to use SA-CCR and advanced approaches institutions that adopt SA-CCR prior to the mandatory compliance date must notify their appropriate federal supervisor. These institutions would complete this item as prescribed below:

An advanced approaches institution that elects to early adopt SA-CCR prior to the mandatory compliance date would enter “1” for “Yes” in this item 31.b. An advanced approaches institution that does not early adopt SA-CCR should leave item 31.b blank.

A non-advanced approaches institution that adopts SA-CCR would enter “1” for “Yes” in item 31.b. A non-advanced approaches institution that does not make a SA-CCR opt-in election should leave item 31.b blank. A non-advanced approaches institution must use the same methodology to calculate the exposure amount for all its derivative contracts and, if a banking institution has elected to use SA-CCR, a banking institution may change its election only with prior approval of its appropriate federal supervisor.



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[1] See 12 CFR 3 (OCC); 12 CFR 217 (Board); 12 CFR 324 (FDIC).