

**Supporting Statement**  
**OMB Control No. 1557-0100**  
**(MA) - Country Exposure Report and Country Exposure Information Report**  
**(FFIEC Forms 009 and 009a)**

This supporting statement seeks an extension of the approved collection for the Country Exposure Report and Country Exposure Information Report, without change.

**A. Justification**

**1. Circumstances that make the collection necessary:**

The OCC, in conjunction with the other Federal banking supervisory agencies, pursuant to section 907 of the International Lending Supervision Act of 1983 (Title 9, Pub. L. 98-181, 97 Stat, 1153) and 12 CFR 28, requires national banks to report quarterly, their exposures in foreign countries and to provide information regarding material exposures in foreign countries.

This information is critical in determining and monitoring the soundness of national banks, state-chartered banks and banking organizations conducting business worldwide. A number of borrowers in other countries have experienced difficulties in paying the loans granted to them by U.S. national banks. This inability to pay, or a delay in repayment, can impair a bank's liquidity, affect a bank's market rating and acceptability, and thus, adversely affect its access to and cost of funding and capital, and can affect a bank's earnings.

**2. Use of the information:**

The Country Exposure Report (FFIEC 009) is used by the OCC to monitor overseas exposure of U.S. banks in individual countries. The OCC and the other Federal financial institutions regulators (the agencies) use the report to analyze trends in overseas lending by individual U.S. banks and the U.S. banking system as a whole. The data are preliminary indicators of relative levels of risk undertaken by individual banks and serve as a crucial tool in the examination process. The reported data are essential for research, bank supervision and policy formulation within the agencies.

The Federal Reserve Board makes this information available in aggregate form, to the Bank for International Settlements (BIS), in Basle, Switzerland. The BIS periodically issues data on the overall indebtedness of various countries throughout the world. The data abstracted from the Country Exposure Report are uniquely valuable to the BIS since insights on short-term indebtedness of various countries (at least that portion owed to U.S. banks), which are not ordinarily available from the countries, are reflected. BIS data are utilized by banks, governments, and analysts in determining the total debt burden of various countries. The Federal Financial Institutions Examination Council (FFIEC) issues a quarterly release, which displays the aggregate amounts reported by respondent banks. This information is used by banks, government agencies, and analysts.

The Country Exposure Information Report (FFIEC 009a) is used by the OCC for examination purposes. Further, the information is disclosed to the public via the FFIEC's Internet Website (<http://www.ffiec.gov/E16.htm>) and on request. This information provides bank depositors, other creditors, and investors a better understanding of an individual national bank's foreign exposures.

**3. Consideration of the use of improved information technology:**

These reports are collected and processed by the Board on behalf of the agencies via the Federal Reserve System's Internet Electronic Submission (IESUB) system. Electronic filing capability via IESUB is available on the Internet through the use of data entry or a file transfer feature. These methods are secure and result in a minimal burden to banks and bank holding companies. The agencies no longer accept paper (hard copy) reports from banks and bank holding companies.

**4. Efforts to identify duplication:**

The data are unique. They are not otherwise collected.

The U.S. Treasury Department collects information in its International Capital Form BC/BC(A) that, on its face, may seem duplicative. However, Treasury data differ substantially from the 009 and 009a data and are inadequate for bank supervisory purposes. The 009 is required for any bank or banking institution with aggregate dollar claims on foreigners which aggregate to \$30 million or more. The 009 data are tailored for supervisory and regulatory purposes. The Treasury data differ from the 009 data. For example, the Treasury data include only dollar claims while the 009 calls for inclusion of all claims in a country denominated in any currency external to that country. In addition, the Treasury form does not provide for a maturity distribution of exposure, reallocation of claims for guarantees, commitments to advance additional funds, and local currency assets and liabilities.

**5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:**

The collections of information do not involve small banks or other small entities. Banks with aggregate international exposures of under \$30 million are not required to file either report. Therefore, small banks are not affected by these requirements.

**6. Consequences to the Federal program if the collection were conducted less frequently:**

Federal statutes preclude less frequent reporting and disclosure. Further, since the information is used for bank supervisory purposes and for persons to make financial decisions, stale information would have much less practical utility to the users of the information.

**7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:**

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.

**8. Efforts to consult with persons outside the agency:**

On December 13, 2005, the OCC, the Board, and the FDIC jointly published a notice soliciting comments for 60 days a proposal to extend without revision the currently approved information collection of the FFIEC 009 and FFIEC 009a (70 FR 73745). No comments were received.

**9. Payment to respondents:**

There is no payment to respondents.

**10. Any assurance of confidentiality:**

The FFIEC 009 information collection is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(8)). The FFIEC 009a information collection is not given confidential treatment.

**11. Justification for questions of a sensitive nature:**

No questions of a sensitive nature are asked.

**12. Burden estimate:**

FFIEC 009:

The OCC estimates that 19 national banks will file the 009 report each quarter. The OCC further estimates that the burden range to prepare and file the report is from approximately 40 hours for national banks with just over \$30 million in aggregate international exposure to approximately 200 hours for national banks with more substantial exposure. The OCC estimates that 70 burden hours, on average, are required to prepare and file the report.

19 respondents x 4 responses = 76 responses per year  
76 responses x 70 burden hours = 5,320 burden hours

FFIEC 009a:

The OCC estimates that the same 19 national banks will file the 009a each quarter. The OCC further estimates that the average burden to prepare and file the required information is approximately 5.25 hours.

19 respondents x 4 responses = 76 responses per year  
76 responses x 5.25 burden hours = 399 burden hours

Totals (FFIEC 009 and 009a):

19 respondents; 152 responses; 5,719 burden hours

The OCC estimates the cost of the hour burden to respondents as follows:

Clerical:	30% x 5,719	=	1,715.70	@ \$20 = \$	34,314.00
Managerial/Technical:	65% x 5,719	=	3,717.35	@ \$40 = \$	148,694.00
Senior Mgmt/Professional:	05% x 5,719	=	285.95	@ \$80 = \$	<u>2,2876.00</u>
Total:					\$ 205,884.00

**13. Estimate of annualized costs to respondents:**

None.

**14. Estimate of annualized costs to the government:**

None.

**15. Changes in burden:**

- 2 respondents; - 16 responses; - 602 burden hours

**16. Information regarding collections whose results are planned to be published for statistical use:**

See Item # 2.

**17. Display of expiration date:**

Not applicable.

**18. Exceptions to certification statement:**

None.

**B. Collections of Information Employing Statistical Methods**

Not applicable.