

Supporting Statement
OMB Control Number 1557-0099
Foreign Branch Report of Condition

A. Justification.

1. Circumstances that make the collection necessary:

The Foreign Branch Report of Condition (FFIEC 030) is required by statute. Under 12 U.S.C. 602, every national banking association operating a foreign branch must file this report. The agencies need this information to monitor U.S. bank activity at overseas locations and funds flow worldwide. The agencies also need this information for planning foreign branch examinations.

2. Use of the information:

The Foreign Branch Report of Condition is the only report with balance sheet and contingent liability data collected by the agencies from foreign branches. The data collected are used by the agencies to monitor banking activity at overseas locations. On an aggregate basis, the agencies make considerable use of the data in monitoring U.S. bank activity in the Eurocurrency markets and in tracking funds flow worldwide. Aggregate data are also made available to the public. Data on specific branches or branches within a specific country or region are used in planning examinations.

The abbreviated or “short” report (FFIEC 030S) contains five items that branches with total assets between \$50 million and \$250 million can file on an annual basis in lieu of the FFIEC 030 form. The scope of the FFIEC 030S is comparable to a report filed with the Federal Reserve by U.S. banking organizations for their foreign subsidiaries. The items for this report are considered the minimum information needed to serve as indicators of higher business volume, risk, and complexity in small-sized foreign branches. The reported information is also used to monitor potential developments that may pose risks to the overall operations of the parent bank.

The agencies exempt foreign branches with total assets below \$50 million from both the FFIEC 030 and FFIEC 030S annual filing requirements.

3. Consideration of the use of improved information technology:

U.S. banks are required by 12 U.S.C. 604 to maintain an independent set of accounts for each foreign branch. Since most banks have a computerized general ledger system and only large banks operate foreign branches, most reporting banks use sophisticated technology. This minimizes their reporting burden. The OCC supports banks’ use of improved information technology and will consider any further improvements proposed by any national bank.

4. Efforts to identify duplication:

The report has been approved by the Federal Financial Institutions Examination Council (FFIEC) and there is no other report that provides duplicate information.

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

Not applicable. This collection does not involve small businesses or other small entities.

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

If this collection were conducted less frequently than the present annual collection, the agencies would have insufficient information regarding U.S. bank activity in the Eurocurrency markets and at specific foreign locations on which to base informed policy decisions, reports to Congress, and foreign branch examinations. Quarterly reporting by the largest foreign branches permits OCC to monitor foreign currency markets in a timely manner while minimizing burden on the respondents as a whole.

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

Not applicable. This collection is conducted in accordance with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency:

On June 25, 2009, the OCC, the Board, and the FDIC published a notice soliciting comment for 60 days on the proposed extension, with revision, of the FFIEC 030 (74 FR 30358). The agencies received no comments.

9. Payment to respondents.

Not applicable. There is no payment to respondents.

10. Any assurance of confidentiality:

Not applicable. No assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

Not applicable. No questions of a sensitive nature are asked.

12. Burden estimate:

Estimated Number of Respondents: 101 annual branch respondents (FFIEC 030); 289 quarterly branch respondents (FFIEC 030); 30 annual branch respondents (FFIEC 030S).

Estimated Average Time Per Response: 3.4 burden hours (FFIEC 030); 0.5 burden hours (FFIEC 030S).

101 respondents x 1 response = 101 responses x 3.4 hours = 343.4 hours

289 respondents x 4 responses = 1,156 responses x 3.4 hours = 3,930.4 hours

30 respondents x 1 response = 30 responses x 0.5 = 15 hours

Estimated Total Annual Burden: 4,288 hours.

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

Clerical:	30% x 4,288 hours = 1,286.4 hours @ \$20	=	\$ 25,728
Managerial/Technical:	65% x 4,288 hours = 2,787.2 hours @ \$40	=	\$111,488
Senior Mgmt/Professional:	05% x 4,288 hours = 214.4 hours @ \$80	=	<u>\$ 17,152</u>
Total:			\$154,368

13. Estimate of annualized costs to respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Changes in burden:

Former burden:

391 respondents; 610 responses; 1,495 burden hours

New burden:

420 respondents; 1,287 responses; 4,288 burden hours

Difference:

+ 29 respondents; + 677 responses; + 2,793 burden hours (adjustment)

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

The OCC has no plans to publish the information for statistical use.

17. Display of expiration date.

Not applicable.

18. Exceptions to certification statement.

None.

- B. Collections of Information Employing Statistical Methods.

Not applicable.