

**Supporting Statement for
Disclosure of Financial and Other Information by National Banks
12 CFR Part 18
OMB Control No. 1557-0182**

A. Justification

1. Circumstances that make the collection necessary:

The OCC, as the primary regulator for national banks, is responsible for fostering the safety and soundness of the national banking system. This program of periodic financial disclosure is needed, not only to facilitate informed decision making by existing and potential customers and investors, but also to improve public understanding of, and confidence in, the financial condition of individual national banks and the national banking system. Financial disclosure also reduces the likelihood that the market will overreact to incomplete information. Disclosure of financial information complements the OCC's supervisory efforts.

2. Use of the information:

Depositors, security holders, and the general public use the information to evaluate the condition of, and decide whether to do business with, a particular bank. Disclosure and increased public knowledge also complements the OCC's efforts to promote the safety and soundness of national banks and the national banking system.

3. Consideration of the use of improved information technology:

National banks may adopt any existing technology relevant to producing or delivering the information.

4. Efforts to identify duplication:

There is no duplication. Although the data required to be disclosed in the annual disclosure statement are the same data that banks provide in the Reports of Condition and Income (Call Reports), the public, not the government, is the recipient of the disclosed information. This disclosure program ensures that relevant data are more readily available to the general public and that the public is made aware that the data is available. Finally, the optional narrative section may include unique information that bank management deems significant in evaluating the overall condition of the bank.

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

This collection of information imposes on banks, regardless of size, only the minimum burden necessary to accomplish the program objectives discussed in Items 1 and 2. The OCC has minimized the program burden for all banks by permitting the disclosure of already required,

readily available information as discussed in Item 4, and by making the narrative portion of the disclosure optional.

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

The preparation of the financial disclosure statement is required only on an annual basis. Less frequent disclosure would make the program unworkable and would not accomplish the OCC's objectives of giving existing and potential customers the information they need to make decisions and enhancing public confidence in the banking system.

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

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

8. Efforts to consult with persons outside the agency:

The OCC published a *Federal Register* notice regarding this renewal of the information collections in 12 CFR Part 18 on February 27, 2013 (78 FR 13400) and received no public comment.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

No assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

The collections of information are found in 12 CFR 18.3, 18.4, and 18.8. Section 18.3 requires the preparation of an annual disclosure statement and specifies how it must be made available. Section 18.4 details the required elements of the disclosure statement and permits a bank to supplement its annual disclosure statement with an optional narrative. Lastly, § 18.8 requires that a national bank promptly furnish its annual disclosure statement upon request.

The regulation applies to approximately 1,290 national banks and 48 Federal branches and agencies. Most banks will use their Call Reports or information prepared for annual reports as their disclosure material.

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decision making by existing and potential customers and investors, but also to improve public understanding of, and confidence in, the financial condition of individual national banks and the national banking system. Financial disclosure also reduces the likelihood that the market will overreact to incomplete information.

1,338 respondents @ 1 response = 1,338 responses
1,338 responses @ .5 burden hours = 669 burden hours

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

Clerical:	75% x 669	=	502 @ \$20	=	\$10,040
Managerial/Technical:	25% x 669	=	167 @ \$40	=	<u>\$ 6,680</u>
Total:				=	\$ 16,720

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Change in burden:

Former: 1,585 respondents @ 1 response = 1,585 responses
1,585 responses @ .5 burden hours = 793 burden hours

New: 1,338 respondents @ 1 response = 1,338 responses
1,338 responses @ .5 burden hours = 669 burden hours

Difference: -247 respondents, -247 responses, -124 burden hours

The decrease in burden is due to the decrease in the number of national banks.

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

The OCC has no plans to publish the data for statistical purposes.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods

Not applicable.