

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

On April 14, 2016, the agencies published a notice in the **Federal Register** (81 FR 22163) proposing to modify the FFIEC 009 and 009a reporting forms by adding the Legal Entity Identifier (LEI) number for entities that already had obtained one, and expanding the respondent panel for the Board to include intermediate holding companies (IHCs). If approved, the revisions would be effective beginning with the September 30, 2016 report. The agencies received one comment, which did not oppose either of the proposed changes.

**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. *Purpose and Use of the Information Collection:***

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). 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 it provides insight on short-term indebtedness of various countries owed to U.S. banks, which is not available from other sources. 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 and Use of Similar Information:***

The data are unique. They are not otherwise collected.

**5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden:***

The collections of information do not impact 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 of Collecting the Information 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 Relating to the Guidelines in 5 CFR 1320:***

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

**8. *Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency:***

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panel for the Board to include intermediate holding companies (IHCs). If approved, the revisions would be effective beginning with the September 30, 2016 report. The agencies received one comment, which did not oppose either of the proposed changes.

### Summary of Comments

The agencies received one comment from a bank trade association. The association noted that some banks may not be applying consistent definitions in providing the data requested on the FFIEC 009 and 009a. The association noted it was obtaining further information on the possible disparities. The comment letter did not propose any specific changes the agencies could make to improve the collection, or comment on the agencies' proposed changes in the April 2016 notice.

#### **9. *Explanation of Any Payment or Gift to Respondents:***

There is no payment/gift to respondents.

#### **10. *Assurance of Confidentiality Provided to Respondents:***

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:***

The collection does not contain questions of a sensitive nature.

#### **12. *Burden estimate:***

Estimated Number of Respondents: 16 (FFIEC 009), 9 (FFIEC 009a).

Estimated Average Time per Response: 131 burden hours (FFIEC 009), 6 burden hours (FFIEC 009a).

Estimated Total Annual Burden: 8,600 (8,384 burden hours (FFIEC 009), 216 burden hours (FFIEC 009a)).

#### **Cost of Hour Burden:**

**8,600 hours x 101 = \$868,600**

To estimate average hourly wages we reviewed data from May 2015 for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs associated with the rule, we use \$101 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for

inflation (2 percent), plus an additional 30 percent to cover private sector benefits. Thirty percent represents the average private sector costs of employee benefits.

**13. *Estimates of Other Total Annual Costs to Respondents and/or Recordkeepers:***

None.

**14. *Annualized Cost to the Federal Government:***

None.

**15. *Explain the reasons for any program changes or adjustments in burden:***

There were no changes in burden. The agencies believe reporting of the LEI represents an immaterial burden increase. The change to add IHCs only affects Board respondents, not OCC respondents.

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

Not applicable.

**17. *Reason(s) Display of OMB Expiration Date is Inappropriate:***

Not applicable.

**18. *Exceptions to Certification for Paperwork Reduction Act Submissions:***

There are no exceptions to the certification.

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

Not applicable.