

SUPPORTING STATEMENT FOR UPDATE OF STATISTICAL DISCLOSURES FOR BANK AND SAVINGS AND LOAN REGISTRANTS

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq.

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

In Release No. 33-10688,¹ the Securities and Exchange Commission (“Commission”) proposed rules to update the statistical disclosures for banking registrants. These registrants currently provide many disclosures in response to the items set forth in Industry Guide 3 (“Guide 3”), *Statistical Disclosure by Bank Holding Companies*, which are not Commission rules. The proposed rules would update the disclosures that investors receive, codify certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), or International Financial Reporting Standards (“IFRS”). In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3.

The proposed rules contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The titles of the collections of information impacted by the amendments are:²

- Form S-1³ (OMB Control No. 3235-0065);
- Form S-4⁴ (OMB Control No. 3235-0324);
- Form F-1⁵ (OMB Control No. 3235-0258);
- Form F-4⁶ (OMB Control No. 3235-0325);
- Form 10⁷ (OMB Control No. 3235-0064);

¹ *Updated of Statistical Disclosures for Bank and Savings and Loan Registrants*, Release No. 33-10688 (Sept. 17, 2019).

² The paperwork burdens for Form S-3 (OMB Control No. 3235-0073) and Form F-3 (OMB Control No. 3235-0326) that would result from the proposed rules are imposed through the forms from which they are incorporated by reference and reflected in the analysis of those forms. Since including the burden and cost estimates for Form S-3 and Form F-3 would result in a PRA inventory reflecting duplicative burdens we are not estimating any burdens on those forms that would result from the proposed rules.

³ 17 CFR 239.11.

⁴ 17 CFR 239.25.

⁵ 17 CFR 239.31.

⁶ 17 CFR 239.34.

⁷ 17 CFR 249.210.

- Form 10-K (OMB Control No. 3235-0063);
- Form 20-F (OMB Control No. 3235-00288); and
- Regulation A⁸ (Form 1-A)⁹ (OMB Control No. 3235-0286).

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The Commission proposed rules to update the statistical disclosures for banking registrants. Guide 3 calls for disclosure by bank holding companies (“BHCs”), as well as other registrants including savings and loan holding companies, in seven areas: (1) “distribution of assets, liabilities and stockholders’ equity; interest rates and interest differential”, (2) investment portfolios, (3) loan portfolios, (4) summary of loan loss experience, (5) deposits, (6) return on equity and assets, and (7) short-term borrowings. The proposed rules would update and codify certain Guide 3 disclosures in a new Subpart 1400 of Regulation S-K. The proposed codification of the requirements would provide disclosure of the same statistical information about BHCs on a regular, periodic basis that would assist in assessing registrants’ future earning potential and enable investors to compare BHCs more easily.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The forms that require the disclosure of the proposed rules are filed electronically with the Commission using the Commission’s Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

4. DUPLICATION OF INFORMATION

On March 1, 2017, the Commission published a request for comment on possible changes to Industry Guide 3.¹⁰ A number of commenters suggested that some of the disclosure currently called for by Guide 3 may overlap or be duplicative of the disclosure required by other Commission rules, U.S. GAAP, or IFRS either by seeking identical disclosure or seeking different disclosure to meet similar disclosure objectives. The proposed rules would eliminate all of the Guide 3 disclosures that overlap with Commission rules, U.S. GAAP, or IFRS. Similarly, the proposed rules would not codify the disclosures called for by Guide 3 that have similar objectives as the disclosures called for by Commission rules, U.S. GAAP, or IFRS.

5. REDUCING THE BURDEN ON SMALL ENTITIES

As part of its Regulatory Flexibility Act Analysis, the Commission determined that the proposed amendments, if adopted, would not have a significant economic impact

⁸ 17 CFR 230.251 through 17 CFR 230.263.

⁹ 17 CFR 239.90.

¹⁰ *Request for Comment on Possible Changes to Industry Guide 3 (Statistical Disclosure by Bank Holding Companies)*, Release No. 33-10321 (Mar. 1, 2017) [82 FR 12757].

on a substantial number of small entities. As a result, the Commission did not consider alternatives to reduce the burden on small entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The regulations and forms set forth the disclosure requirements for registration statements, and periodic and current reports filed by companies to help investors make informed investment decisions. Not conducting this collection would deprive investors of access to information that is important to their voting and investment decisions.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances in connection with these amendments.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The Proposing Release solicits comment on the new “collection of information” requirements and the associated paperwork burdens. In response to the solicitation for comment in the Proposing Release, registrants, investors, and other market participants provide comments. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, roundtables, and meetings. All comments received on the proposal are available on the Commission’s website. The Commission will consider all comments received prior to publishing the final rules as required by 5 CFR 1320.11(f).

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift to respondents.

10. CONFIDENTIALITY

All documents submitted to the Commission are available to the public.

11. SENSITIVE QUESTIONS

No information of a sensitive nature, including social security numbers, will be required under these collections of information. The information collections collect basic Personally Identifiable Information (PII) that may include name and job title. However, the agency has determined that the information collections do not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on February 5, 2020 is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12/13. ESTIMATES OF HOUR AND COST BURDENS

The paperwork burden estimates associated with the proposed amendments include the burdens attributable to collecting, preparing, reviewing and retaining records.

We estimate that, currently, approximately 487 bank and savings and loan registrants provide the disclosures set forth in Guide 3. These registrants would have to provide the disclosures required by the proposed rules in Securities Act registration statements filed on Forms S-1, S-3, S-4, F-1, F-3, and F-4, Exchange Act registration statements on Forms 10 and 20-F, Exchange Act annual reports on Forms 10-K and 20-F, Exchange Act quarterly reports on Form 10-Q, and Regulation A offering statements on Form 1-A. We refer to these registrants in this PRA analysis as “affected registrants.”

The proposed rules would codify certain disclosures called for by Guide 3 and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. GAAP, or IFRS. Although the disclosure Items in Guide 3 are not Commission rules, under existing practice, affected registrants currently provide many of these disclosures in response to the Guide 3 items. Therefore, the burdens associated with these disclosures are already included in the current burden hours and costs for the affected forms. As such, for PRA purposes, we are only revising the burdens and costs of the affected forms to reflect changes to the existing Guide 3 disclosures in the proposed rules.

For example, we do not propose to codify in proposed Item 1403 the disclosures under existing Item II of Guide 3 that substantially overlap with U.S. GAAP and IFRS disclosure requirements, and those we propose to codify in proposed Item 1403 are consistent with the current disclosures in Item II. Therefore, we estimate that there would be no change to the burdens and costs of an affected registrant as a result of proposed Item 1403 because the Item would include disclosures that are already included in Guide 3. In contrast, proposed Item 1404 would, in addition to codifying the loan disclosures in Item III of Guide 3 that do not overlap with Commission rules, U.S. GAAP, or IFRS, also require certain interest rate disclosure that is not currently a Guide 3 disclosure. Therefore, we estimate that the proposed Item 1404 would increase the burden to an affected registrant.

Additionally, for PRA purposes, the burden and costs estimates related to the proposed rules should primarily affect annual reports on Forms 10-K and 20-F. We do not believe the proposed rules should affect the burdens and costs of a registrant filing its quarterly reports on Form 10-Q, as the registrant would be required to collect and disclose almost the same information related to the proposed rules cumulatively in its annual report as in each of its prior quarterly reports. Therefore, including the burden and cost estimates in both annual and quarterly reports would result in a PRA inventory reflecting duplicative burdens.

Further, as with quarterly reports on Form 10-Q, a registrant would be required to collect and disclose almost the same information related to the proposed rules in a registration or offering statement as it would in an annual report. However, we recognize

that there could be some additional burdens and costs associated with a registration or offering statement that may not apply to an annual report. Therefore, we are assigning a small incremental increase in burdens and costs to all affected registration and offering statements, including Forms 20-F, S-1, S-4, F-1, F-4, 10, and 1-A. Also, a new affected registrant would be required to provide more years of credit ratio and related disclosures in its initial registration or offering statement than it would be required to provide in any subsequent registration or offering statement. Therefore, we are assigning additional burdens and costs to a registration or offering statement that can be filed as an initial registration or offering statement, including Forms 20-F, S-1, F-1, 10, and 1-A.

We estimate the burden changes for specific portions of the proposed rules¹¹ as follows:

- Proposed Item 1402 would require additional disclosure related to the distribution of assets, liabilities, and stockholders' equity and interest rate and interest differential that would increase burdens and costs of an affected annual report by two hours per year and an affected registration or offering statement by one hour per year.
- Proposed Item 1404 would require additional disclosure regarding interest rates for all loan categories that would increase the burdens and costs of an affected annual report by three hours per year and of an affected registration or offering statement by one hour per year.
- Proposed Item 1406 would require additional disclosure related to deposits beyond the requirements of current Item V that would increase the burdens and costs of an affected annual report would increase by three burden hours per year and of an affected registration or offering statement by one hour per year.
- The proposed rules would not require disclosure related to return on equity and assets (Item VI of Guide 3) that would decrease the burdens and costs of an affected annual report by two burden hours per year and of an affected registration or offering statement would decrease by one hour per year.
- Proposed Rule 1402 would require only the average amount outstanding and interest paid disclosures and not the remaining short-term borrowings disclosure in Item VII of Guide 3 that would decrease the burdens and costs of an affected annual report by four burden hours per year and of an affected registration or offering statement would decrease by one hour per year.

¹¹ We estimate that there would be no change to the burdens and costs of an affected annual report or registration or offering statement as a result of proposed Item 1403 and 1405(c) as the disclosure we propose to codify in proposed Item 1403 is consistent with the current disclosures in Item II of Guide 3 and the disclosure we propose to codify in Item 1405(c) is consistent with the disclosures in Item IV of Guide 3. Additionally, we do not propose to codify existing Item II and Item IV of Guide 3 requirements that substantially overlap with U.S. GAAP and IFRS.

- Proposed Rule 1405(a) and (b) would require credit ratios and related disclosure that would increase the burdens and costs of an affected annual report by six burden hours per year and of an affected registration or offering statement by one hour per year. An affected registrant filing its initial registration or offering statement would be required to provide its credit ratios and related disclosures for each of the last five years, which would increase the burdens and costs of the affected initial registration or offering statement by six hours per year and the affected registration or offering statement that is not an initial registration or offering statement by one hour per year.

The table below shows the estimated changes in internal burden hours and costs for outside professionals from the proposed changes described above. For purposes of the PRA, total burden is to be allocated between internal burden hours and outside professional costs. We estimate that, for Form 10-K and Form 1-A, 75% of the burden of preparation is carried by the company internally and that 25% of the burden is carried by outside professionals; for Forms 20-F, S-1, S-4, F-1, F-4 and 10, 25% of the burden of preparation is carried by the company internally and that 75% of the burden is carried by outside professionals. A registrant's internal burden is estimated in internal burden hours and its outside professional costs are estimated at \$400 per hour.¹²

Estimated Change in Internal Burden Hours and Costs for Outside Professionals from the Aggregated Portions of the Proposed Rules.

Form (A)	Number of Affected Forms (B)	Total Burden Hour Change Per Form (C)	Internal Burden Hour Change Per Form (D) ¹³	Total Proposed Change in Internal Burden Hours (E) ¹⁴	Outside Professional Costs Change Per Form (F) ¹⁵	Total Proposed Change in Outside Professional Cost (G) ¹⁶
<i>Annual Reports</i>						
Form 10-K	453	8	6	2,718	\$800	\$362,400
Form 20-F	34	8	2	68	\$2,400	\$81,600
<i>Not Initial Registration and Offering Statements</i>						

¹² We recognize that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of this PRA analysis, we estimate that such costs will be an average of \$400 per hour. This estimate is based on consultations with several registrants, law firms and other persons who regularly assist registrants in preparing and filing reports with the Commission.

¹³ Column (D) is equal to Column (C) x 0.75 (for Form 10-K or Form 1-A) or Column (C) x 0.25 (for Forms 20-F, S-1, S-4, F-1, F-4, and 10).

¹⁴ Column (E) is equal to Column (B) x Column (D).

¹⁵ Column (F) is equal to Column (C) x 0.25 x \$400 (for Form 10-K or Form 1-A) or Column (C) x 0.75 x \$400 (for Forms 20-F, S-1, S-4, F-1, F-4, and 10).

¹⁶ Column (G) is equal to Column (B) x Column (F).

Form 20-F	1	2	0.5	0.5	\$600	\$600
Form S-1	24	2	0.5	12	\$600	\$14,400
Form S-4	93	2	0.5	46.5	\$600	\$55,800
Form F-1	1	2	0.5	0.5	\$600	\$600
Form F-4	2	2	0.5	1	\$600	\$1,200
Form 10	2	2	0.5	1	\$600	\$1,200
Form 1-A	5	2	1.5	7.5	\$200	\$1,000
<i>Initial Registration or Offering Statements</i>						
Form 20-F	1	6	1.5	1.5	\$1,800	\$1,800
Form S-1	20	6	1.5	30	\$1,800	\$36,000
Form F-1	1	6	1.5	1.5	\$1,800	\$1,800
Form 10	1	6	1.5	1.5	\$1,800	\$1,800
Form 1-A	4	6	4.5	18	\$600	\$2,400

The table below illustrates the changes in cost and hour burdens from the burdens currently approved by OMB. The total estimated burdens were calculated by adding the incremental burdens to the existing burdens.

Proposed Changes to Annual Compliance in Collection of Information

	Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Proposed Change in Internal Registrant Burden Hours (D)	Proposed Change in Outside Professional Costs (E)	Proposed Burden Hours for Affected Responses (F) [(B) + (D)]	Proposed Costs for Affected Responses (G) [(C) + (E)]
10-K	8,137	14,198,780	\$1,895,224,719	2,718	\$362,400	14,201,498	\$1,895,587,119
20-F	725	479,304	\$576,875,025	70	\$84,000	479,374	\$576,959,025
S-1	901	147,208	\$180,319,975	42	\$50,400	147,250	\$180,370,375
S-4	551	562,465	\$677,378,579	47 ¹⁷	\$55,800	562,512	\$677,434,379
F-1	63	26,692	\$32,275,375	2	\$2,400	26,694	\$32,277,775
F-4	39	14,049	\$17,073,825	1	\$1,200	14,050	\$17,075,025
10	216	11,855	\$14,091,488	3 ¹⁸	\$3,000	11,858	\$14,094,488
1-A	179	98,396	\$13,111,912	26 ¹⁹	\$3,400	98,422	\$13,115,312

14. COSTS TO FEDERAL GOVERNMENT

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports and other filings of operating companies amounted to approximately \$103,479,690 million in fiscal year 2019, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

¹⁷ Rounded to 47.

¹⁸ Rounded to three.

¹⁹ Rounded to 26.

15. REASON FOR CHANGE IN BURDEN

As explained in further detail in Items 12 and 13 above, the proposed rules in Release No. 34-10688 revise our statistical disclosure requirements for banking registrants by updating and codifying certain Guide 3 disclosures and eliminating other Guide 3 disclosure that overlap with Commission rules, U.S. GAAP, or IFRS..

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collections do not employ statistical methods.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

There are no exceptions to certification for the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collections do not employ statistical methods.

Form 10-K Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 2,718 burden hours and a net increase in the cost burden of \$362,400 for the services of outside professionals on Form 10-K.

Form 20-F Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 70 burden hours and a net increase in the cost burden of \$84,000 for the services of outside professionals on Form 20-F.

Form S-1 Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 42 burden hours and a net increase in the cost burden of \$50,400 for the services of outside professionals on Form S-1.

Form S-4 Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 47 burden hours and a net increase in the cost burden of \$55,800 for the services of outside professionals on Form S-4.

Form F-1 Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 2 burden hours and a net increase in the cost burden of \$2,400 for the services of outside professionals on Form F-1.

Form F-4 Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 1 burden hours and a net increase in the cost burden of \$1,200 for the services of outside professionals on Form F-4.

Form 10 Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 3 burden hours and a net increase in the cost burden of \$3,000 for the services of outside professionals on Form 10.

Form 1-A Short Statement

The proposed amendments would revise the statistical disclosures for banking registrants by updating and codifying certain Guide 3 disclosures and eliminate other Guide 3 disclosures that overlap with Commission rules, U.S. Generally Accepted Accounting Principles, or International Financial Reporting Standards. In addition, the proposed rules would relocate the codified disclosures to a new subpart of Regulation S-K and rescind Guide 3. We anticipate that the proposed amendments would result in a small increase in the required disclosure and the related burdens and costs for these registrants to prepare and review the collections of information.

For purposes of the Paperwork Reduction Act, we estimate that the proposed amendments would result in a net increase of 26 burden hours and a net increase in the cost burden of \$3,400 for the services of outside professionals on Form 1-A.