

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

A. JUSTIFICATION.

1. Circumstances that make the collection of information necessary:

The Foreign Branch Report of Condition (FFIEC 030) and the Abbreviated Foreign Branch Report of Condition (FFIEC 030S) are required by statute. Pursuant to 12 U.S.C. 602, every national bank operating a foreign branch, other than a national bank operating only exempt foreign branches, must file the applicable report. The OCC, FDIC and FRB (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 use the data to monitor U.S. bank activity in the Eurocurrency markets and in tracking funds flow worldwide. Data on specific branches or branches within a specific country or region are used in planning examinations.

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.

3. Consideration of the use of improved information technology:

The FFIEC 030 and 030S collection forms are designed to allow banks to automatically populate collected data items directly from their computerized general ledger system.

4. Efforts to identify duplication:

The FFIEC member agencies have reviewed the report forms to minimize any potential duplication as part of their approval process. The Foreign Branch Report of Condition is the only report with balance sheet and contingent liability data from foreign branches.

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

Not applicable.

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

If this collection were conducted less frequently than the present annual and quarterly collections, as applicable, 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 the OCC to monitor foreign currency markets in a timely manner while minimizing burden on the respondents as a whole.

7. Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR Part 1320:

This collection is conducted in accordance with 5 CFR part 1320.

8. Efforts to consult with persons outside the agency:

The agencies requested comment for 60 days on a proposed extension for three years, without revision, of the FFIEC 030 and 030S through a notice published in the Federal Register on August 13, 2021. See 86 FR 44768.

The agencies received one comment on the proposal from a bank. The commenter asked the agencies to clarify how to report the equity securities with readily determinable fair values not held for trading in the FFIEC 030. The commenter stated that by reporting these securities in line 4(b), "Other securities (debt and equity)", it would align the FFIEC 030 with the Call Report classification. The agencies agree with the commenter's suggestions and will revise the FFIEC 030 instructions accordingly. The agencies will extend the report forms without revision.

9. Payment or gift to respondents:

There is no payment or gift to respondents.

10. Any assurance of confidentiality:

The agencies will keep the information private to the extent permitted by law.

11. Justification for questions of a sensitive nature:

The collection does not include any questions of a sensitive nature.

12. Burden estimate:

Estimated Number of Respondents: 46 annual branch respondents (FFIEC 030); 56 quarterly branch respondents (FFIEC 030); 15 annual branch respondents (FFIEC 030S).

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

46 respondents x 1 response = 46 responses x 3.4 hours = 156.4 hours

56 respondents x 4 responses = 224 responses x 3.4 hours = 761.6 hours

15 respondents x 1 response = 15 responses x 0.5 = 7.5 hours

Estimated Total Annual Burden: 926 hours.

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

926 hours x \$114.17 = \$105,721

To estimate wages the OCC reviewed data from May 2020 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, the OCC uses \$114.17 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (2 percent as of Q1 2021), plus an additional 33.4 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2019 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):

No estimated costs, other than cost of burden hours reported in Item 12.

14. Estimate of annualized costs to the Federal government:

No estimated costs.

15. Change in burden:

The OCC expects in the hours per response to remain the same. The total hour burden declined from 1,467 to 926 hours due to a reduction in the number of FFIEC 030 and 030S filings, primarily from smaller entities that previously had to file annual reports.

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

The OCC does not plan to publish the information.

17. Reasons for not displaying OMB approval expiration date:

The agencies plan to display the expiration date.

18. Exceptions to the certification statement:

No exceptions.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Not applicable.