

**Supporting Statement for the
Foreign Branch Report of Condition
(FFIEC 030 and FFIEC 030S; OMB No. 7100-0071)**

Summary

The Board of Governors of the Federal Reserve System (Board) requests approval from the Office of Management and Budget (OMB) to extend for three years, without revision, the Federal Financial Institutions Examination Council (FFIEC) Foreign Branch Report of Condition (FFIEC 030 and FFIEC 030S; OMB No. 7100-0071). Insured domestically chartered commercial banks and savings associations (U.S. banks) that have one or more branch offices in a foreign country are required to report balance sheet information for each of their foreign branches on either the FFIEC 030 or FFIEC 030S. The FFIEC 030 is collected annually as of December 31 or quarterly for significant branches as of the last day of each calendar quarter; the FFIEC 030S is an abbreviated reporting form filed annually by smaller institutions.

The Federal Reserve receives reports for all foreign branches of U.S. banks, regardless of charter type, on behalf of the U.S. banks' primary federal bank regulatory agency (Board, Federal Deposit Insurance Corporation (FDIC), or Office of the Comptroller of the Currency (OCC) (collectively, the agencies)). The agencies use the FFIEC 030 and FFIEC 030S reports to fulfill their statutory obligation to supervise foreign operations of domestic banks. Each of the agencies separately clears the reports pursuant to the Paperwork Reduction Act, including with regard to estimating respondent burden, for U.S. banks under their supervision. The FDIC and OCC have also submitted similar requests for OMB review for U.S. banks under their supervision.

The estimated total annual burden for the FFIEC 030 and FFIEC 030S with respect to banks supervised by the Board is 317 hours. The form and instructions are available on the FFIEC's public website at https://www.ffiec.gov/ffiec_report_forms.htm.

Background and Justification

The FFIEC 030 and FFIEC 030S collect information on the structure and geographic distribution of foreign branch assets and liabilities. The agencies use this information to plan examinations and to analyze the foreign operations of U.S. banks, in connection with the agencies' statutory responsibility to assess the safety and soundness of the U.S. banks that they supervise. The information collected by the FFIEC 030 and FFIEC 030S allows the agencies to measure growth trends by bank, by country, and by bank within country. Additionally, aggregate data that is publicly released by the agencies are a useful source of information on U.S. bank activities for the general public. This series of data collected by these reports is the oldest statistical series that exists for foreign branches of U.S. banks and is an important source for measuring the growth of these offices.

The FFIEC 030 is the only report through which the agencies collect balance sheet information on foreign branches of U.S. banks. The Board uses another report, the Quarterly Report of Assets and Liabilities of Large Foreign Offices of U.S. Banks (FR 2502q; OMB No.

7100-0079), to collect less detailed balance sheet information from parent institutions of foreign branches or subsidiaries (specifically, those with total assets of \$500 million or more). The FR 2502q collects only gross assets and liabilities by the country of the principal address of the customer, rather than the type of assets and liabilities of the branch. Although the FR 2502q does not provide comparable information, the Board may check the FFIEC 030 to verify that individual branches that report total assets greater than or equal to \$500 million also report on the FR 2502q.

Description of Information Collection

The FFIEC 030 is a two-page report that collects balance sheet information on foreign branches of U.S. banks that meet certain size requirements. Each data item of the FFIEC 030 relates directly to one or more data items on the Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (Call Report) (FFIEC 031; OMB No. 7100-0036); no additional information is requested.

U.S. banks must file the report quarterly for foreign branches with total assets of at least \$2 billion or commitments to purchase foreign currencies and U.S. dollar exchange of at least \$5 billion (significant branches) and annually for all other foreign branches with total assets of more than \$250 million. Reporters may choose to file one consolidated report for all their branches located in the same foreign country; however, reporters are not permitted to consolidate data for significant branches with data for any other branches.

The FFIEC 030S is an abbreviated reporting form containing five data items that U.S. banks must file with regard to foreign branches with total assets between \$50 million and \$250 million file annually. These data items are the minimum information needed to serve as indicators of higher business volume, risk, and complexity in small-sized foreign branches. The reported information also is used to monitor potential developments that may pose risks to the overall operations of the parent bank. U.S. banks do not have to file an FFIEC 030 or FFIEC 030S with respect to any foreign branch with total assets of less than \$50 million and that do not otherwise meet the requirements to file the FFIEC 030 quarterly.

Respondent Panel

The FFIEC 030 and FFIEC 030S panel comprises U.S. banks that have one or more branch offices in a foreign country.

Time Schedule for Information Collection

The FFIEC 030 and FFIEC 030S are collected annually as of December 31 from U.S. banks with one or more branch offices in a foreign country and quarterly from U.S. banks with significant branches as of the last calendar day of March, June, September, and December. The FFIEC 030 and FFIEC 030S must be submitted within forty-five days of the report date by qualifying U.S. banks, regardless of charter type, to the Federal Reserve Bank in the district in which the U.S. bank's main office is located. The Federal Reserve then compiles the reported information and makes it available to the FDIC and OCC four months after the as of date for

both quarterly and annual reporters.

Public Availability of Data

Aggregate data are published in the Federal Reserve Annual Report and the Department of Commerce's Annual Statistical Digest.

Legal Status

The Board is authorized to collect the information contained on the FFIEC 030 and FFIEC 030S from state member banks by sections 9(3) and 9(6) of the Federal Reserve Act (12 U.S.C. §§ 321 and 324). Section 9(6) requires state member banks to make "reports of condition and of the payment of dividends" that "shall be in such form and shall contain such information as the Board of Governors of the Federal Reserve System may require." Section 9(3) permits state member banks to establish and operate branches in "any foreign country, on the same terms and conditions and subject to the same limitations as are applicable to the establishment of branches by national banks except that the approval of the Board of Governors of the Federal Reserve System, instead of the Comptroller of the Currency, shall be obtained before any State member bank may hereafter establish any branch." Section 25(4) of the Federal Reserve Act (12 U.S.C. § 602) states that "every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand." The obligation to respond is mandatory for U.S. banks with a foreign branch that has \$50 million or more in total assets.

The information that is required to be provided on the FFIEC 030 and FFIEC 030S is collected as part of the Board's supervisory process. Accordingly, such information is afforded confidential treatment under exemption 8 of the Freedom of Information Act (FOIA), which protects information from disclosure that is contained in or related to the examination or supervision of a financial institution (5 U.S.C. § 552(b)(8)). In addition, the FFIEC 030 and FFIEC 030S are likely to contain nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent. Accordingly, such information may be withheld under exemption 4 of the FOIA (5 U.S.C. § 552(b)(4)). In limited circumstances, aggregate data for multiple respondents, which does not reveal the identity of any individual respondent, may be released to the public.

Consultation Outside the Agency

The Board coordinated and consulted with the FDIC and OCC with respect to this proposal to extend the FFIEC 030 and FFIEC 030S, without revision.

Public Comments

On August 13, 2021, the agencies, under the auspices of the FFIEC, published an initial notice in the *Federal Register* (86 FR 44768) requesting public comment for 60 days on the extension, without revision, of the FFIEC 030 and FFIEC 030S. The comment period for this notice expired on October 12, 2021. The agencies received one comment from a financial

institution. The commenter asked the agencies to clarify how to report equity securities with readily determinable fair values not held for trading in the FFIEC 030. The commenter stated that reporting these securities in line 4(b), “Other securities (debt and equity)” would align the FFIEC 030 with the Call Report classification. The agencies agree with the commenter’s suggestions and will clarify the FFIEC 030 instructions accordingly. On November 10, 2021, the agencies, under the auspices of the FFIEC, published a final notice in the *Federal Register* (86 FR 62599) requesting public comment for 30 days on the extension, without revision, of the FFIEC 030 and FFIEC 030S. The comment period for this notice expires on December 10, 2021.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FFIEC 030 and FFIEC 030S with respect to banks supervised by the Board is 317 hours. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

FFIEC 030 and FFIEC 030S	<i>Estimated number of respondents¹</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FFIEC 030				
Annual	12	1	3.4	41
Quarterly	20	4	3.4	272
FFIEC 030S	7	1	0.5	<u>4</u>
<i>Total</i>				317

The estimated total annual cost to the public for the FFIEC 030 and FFIEC 030S is \$18,751.²

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimated Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing the FFIEC 030 and FFIEC 030S is \$35,200. The Federal Reserve System collects and processes the data for all three of the agencies.

¹ Of these respondents, 6 for the FFIEC 030 Annual; 1 for the FFIEC 030 Quarterly; and 7 for the FFIEC 030S are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), <https://www.sba.gov/document/support--table-size-standards>.

² Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$20, 45% Financial Managers at \$73, 15% Lawyers at \$72, and 10% Chief Executives at \$95). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2020*, published March 31, 2021, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.