

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.

Current Revisions:

To improve the efficiency of information collections between the FFIEC and the FRB, the agencies are proposing to add certain data items to the FFIEC 030, which would allow the FRB to discontinue a similar information collection, the FR 2052q report (OMB 7100-0079).

Specifically, the agencies propose to add a new schedule to the FFIEC 030 to collect the information currently collected by the FR 2502q and add additional line items to collect granular detail related to loans and lease receivables. The title of the new schedule would be: “Schedule RAL-A—Due From, Due To, and Other.” In addition, the agencies are adding a schedule name to the current Assets; Liabilities; Derivatives and Off-Balance-Sheet Items; and Memoranda section of the report form. The title of this schedule will be “RAL—Assets and Liabilities.” Adding a schedule name to this section will help separate the current items from the proposed new items that will only be applicable to respondents that are required to submit their FFIEC 030 report on a quarterly basis. Respondents that submit their FFIEC 030 report on an annual basis will not need to complete the proposed new schedule.

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, with revision, of the FFIEC 030 and 030S through a notice published in the Federal Register on January 19, 2024. See 89 FR 3708.

One commenter urged the agencies to limit the scope of respondents subject to the proposed Schedule RAL-A to those that meet the current criteria to file the FR 2502q. The commenter stated that there are significant scoping differences between the FR 2502q and the FFIEC 030. The FR 2502q reporting is limited to branches with total assets of \$2 billion or more and that are located in the United Kingdom (U.K.) or the Caribbean. The FFIEC 030 quarterly

reporting requirements, however, scope in any branch with either total assets of at least \$2 billion or commitments to purchase foreign currencies and U.S. dollar exchange (a purchase of U.S. dollar exchange is equivalent to a sale of foreign currency) of at least \$5 billion as of the end of a calendar quarter. This commenter also stated that the proposed changes and increased granularity of the items reported would necessitate both the development of new systems, as well as modifications to existing ones. The commenter requested that, if the scope of respondents on the proposed FFIEC 030 Schedule RAL-A is not limited to those that currently meet the criteria to file the FR 2502q, branches would need at least four quarters from publication of the final forms and instructions to implement the revisions. In response to this comment, the agencies are extending the compliance dates for the new items to March 31, 2025, for all branches that currently complete the FR 2502q, and December 31, 2025, for all other respondents.

Second, the commenter requested that the agencies clarify the reporting of proposed Schedule RAL-A, items 5 and 6. The agencies are making the clarifications requested by the commenter in the instructions to the FFIEC 030.

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: 42 annual branch respondents (FFIEC 030); 57 quarterly branch respondents (FFIEC 030); 12 annual branch respondents (FFIEC 030S).

Estimated Average Time Per Response: 2.98 burden hours (FFIEC 030 annual filers); 3.91 burden hours (FFIEC 030 quarterly filers); 0.95 burden hours (FFIEC 030S).

42 respondents x 1 response = 42 responses x 2.98 hours = 125.1 hours

57 respondents x 4 responses = 228 responses x 3.91 hours = 891.5 hours

12 respondents x 1 response = 12 responses x 0.95 = 11.4 hours

Estimated Total Annual Burden: 1,028 hours.

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

1,028 hours x \$129.40 = \$133,023

To estimate wages the OCC reviewed data from May 2023 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 \$129.40 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (4.3 percent as of Q1 2024), plus an additional 34.6 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2023 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 a small increase in burden hours per response from the quarterly filers, due to the additional data items moved from the FR 2502q. This increase results in an increase to total burden hours from 926 hours to 1,028 hours. There were small changes in the number of estimated respondents for each form, which resulted in immaterial changes to the burden hours.

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.