

SUPPORTING STATEMENT  
SUMMARY OF DEPOSITS  
(OMB No. 3064-0061)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the Summary of Deposits (OMB No. 3064-0061). The current clearance for the collection expires on July 31, 2017. There is no change in the method or substance of the collection.

The annual Summary of Deposits (SOD) survey is completed as of June 30 each year by all FDIC-insured institutions that operate a main office AND one or more branch locations. The SOD is a report on the amount of deposits for each authorized office of an insured bank with branches; banks without branches do not report. All data collected on the SOD submission are available to the public. The survey data provides a basis for measuring the competitive impact of bank mergers and has additional use in research in banking. The data is collected electronically or on Form FDIC 8020/05 (7-95), SUMMARY OF DEPOSITS AS OF CLOSE OF BUSINESS JUNE 30. The SOD is a currently-approved collection of information.

A. JUSTIFICATION

1. Circumstances and Need

There is constant and considerable consolidation within the banking and thrift industries, some of which involves very large banks with many branches. This constant change in banking market structure makes it necessary for the federal bank regulatory agencies to be able to evaluate the effect of the change on bank competition and on the structure of the market itself. Data on the amount of deposits held by each bank and branch office in the United States provides the banking agencies with the information necessary for delineating banking markets and for evaluating the effects on bank competition and market structure of proposed new banks openings or mergers. The FDIC is authorized to collect this data under section 9 (Eighth) of the Federal Deposit Insurance Act (12 U.S.C. 1819) which gives the Corporation the power to require information and reports from banks to carry out its statutory responsibilities regarding bank supervision. The survey has been conducted on a yearly basis since 1972.

2. Use of Information Collected

The primary use of SOD data is to analyze the antitrust implications of proposed bank mergers and acquisitions and for market share analysis. The major users include the federal banking agencies, the antitrust division of the Department of Justice and the proponents to proposed transactions. In addition, the data is widely used by banks, consulting firms, law firms and others who are involved in various types of banking and thrift analysis.

The FDIC Library, Division of Insurance and Research and the Public Information Center receive a number of requests from outside the FDIC for SOD information. The information is also available directly to the public from the FDIC's website.

3. Use of Technology to Reduce Burden

Financial institutions submit the survey to the FDIC electronically using the FFIEC's Central Data Repository web site. The site enables the institution to print worksheets, submit revised branch structure information, and edit SOD data prior to the survey submission.

4. Efforts to Identify Duplication

There is no other information system that collects deposit data at the individual bank office level. The Consolidated Reports of Condition and Income (Call Report) (OMB No. 3064-0052) collects deposit data at the bank system level (head office and branches combined). Deposit data for banks without branch offices are not collected through the SOD survey and are obtained directly from the Call Report.

5. Minimize the Burden on Small Institutions

In 2016, approximately 1,243 institutions with no branches (unit banks) did not have to file the SOD survey. Of the 4,843 banks that were required to file the SOD survey, 3,629 had less than \$550 million in assets. The collected information has to be in the same form from all respondents in order to achieve consistency in market structure measurements. However, small banks generally have fewer branches than the larger banks, and consequently the number of pages submitted by small banks tends to be much smaller than the number of pages filed by larger institutions.

6. Consequences of Less Frequent Collection

This question was previously considered by the FDIC, and we sought the opinions of the other users of SOD data (the Office of Comptroller of the Currency, the Federal Reserve Board, and the Department of Justice). Their responses were unanimous in urging that we maintain the survey on an annual basis to ensure the timeliness of the data used in the analyses that are performed on it. Immediately prior to 1972, SOD data were collected on a biennial basis. Annual reporting was adopted beginning with the June 30, 1972 survey after it was determined that biennial data was inadequate because it was over 30 months old before data from the next survey was available. Even with the annual collection of SOD data, by the end of the period before new data is available, we are working with data that is 15 to 16 months old because of the time needed to process and edit the data for public release. With the current high rate of consolidation in the banking system, often involving mergers of banks with many branches, and the rapid rate of change in the financial industry, the need for current data is greater than ever. Also, the data is the only source of branch

deposit information available and serves for structure verification for branches of banks. After considering the factors of reporting burden, processing cost, and program need, it has been determined that the most favorable frequency for the survey is annually.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A notice seeking public comment for a 60-day period was published in the *Federal Register* on February 9, 2017 (82 FR 10004). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

None; all of the collected data are available to the public on request.

11. Information of a Sensitive Nature

None.

12. Estimates of Hour Burden and Annualized Cost

Number of institutions	4,843
Hours to Process SOD Form	<u>x 3</u>
Total Estimated Annual Burden Hours	14,529

Cost: 14,529 hours X \$46.49 per hour<sup>1</sup> = \$675,453.21.

<sup>1</sup> The hourly compensation estimate is based on published compensation rates for Compliance Officers (\$38.40) in the depository credit intermediation sector. The estimate includes the December 2016 90<sup>th</sup> percentile hourly wage rate reported by the BLS, National Industry-Specific Occupational Employment and Wage Estimates. The reported hourly wage rate is adjusted for changes in the CPI-U between May 2015 and December 2016 (2.5 percent) and grossed up by 154.3 percent to account for non-monetary compensation as reported by the December 2016 Employer Costs for Employee Compensation Data.

	Type of Burden	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response	Frequency of Response	Total Estimated Annual Burden
<b>Summary of Deposits</b>	Reporting	4,843	1	3	On Occasion	14,529
<b>TOTAL HOURLY BURDEN</b>		4,843				14,529
<b>TOTAL INTERNAL COST</b>	\$46.49	/HR				\$675,453.21

13. Total Annual Cost Burden

None.

14. Annual Cost to the Federal Government

The current annual cost to the FDIC of the SOD information collection system is estimated to be \$250,000. This amount includes the cost of hiring outside contractors to develop enhancements to the existing hosting and maintenance components of the system.

15. Reason for Program Changes or Adjustments

There is no change in the method or substance of the collection. The 1,971 reduction in burden hours is a result of economic fluctuation. In particular, the number of respondents has decreased while the hours per response remain the same.

16. Publication

All SOD data are available to the public on the FDIC's web site. Information which is normally published from this survey includes amounts of deposits (on an individual banking office basis) for MSAs, CMSAs, counties, states, and total in the United States.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.