

**SUPPORTING STATEMENT
FOREIGN BANKING AND INVESTMENT BY
INSURED STATE NONMEMBER BANKS
(OMB No. 3064-0061)**

INTRODUCTION

The FDIC is requesting OMB approval of the three-year extension, without change, of its collection of information entitled “Summary of Deposits” (OMB Control No. 3064-0061).

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. There is no change in the method or substance of the information collection which currently expires on July 31, 2023.

A. JUSTIFICATION

1. **Circumstances that make the collection necessary:**

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 the information:**

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. **Consideration of the use of improved information technology:**

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. The FDIC continues to implement system enhancements and utilize available tools to ease reporting burden for respondents. In recent years, the FDIC has integrated address standardization and geocoding tools within the Central Data Repository to enhance data quality at the point of entry and to minimize the number of edit failures. Technology and system enhancements will continue to be implemented as practicable going forward.

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

This information collection does not have a significant impact on a substantial number of small entities. Institutions with no branches (unit banks) do not have to file the SOD survey. 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 to the Federal program if the collection were conducted less frequently:**

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 necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):**

None. The information is collected in a manner consistent with 5 CFR 1320.5(d)(2).

8. **Efforts to consult with persons outside the agency:**

The FDIC published a notice in the *Federal Register* seeking comment for a 60-day period on renewal of this information collection on May 2, 2023 (88 FR 27509). No comments were received.

9. **Payment or gifts to respondents:**

None.

10. **Any assurance of confidentiality:**

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

11. **Justification for questions of a sensitive nature:**

Not applicable. No sensitive information is collected.

12. Estimate of hour burden including annualized hourly costs:

Summary of Estimated Annual Burden (OMB No. 3064-0061)					
Information Collection (Obligation to respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Time per Response (HH:MM)	Annual Burden (Hours)
1. Summary of Deposits (Mandatory)	Recordkeeping (Annual)	3,870	1	3:00	11,610
Total Annual Burden (Hours):					11,610
<p>Note: The annual burden estimate for the information collection is calculated in two steps. First, the total number of annual responses is calculated as the whole number closest to the product of the annual number of respondents and the annual number of responses per respondent. Then, the total number of annual responses is multiplied by the time per response and rounded to the nearest hour to obtain the estimated annual burden for that collection. This rounding ensures the annual burden hours in the table are consistent with the values recorded in the OMB's regulatory tracking system.</p>					

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0061)								
Information collection	Hourly weight (%)	Percentage Shares of Hours Spent by and Hourly Compensation Rates for Each Occupation Group						Estimated Hourly Compensation Rate
		Exec and Mgr. (\$133.82)	Lawyer (\$165.76)	Compl. Ofcr. (\$64.61)	IT (\$102.64)	Fin. Anlst. (\$101.15)	Clerical (\$37.83)	
Summary of Deposits	100	25		75				\$81.91
Weighted Average Hourly Compensation Rate:								\$81.91
<p>Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)' (May 2021), Employer Cost of Employee Compensation (March 2021), and Employment Cost Index (March 2021 and December 2022). Standard Occupational Classification (SOC) Codes: Exec. and Mgr = 11-0000 Management Occupations; Lawyer = 23-0000 Legal Occupations; Compl. Ofc. = 13-1040 Compliance Officers; IT = 15-0000 Computer and Mathematical Occupations; Fin. Anlst. = 13-2051 Financial and Investment Analysts; Clerical = 43-0000 Office and Administrative Support Occupations.</p>								

Total Estimated Cost Burden

FDIC estimates the total annual cost burden for this information collection by multiplying the total estimated annual burden of 11,610 hours, by the weighted average hourly compensation estimate of \$81.91 to arrive at an estimated labor cost of \$950,975 per year.

13. **Estimate of start-up costs to respondents:**

None.

14. **Estimate of annualized costs to the government:**

None.

15. **Analysis of change in burden:**

There is no change in the substance or methodology of this information collection. The change in burden is mainly due to a decrease in the number of respondents which decreased from 4,299 to 3,870. The hourly burden per response remains the same. A modest increase in the average hourly total compensation estimate in 2022 (\$81.91) relative to the estimate used in the 2020 ICR (\$79.54) due to wage growth slightly attenuates the overall decline in estimated costs.

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

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:**

The expiration date is displayed on Form FDIC 8020/05, "Summary of Deposits as of Close of Business June 30."

18. **Exceptions to certification:**

None.

B. **COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.