2014 ICBA Community Bank Call Report Burden Survey

One Mission. Community Banks.®

Independent Community Bankers of America®

Key Findings

The 2014 Community Bank Call Report Burden Survey has produced strong evidence that the current call reporting requirements for community banks are creating an ever increasing burden on the ability of these institutions to survive in today's stressed regulatory environment. Community banks are increasingly forced to complete more schedules to comply with increased regulation without regard to the size of the institution or the resources available to the community bank to meet reporting obligations. Responses from community bankers overwhelmingly indicate that regulatory agencies must undertake immediate actions to provide call reporting relief to community banks. Without such accommodations, community banks will continue to face challenging regulatory headwinds that curb their ability to serve their communities.

When asked about staff compensation for call report preparation oversight, over three quarters of respondents spend at least $60 thousand annually. Approximately 18% spend at least double that number. Only 1% of respondents claimed staff compensation levels at $30 thousand or below. Approximately 74% of respondents noted that no more than two individuals are currently involved in call report preparation. These figures indicate that adding a new staff member into the call report preparation process would be very expensive and place significant strains on bank resources.

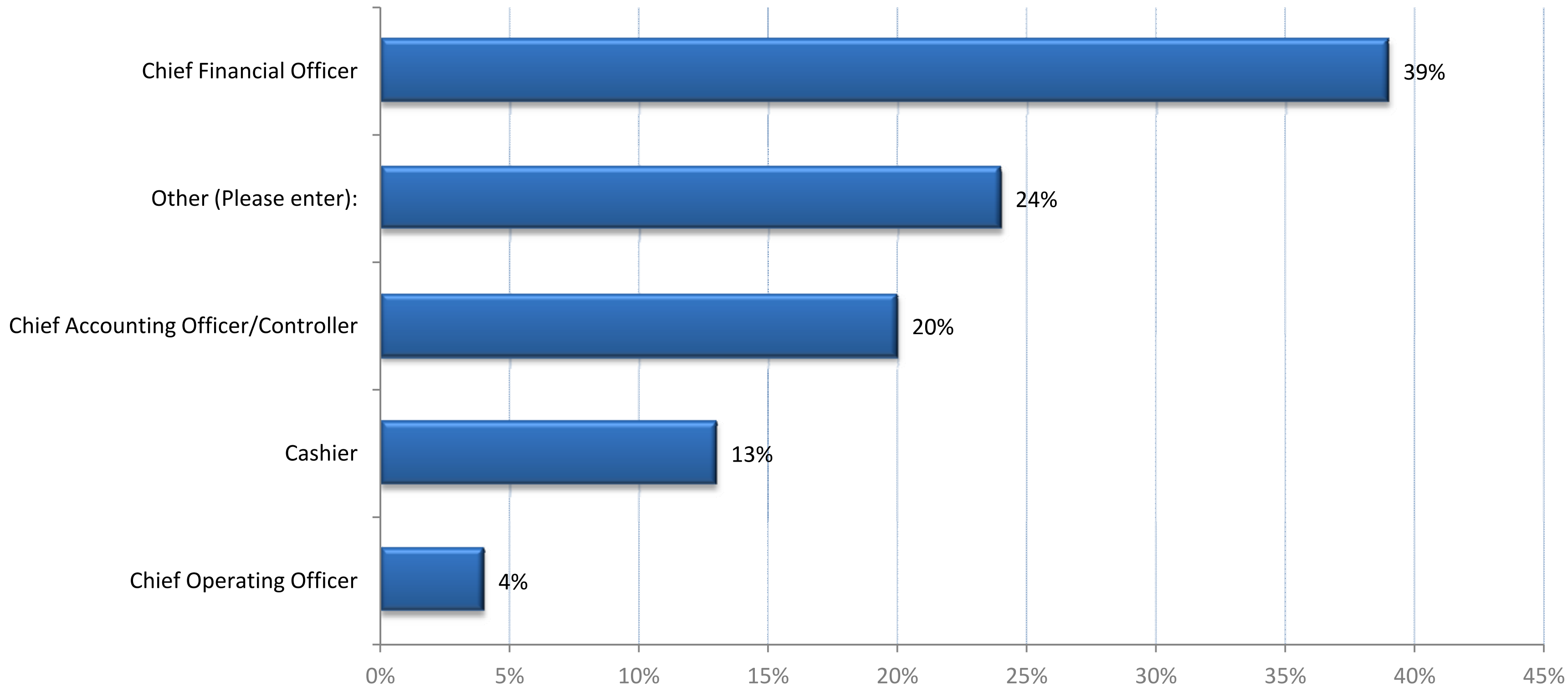
Almost three quarters of respondents stated that the number of hours required to complete the call report had increased over the last ten years. Over one third of respondents indicated a significant increase in hours over this period. Well over three quarters of respondents noted increased costs in call report preparation with almost one third noting that costs increased significantly.

When asked which schedules cause the most burden for call report preparers, 75% of respondents indicated that the RC-R regulatory capital schedule is at or near the very top. This response rate is a very clear indication that community banks face very cumbersome and elaborate capital requirements that are difficult to report. What is so troubling about the feedback on the RC-R regulatory capital schedule is that the impact of Basel III on regulatory capital calculations has not yet been felt by the nation's community banks. The additional complexities associated with the upcoming regulatory capital calculations will further strain call report preparers, reviewers, and consumers of the most important capital metrics.

When asked about the impact of preparing a call report with limited schedules in certain quarters (short form call report), respondents overwhelmingly indicated that the resulting time reduction would be at least 25%. Almost half of respondents indicated that the time reduction would exceed 50%. Most importantly, 72% of respondents indicated that a short form call report would reduce the overall regulatory burden substantially. This feedback clearly points to the pressing need for a short form call report for community banks in the quarterly reporting periods ending in March and September.

Call Report Preparation Oversight

Who is primarily responsible for overseeing the preparation of the Call Report for your bank?



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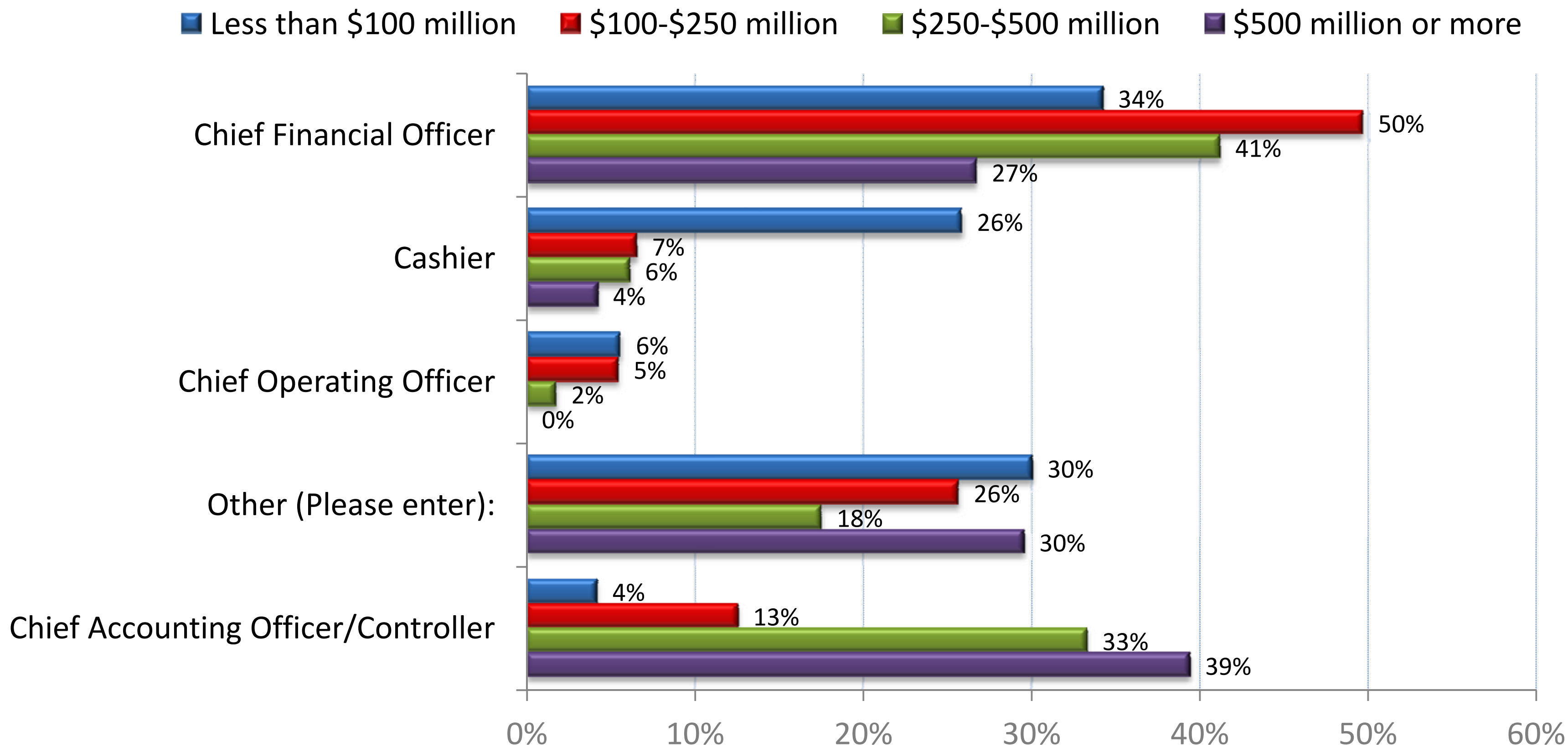

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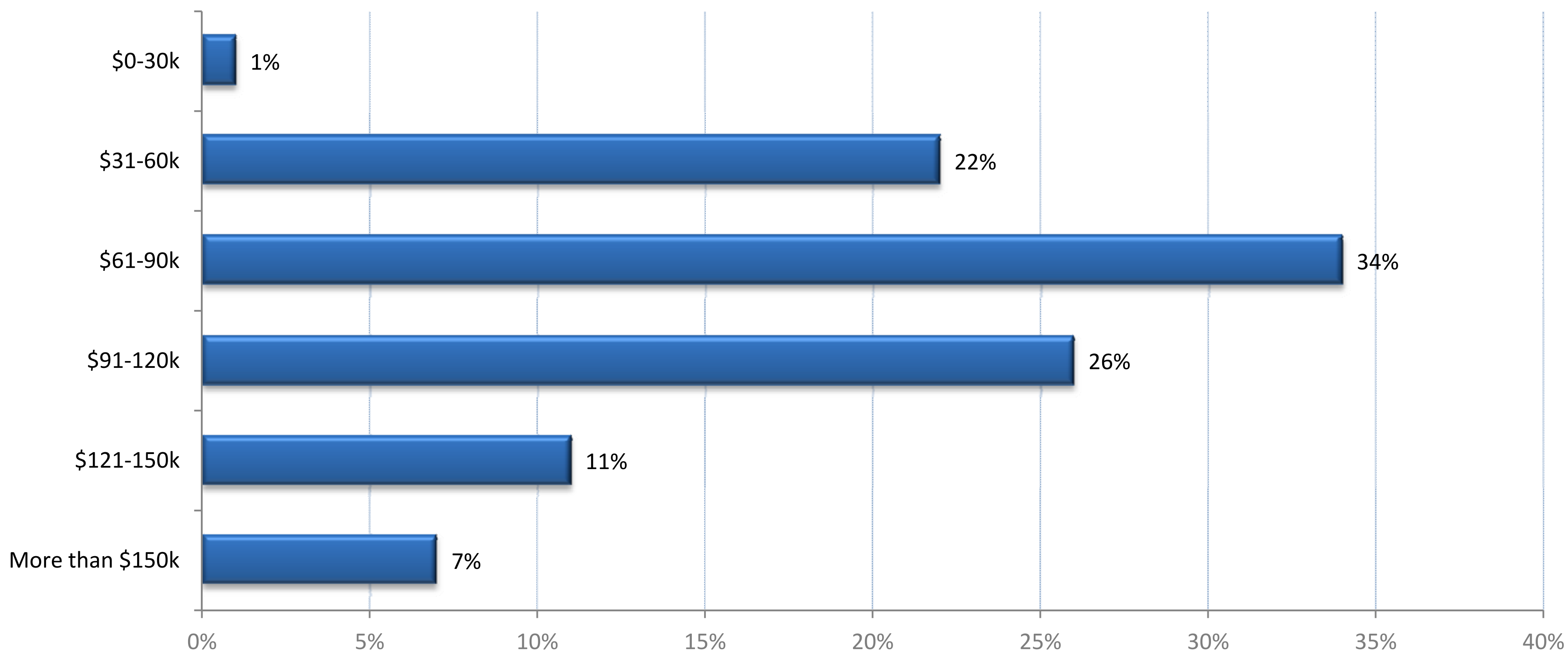
Call Report Staff Compensation

What is the total annual compensation including salary and benefits of the staff member primarily responsible for overseeing preparation of the Call Report?



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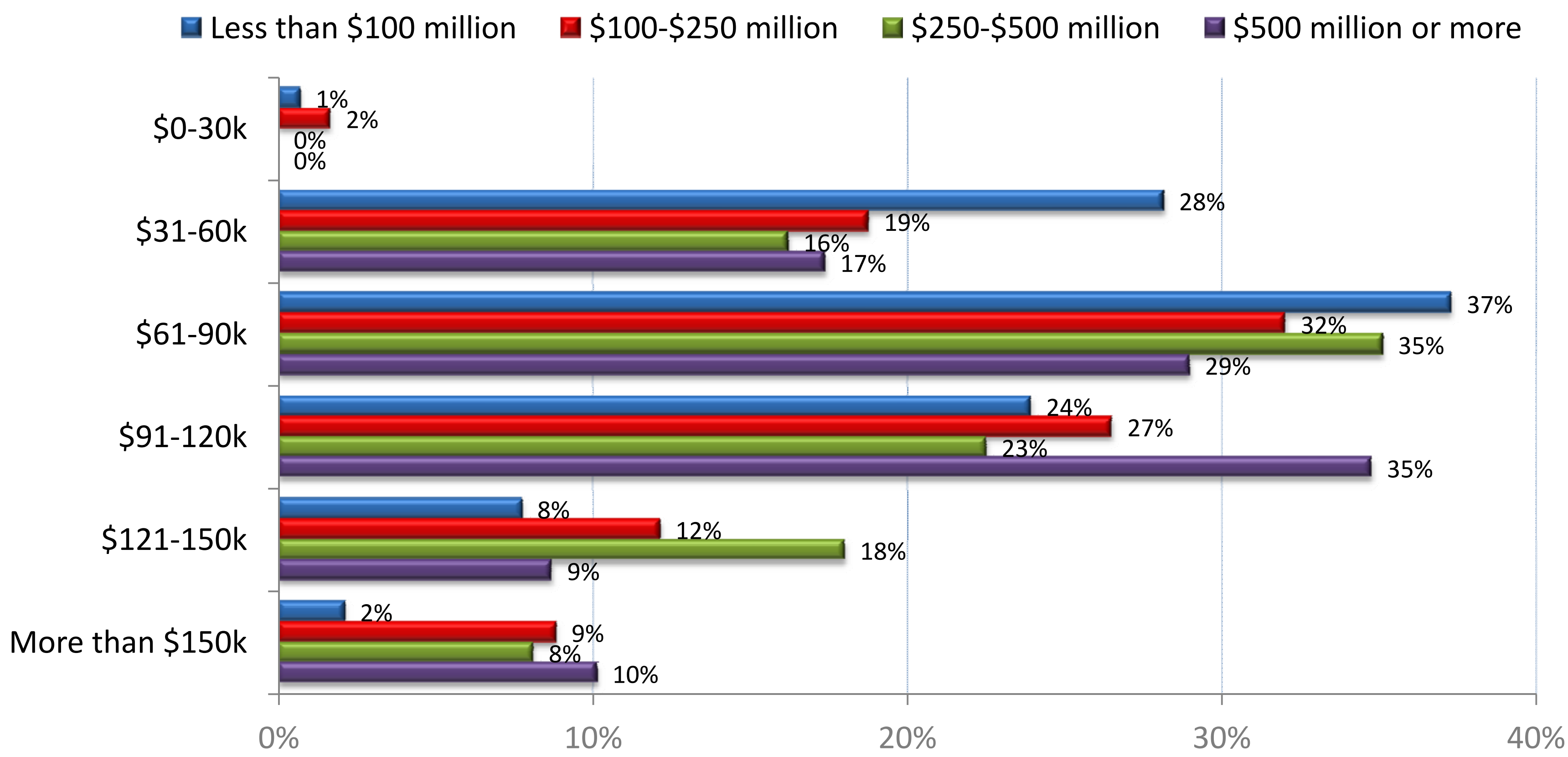

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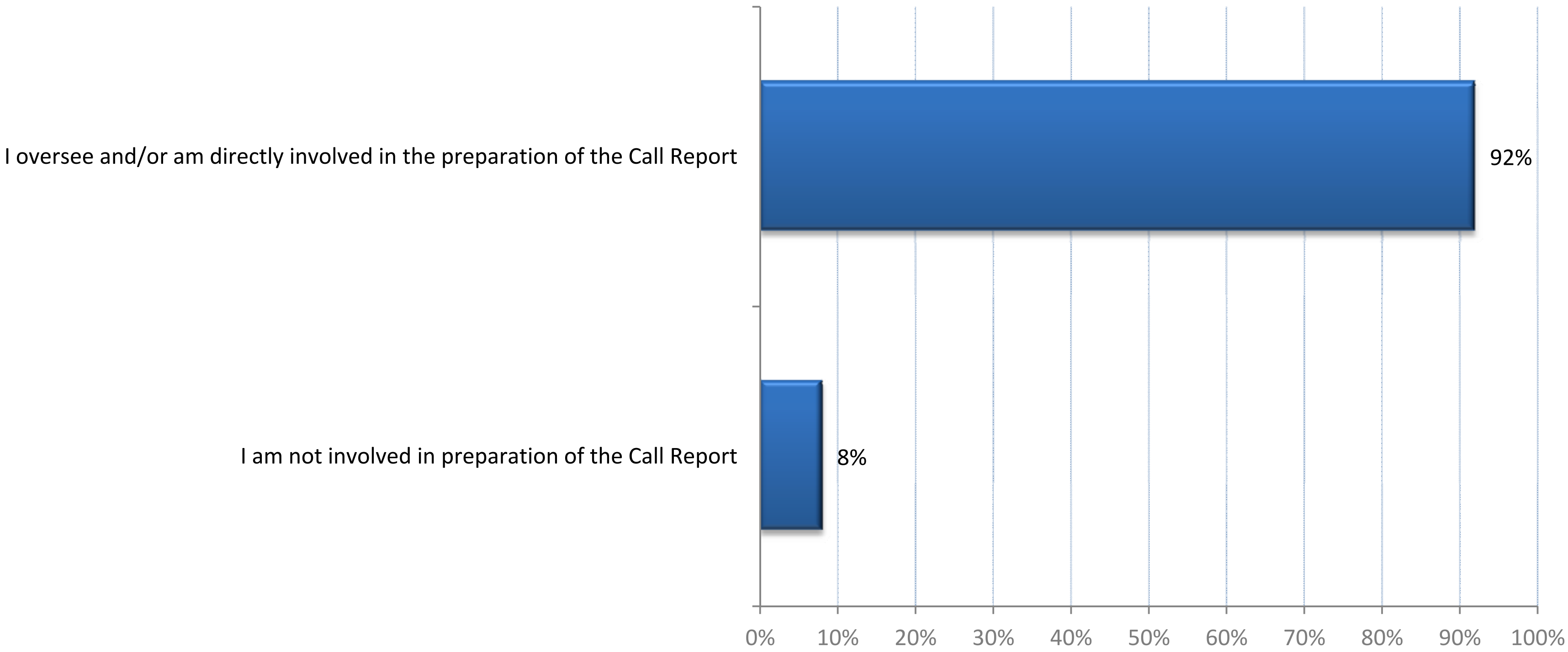
Call Report Preparation Role

What is your role in preparing the Call Report?



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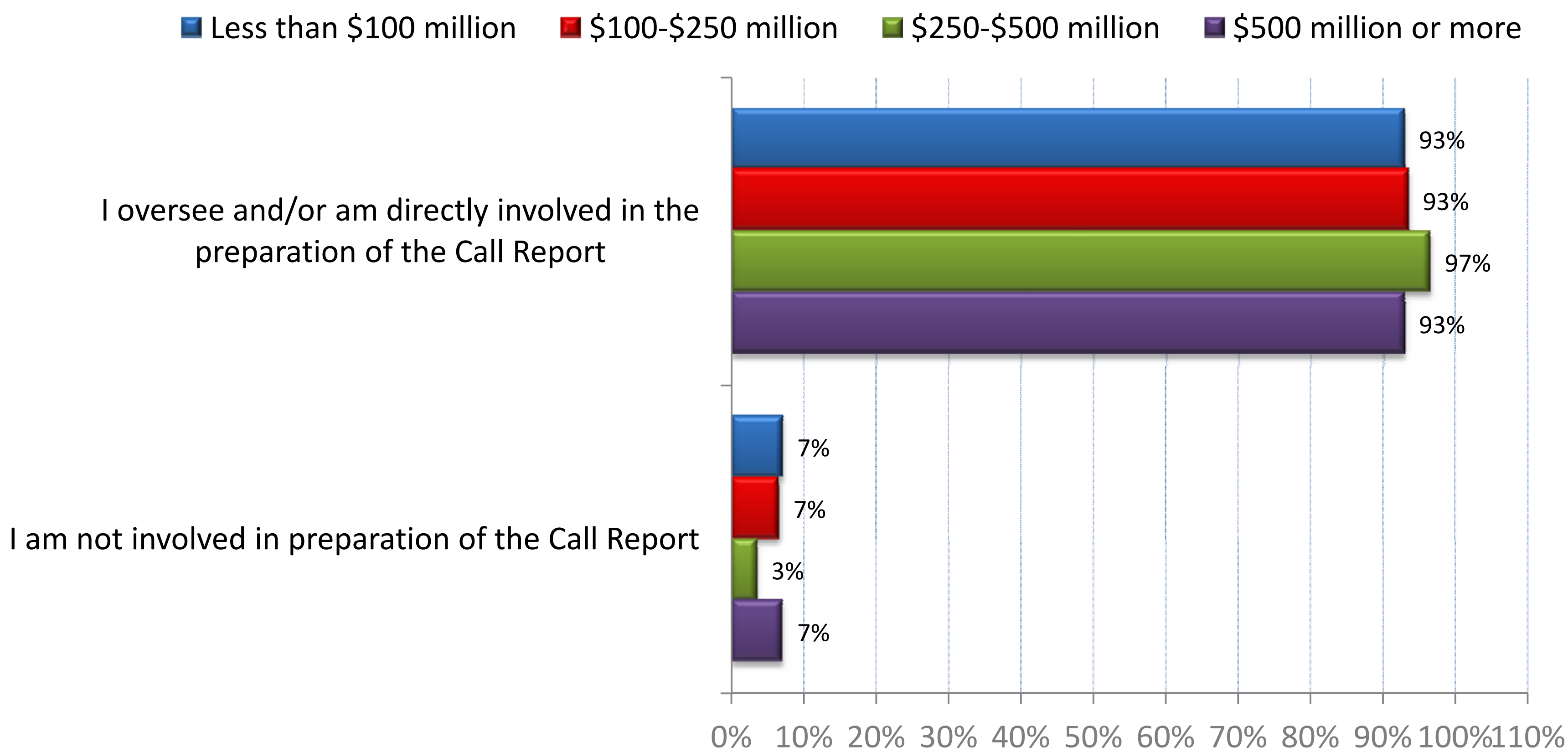

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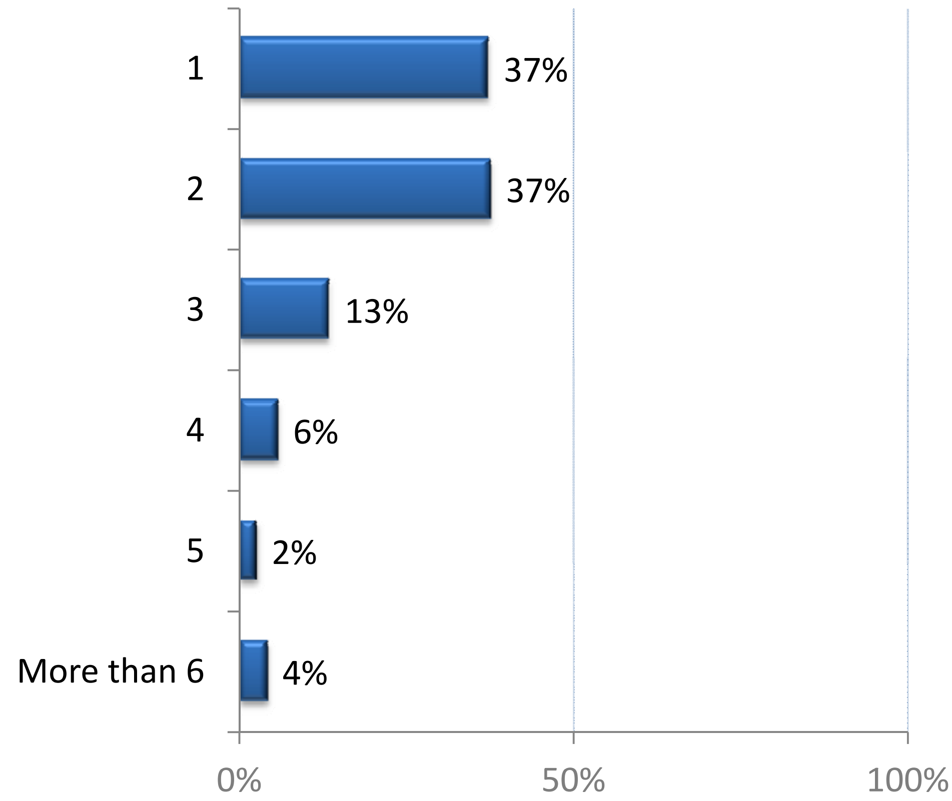
Call Report Preparation Staff

What is the total number of employees involved in the direct preparation of the Call Report at your bank?



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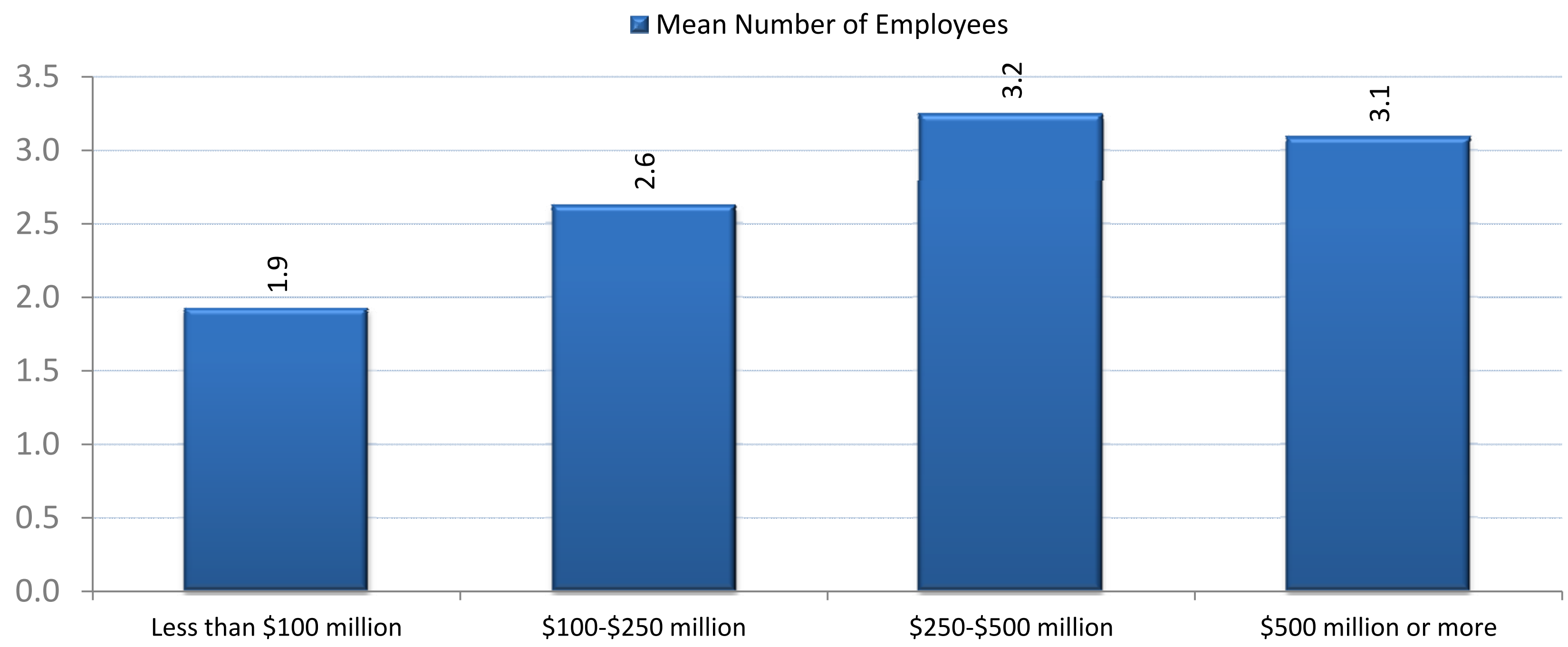

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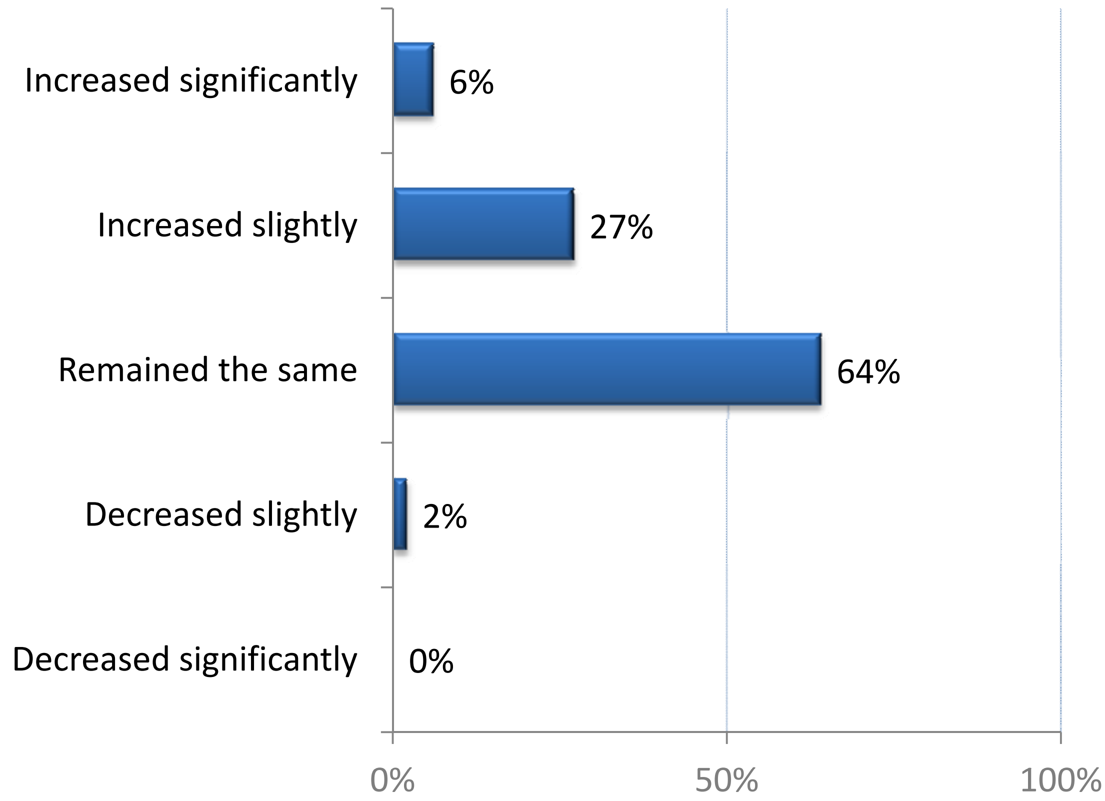
Changes to Call Report Staff

Over the last ten years has the number of employees involved in direct preparation of the Call Report increased, decreased or remained the same?



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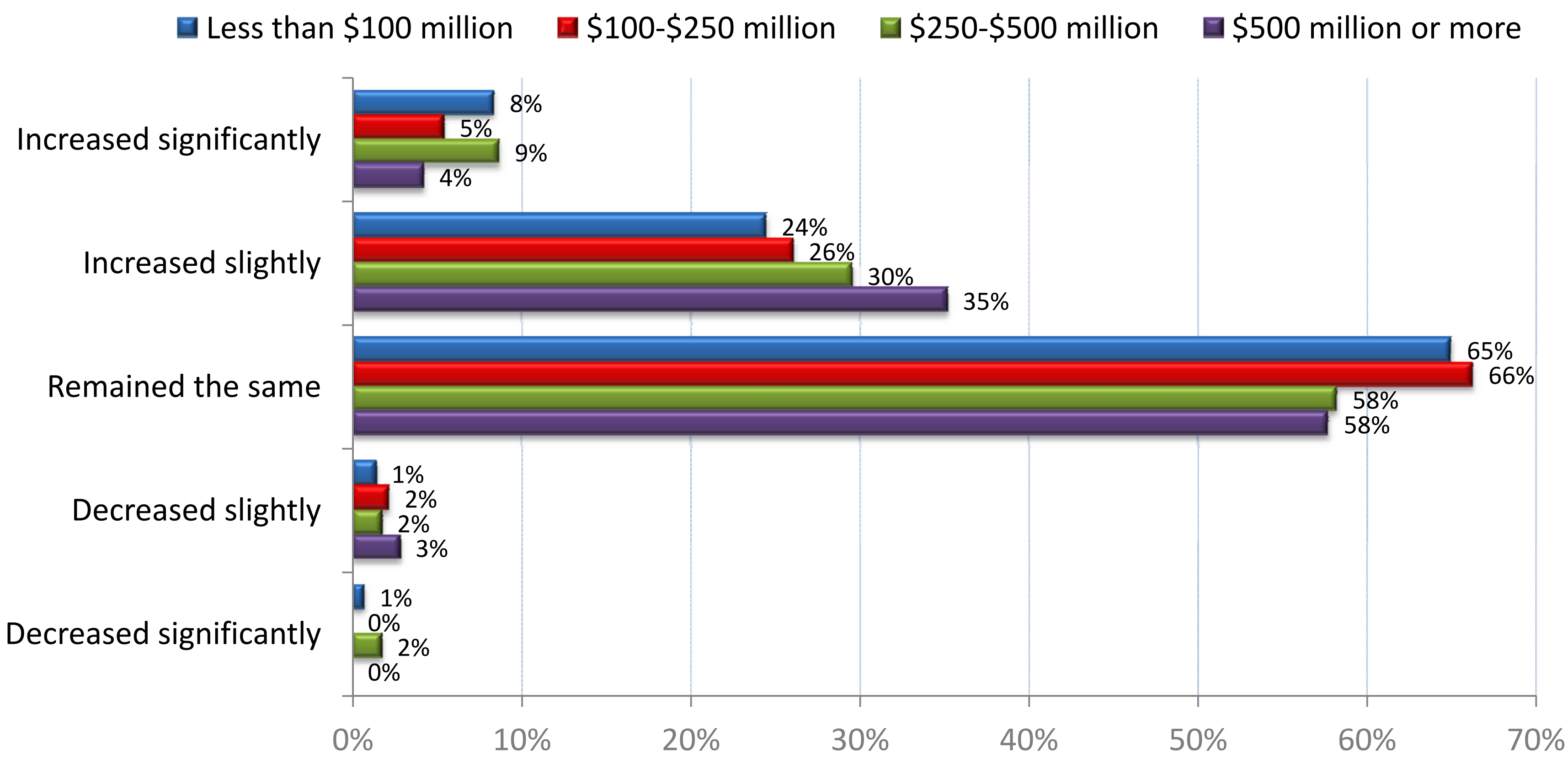

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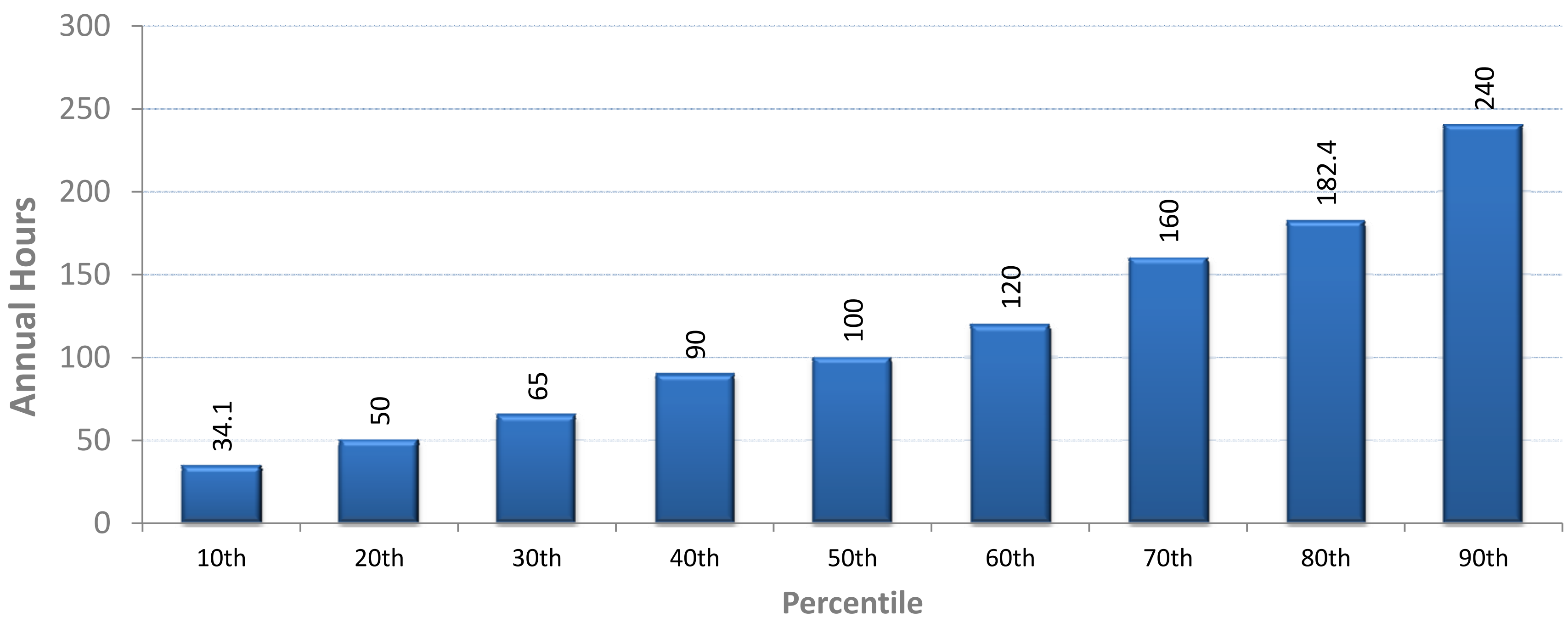
Annual Hours Spent on Call Report

What is the estimated number of hours spent annually on preparing the Call Report across all preparers in your bank?



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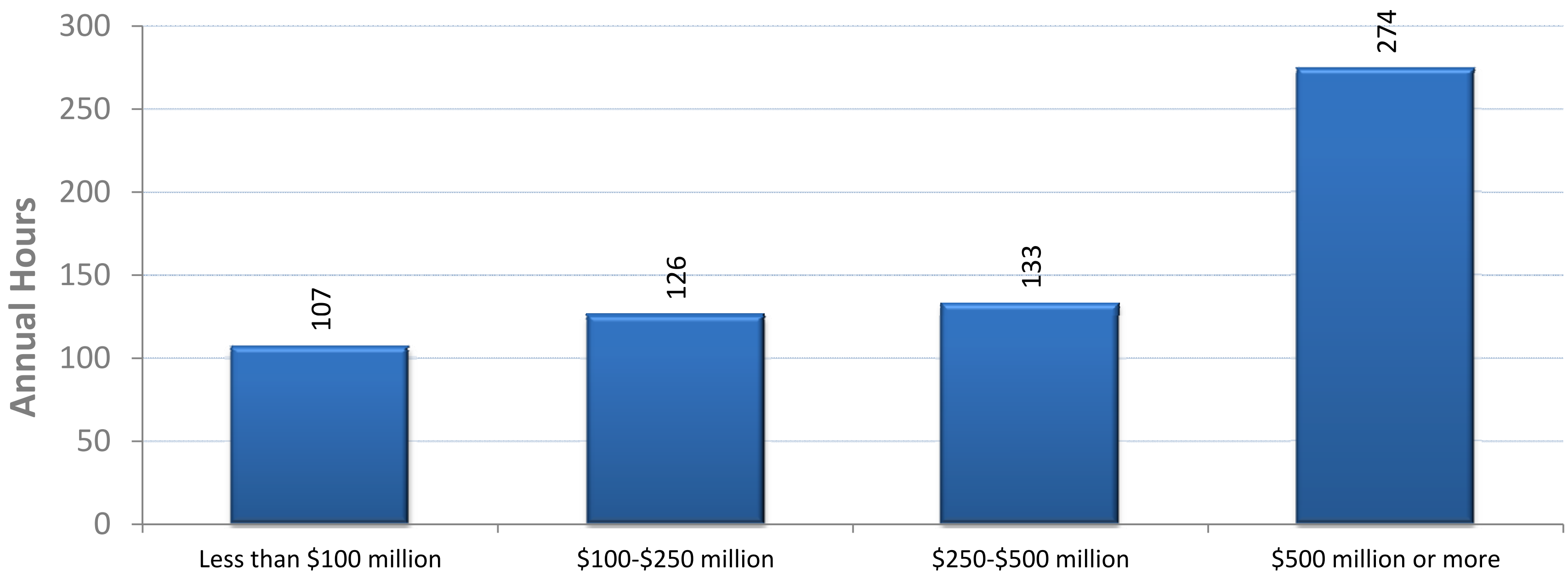

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Changes in Annual Hours

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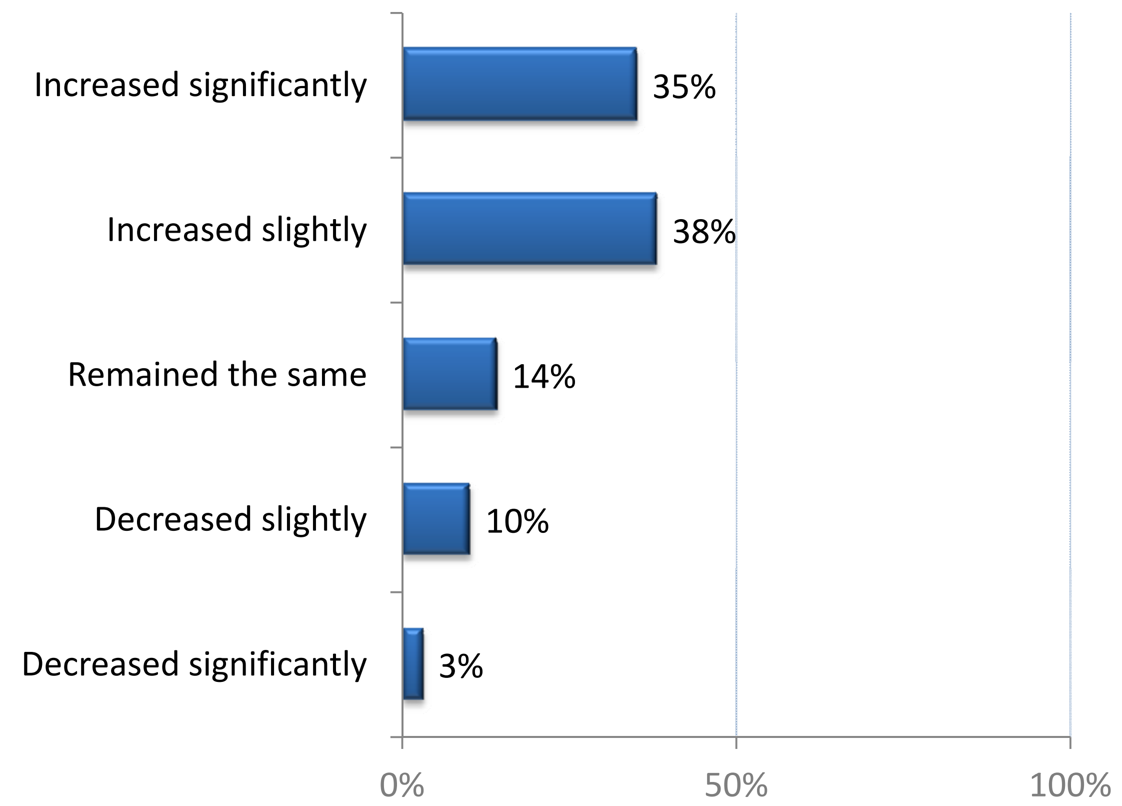

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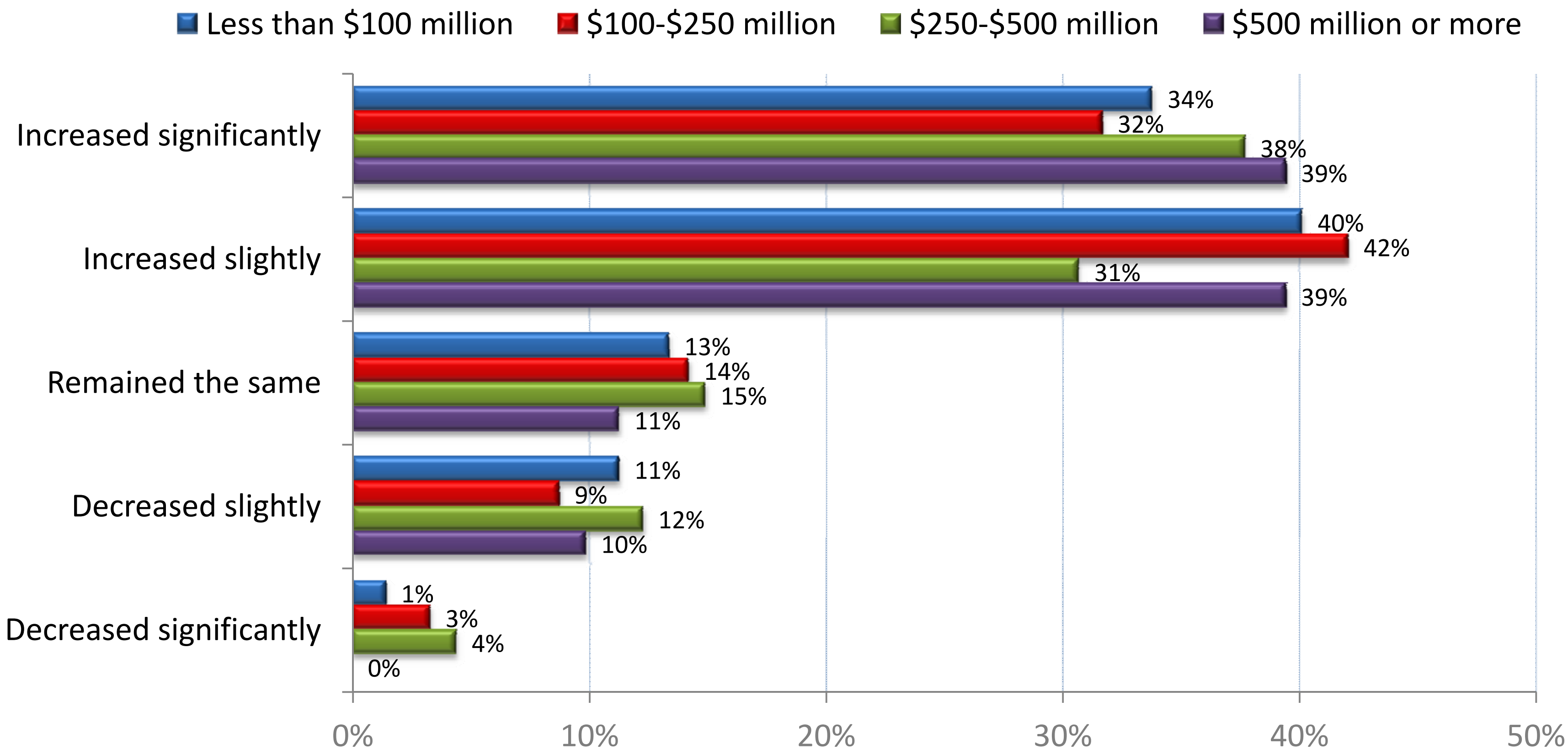

Total Annual Call Report Costs

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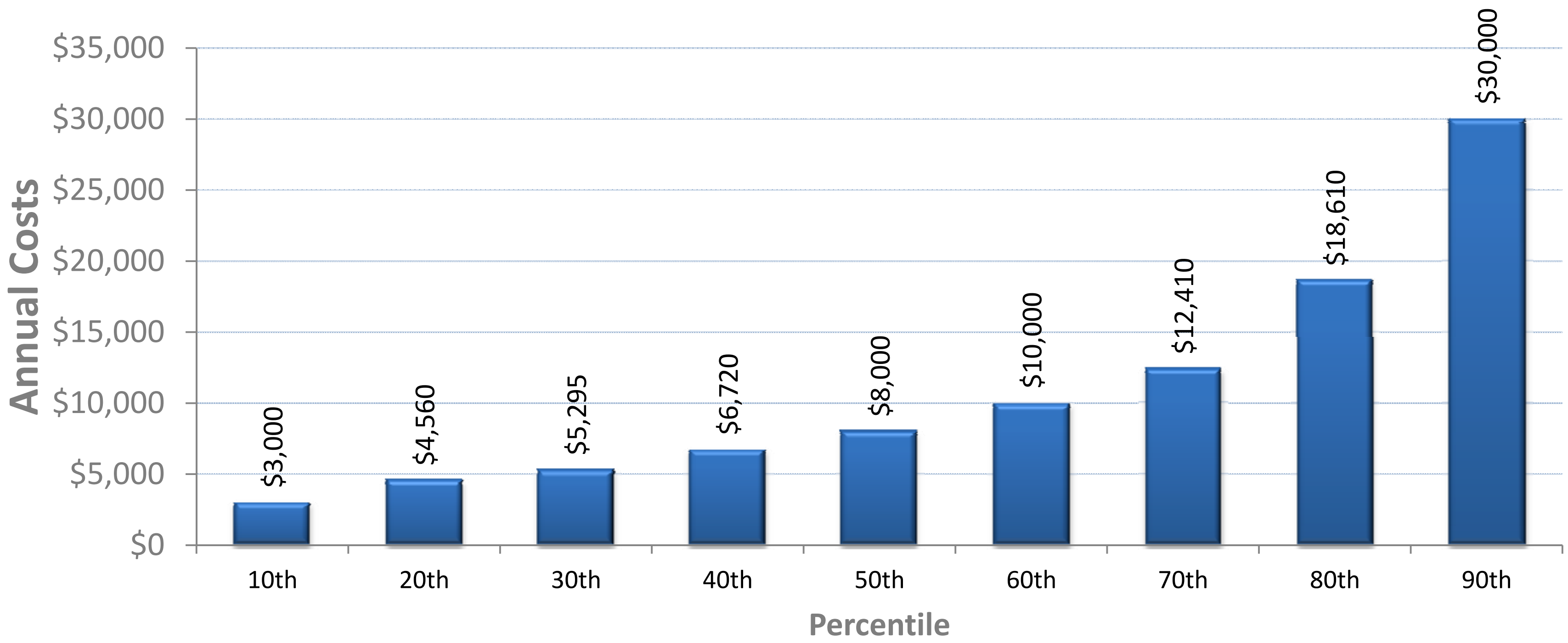

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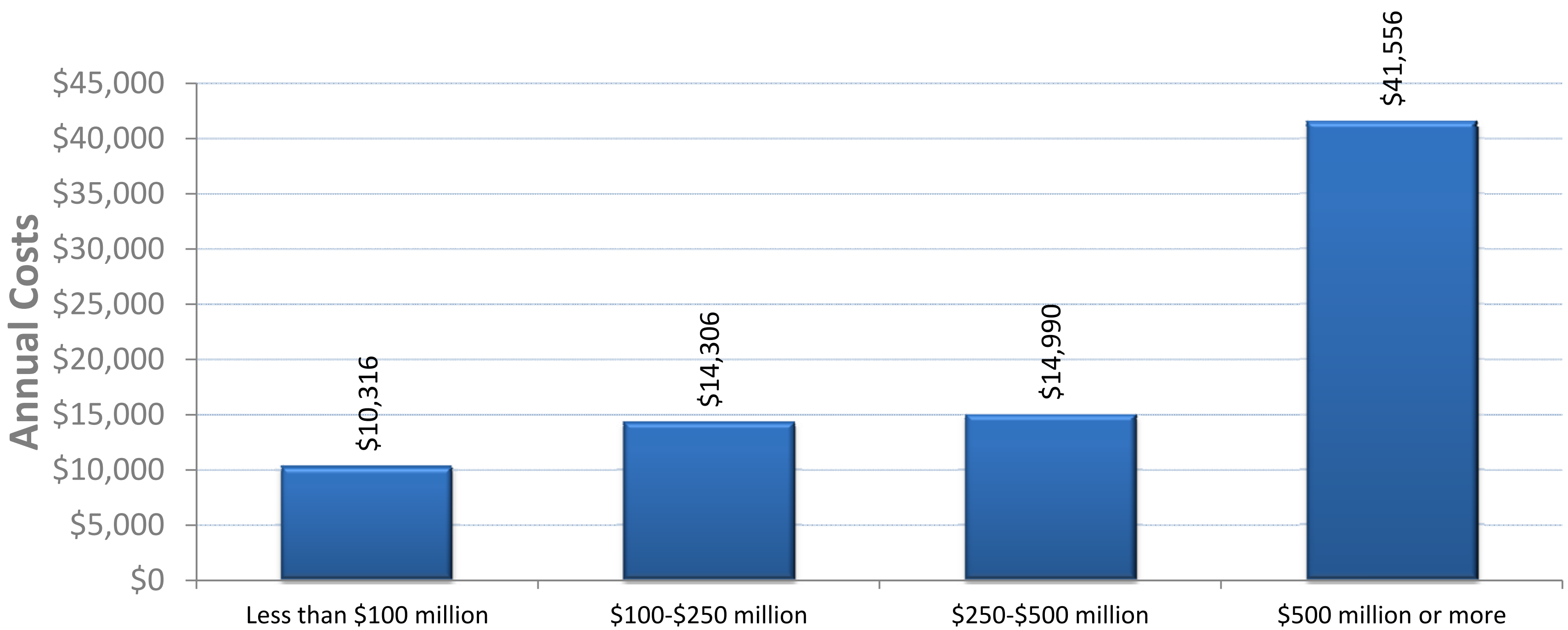
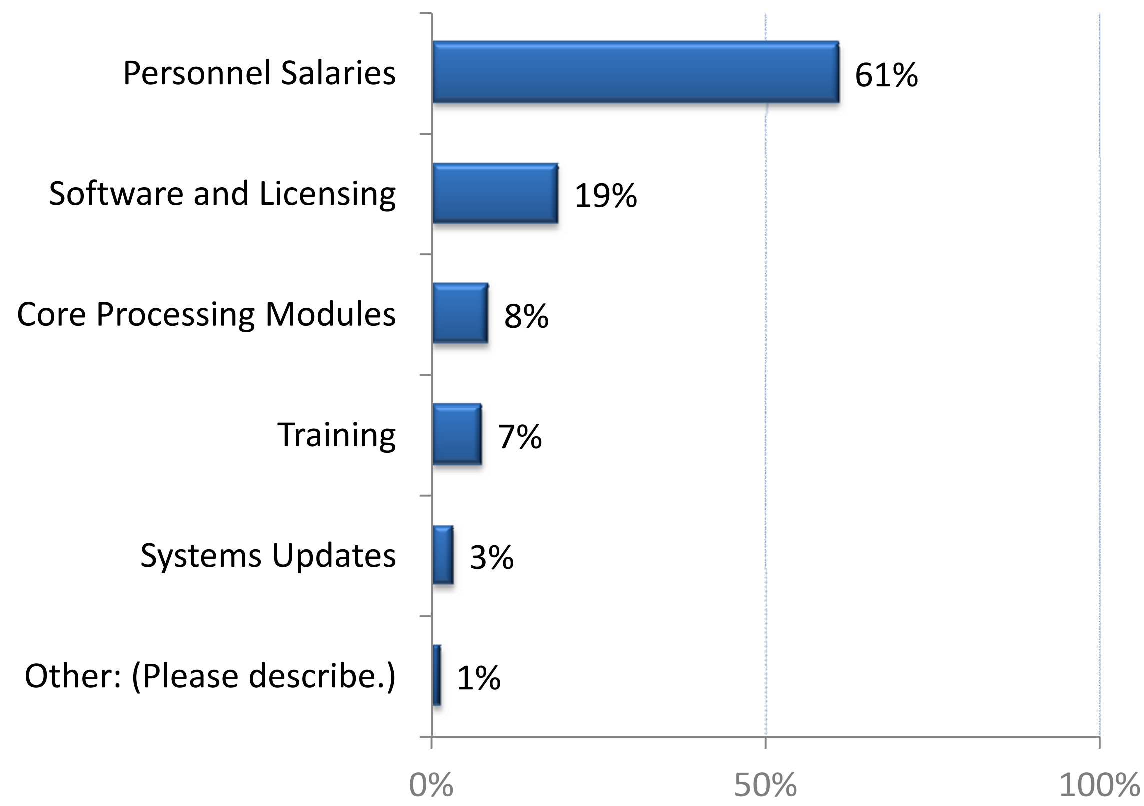


Distribution of Total Annual Costs

To the best of your knowledge, what percentage of the total annual cost to prepare the Call Report goes towards the following areas?



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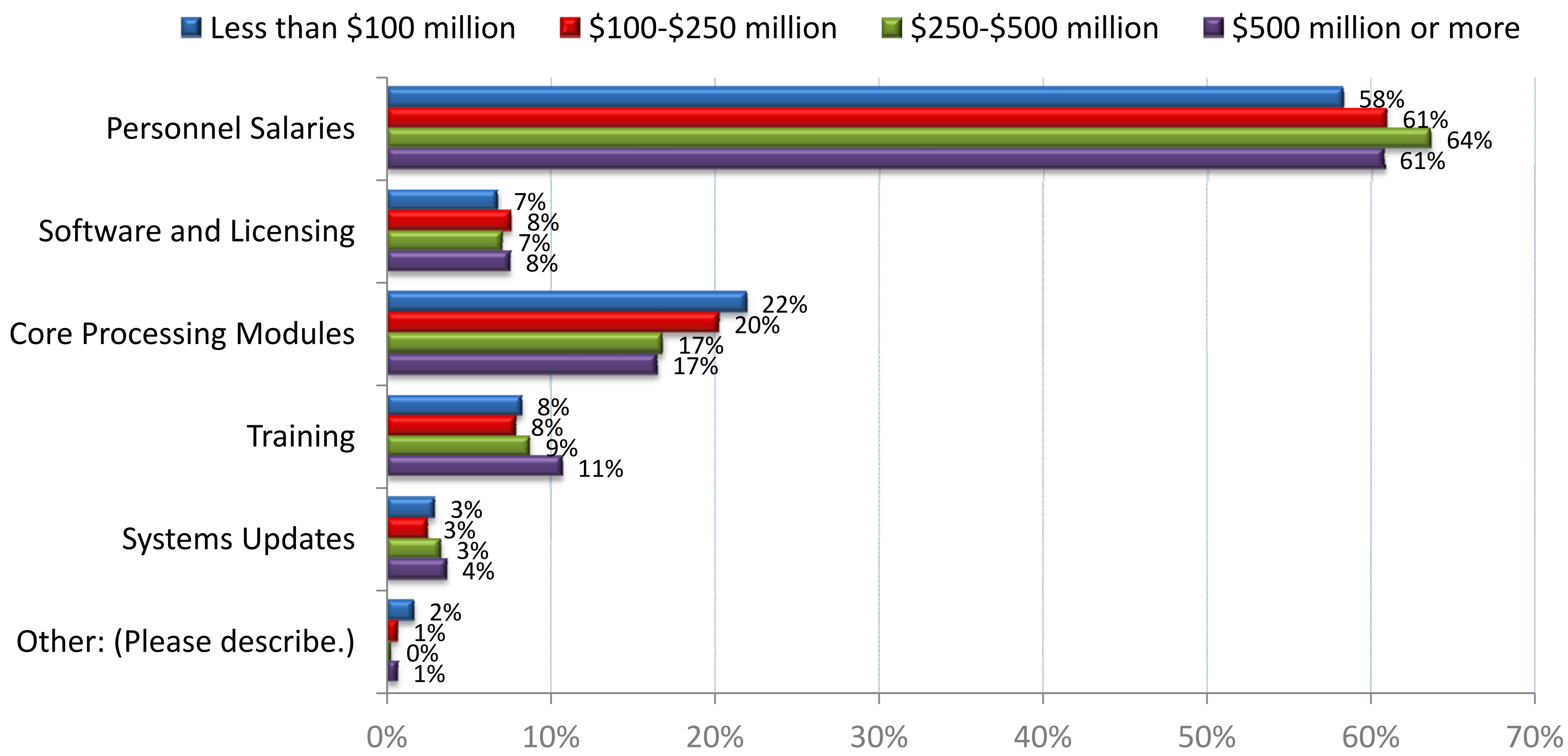

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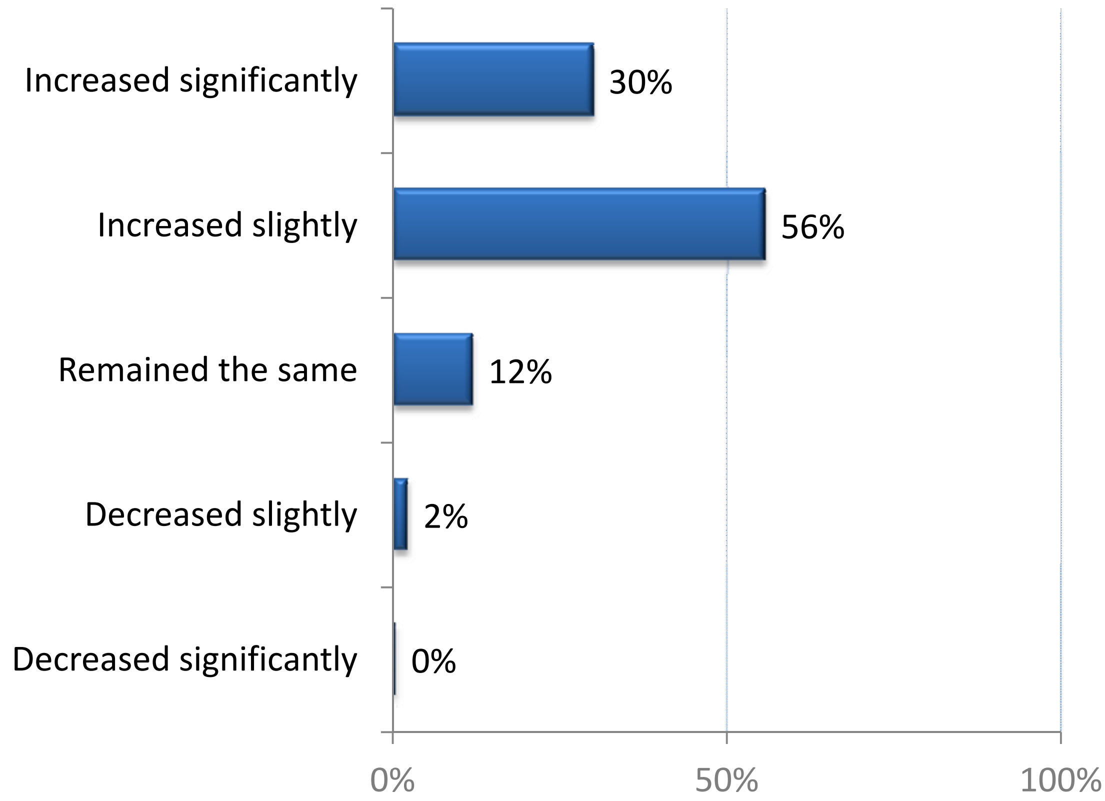
Change to Total Cost of Call Report

Over the last ten years has the total annual cost of preparing the Call Report increased, decreased or remained the same?



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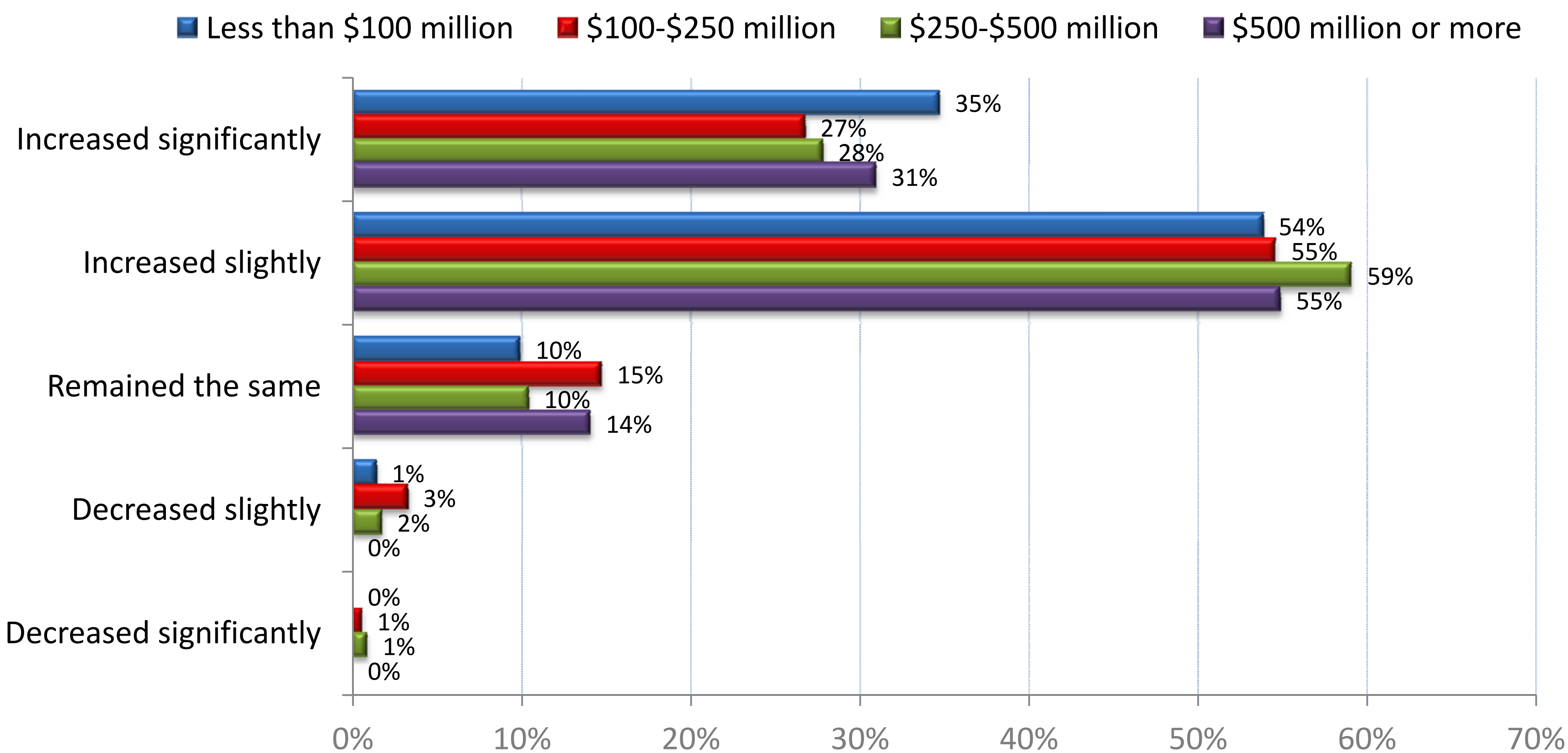

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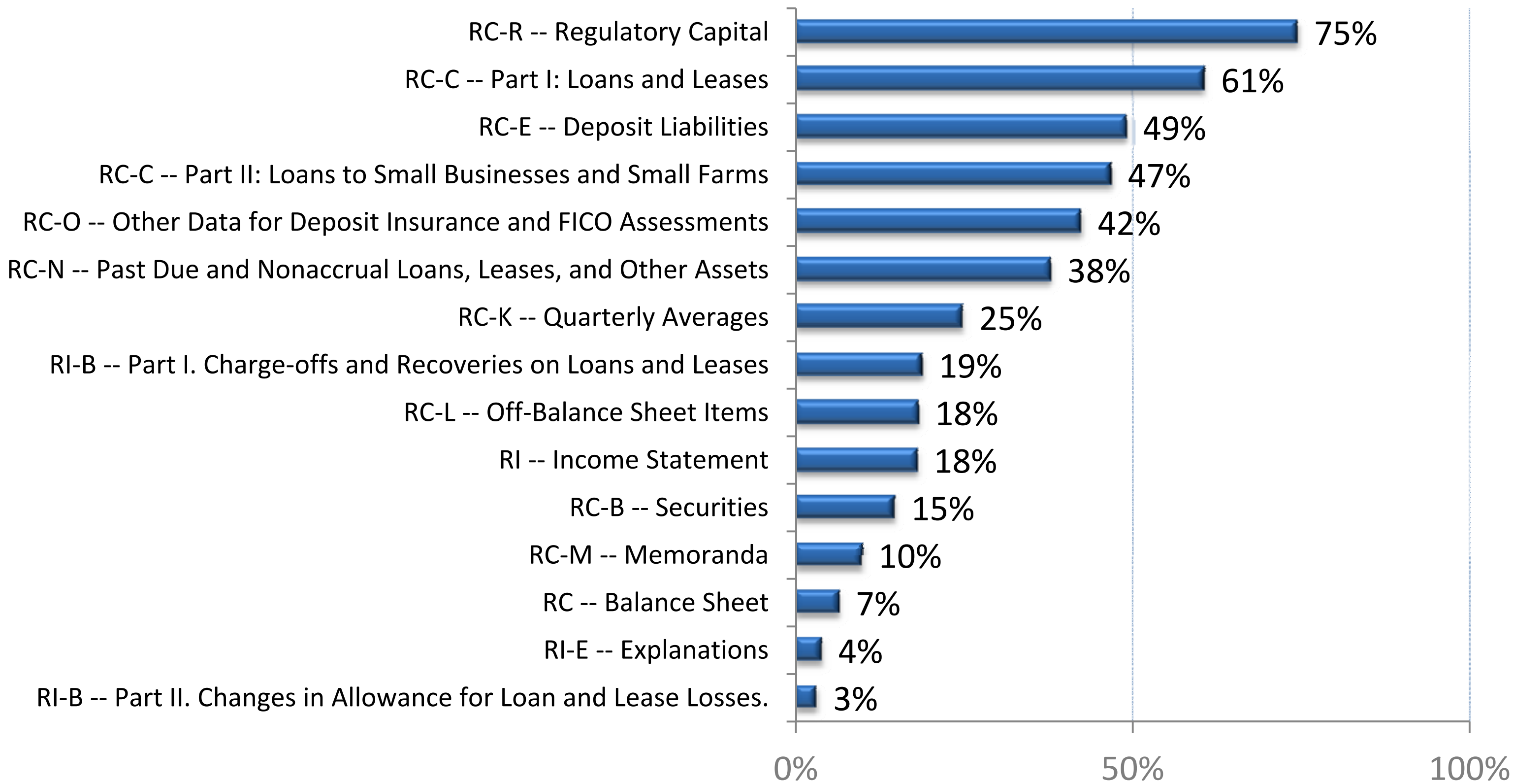
Most Burdensome Schedules

Please select and rank the most burdensome schedules of the Call Report – Frequency of Selection.



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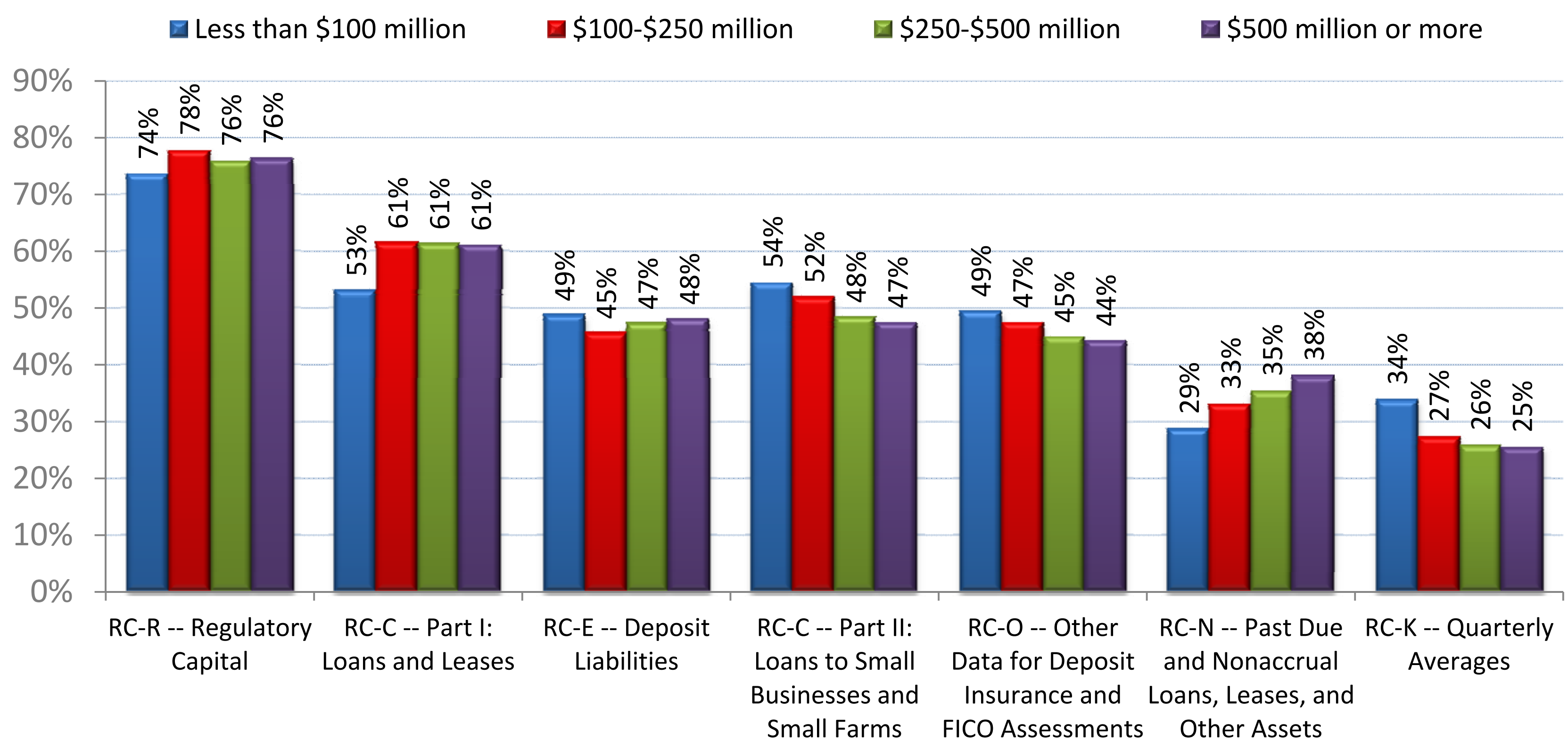

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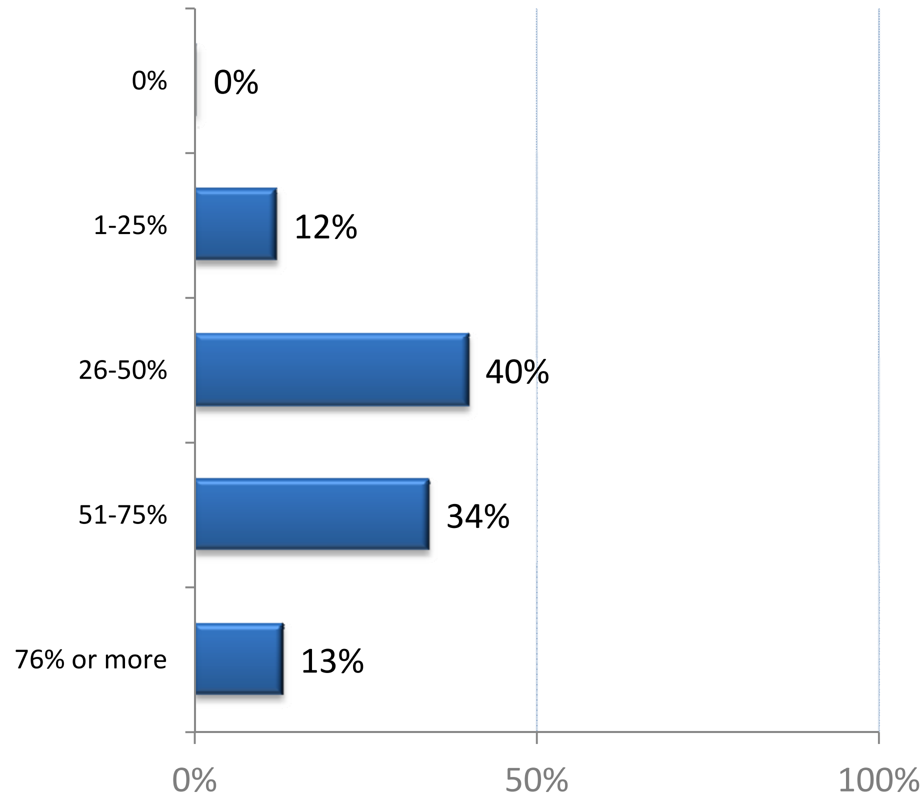
Impact of Abbreviated Call Report

Approximately how much would your bank's preparation time be reduced annually if you were allowed to file an abbreviated Call Report that only includes the following: RC -- Balance Sheet, RC-N -- Past Due and Nonaccrual Loans, Leases, and Other Assets, RC-R -- Regulatory Capital, RI -- Income Statement, RI-A -- Changes in Equity Capital



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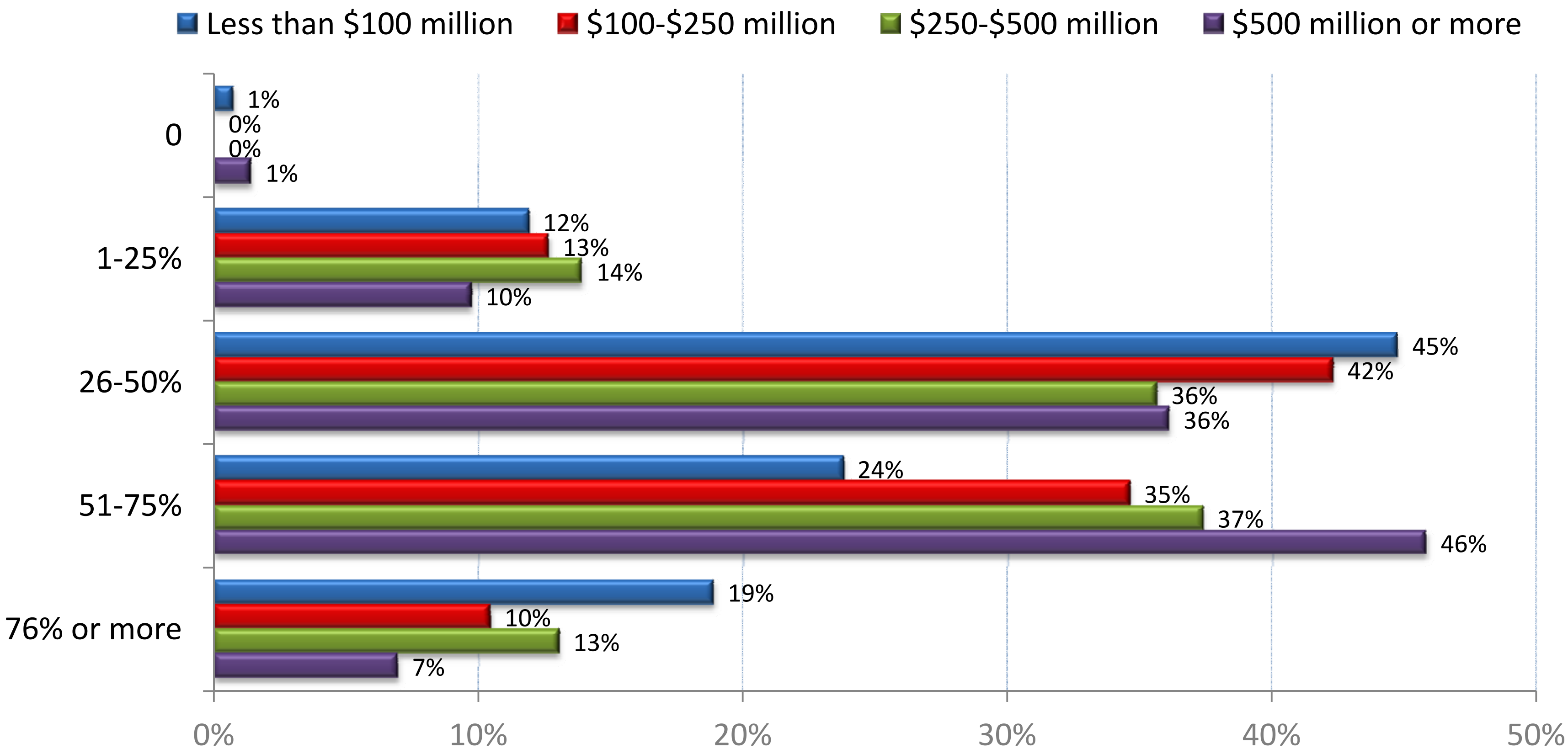

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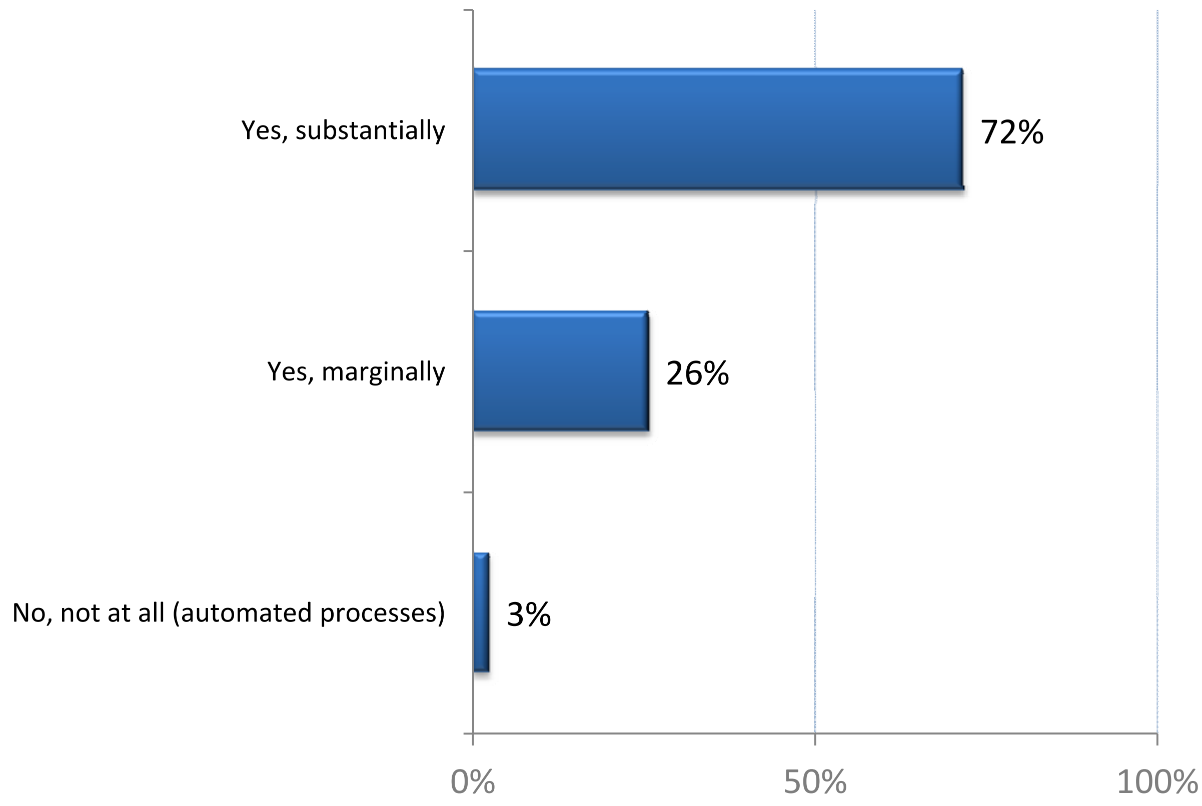
Burden Reduction of Short-Form

Would a short form Call Report as described above reduce regulatory burden for your bank?



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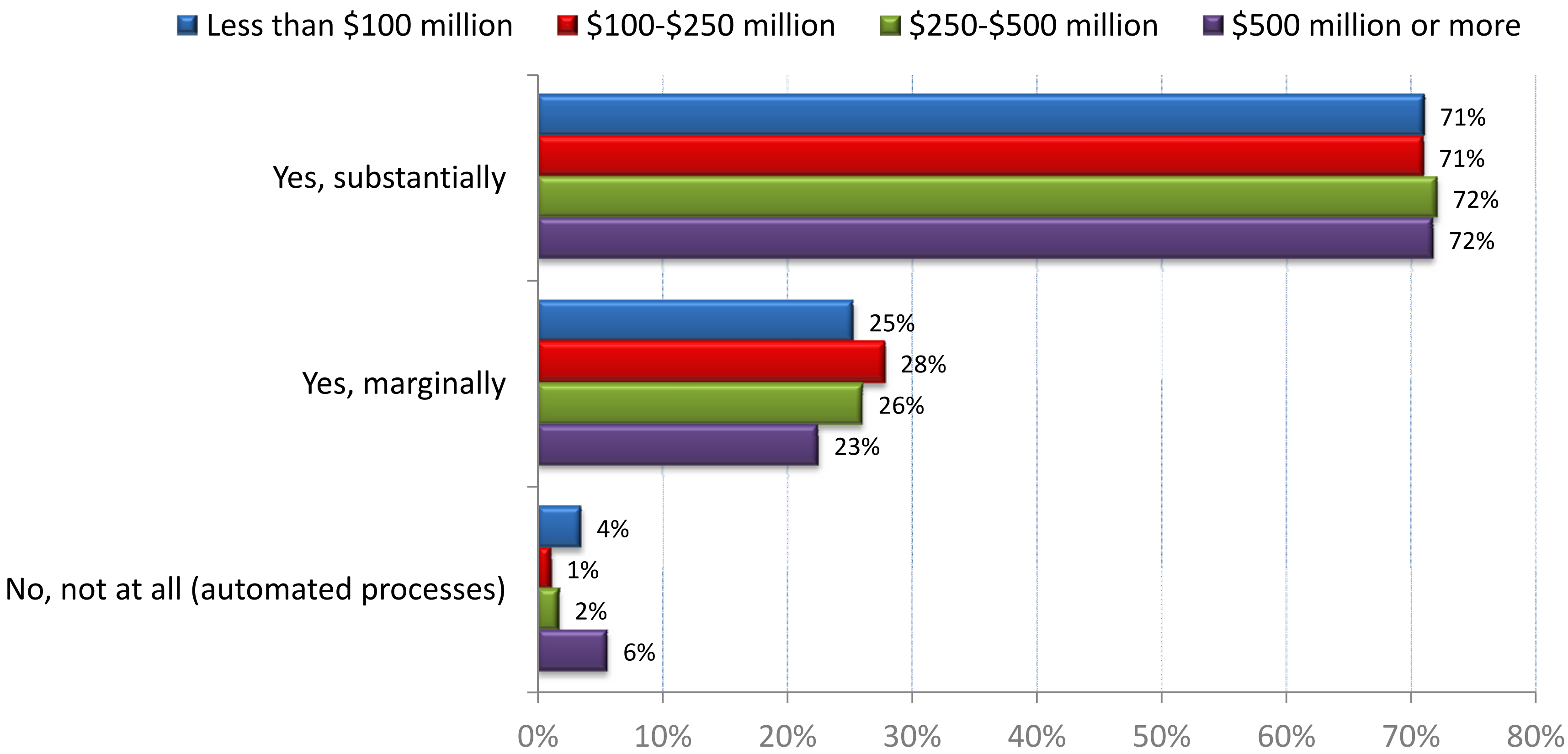

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