2014 ICBA Community Bank Call Report Burden Survey
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?

- Chief Financial Officer: 39%
- Other (Please enter): 24%
- Chief Accounting Officer/Controller: 20%
- Cashier: 13%
- Chief Operating Officer: 4%
Who is primarily responsible for overseeing the preparation of the Call Report for your bank?

- **Chief Financial Officer**
  - Less than $100 million: 26%
  - $100-$250 million: 34%
  - $250-$500 million: 27%
  - $500 million or more: 41%

- **Cashier**
  - Less than $100 million: 0%
  - $100-$250 million: 7%
  - $250-$500 million: 6%
  - $500 million or more: 4%

- **Chief Operating Officer**
  - Less than $100 million: 0%
  - $100-$250 million: 6%
  - $250-$500 million: 5%
  - $500 million or more: 2%

- **Other (Please enter):**
  - Less than $100 million: 0%
  - $100-$250 million: 18%
  - $250-$500 million: 26%
  - $500 million or more: 30%

- **Chief Accounting Officer/Controller**
  - Less than $100 million: 4%
  - $100-$250 million: 13%
  - $250-$500 million: 33%
  - $500 million or more: 39%
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?

- $0-30k: 1%
- $31-60k: 22%
- $61-90k: 34%
- $91-120k: 26%
- $121-150k: 11%
- More than $150k: 7%
What is the total annual compensation including salary and benefits of the staff member primarily responsible for overseeing preparation of the Call Report?

![Bar chart showing compensation by salary ranges and bank asset sizes]
What is your role in preparing the Call Report?

- 92% I oversee and/or am directly involved in the preparation of the Call Report
- 8% I am not involved in preparation of the Call Report
Call Report Preparation Role

What is your role in preparing the Call Report?

- I oversee and/or am directly involved in the preparation of the Call Report:
  - Less than $100 million: 93%
  - $100-$250 million: 93%
  - $250-$500 million: 97%
  - $500 million or more: 93%

- I am not involved in preparation of the Call Report:
  - Less than $100 million: 7%
  - $100-$250 million: 7%
  - $250-$500 million: 3%
  - $500 million or more: 7%
What is the total number of employees involved in the direct preparation of the Call Report at your bank?

- 1 employee: 37%
- 2 employees: 37%
- 3 employees: 13%
- 4 employees: 6%
- 5 employees: 2%
- More than 6 employees: 4%
Call Report Preparation Staff

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

![Bar chart showing mean number of employees involved in Call Report preparation by bank size]

- Less than $100 million: 1.9
- $100-$250 million: 2.6
- $250-$500 million: 3.2
- $500 million or more: 3.1
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?

- Increased significantly: 6%
- Increased slightly: 27%
- Remained the same: 64%
- Decreased slightly: 2%
- Decreased significantly: 0%
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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<thead>
<tr>
<th></th>
<th>Less than $100 million</th>
<th>$100-$250 million</th>
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<tr>
<td>Increased significantly</td>
<td>8%</td>
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<td>Increased slightly</td>
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<td>26%</td>
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<td>Remained the same</td>
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<td>Decreased significantly</td>
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<td>2%</td>
<td>3%</td>
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</table>

**Less than $100 million:** 65%

**$100-$250 million:** 66%

**$250-$500 million:** 58%

**$500 million or more:** 58%
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?
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?

![Bar chart showing annual hours spent on Call Report]

- Less than $100 million: 107 hours
- $100-$250 million: 126 hours
- $250-$500 million: 133 hours
- $500 million or more: 274 hours
Changes in Annual Hours

Over the last ten years has the number of hours required to prepare the Call Report increased, decreased or remained the same?

- Increased significantly: 35%
- Increased slightly: 38%
- Remained the same: 14%
- Decreased slightly: 10%
- Decreased significantly: 3%
Changes in Annual Hours

Over the last ten years has the number of hours required to prepare the Call Report increased, decreased or remained the same?

- **Increased significantly**
  - Less than $100 million: 34%
  - $100-$250 million: 32%
  - $250-$500 million: 38%
  - $500 million or more: 39%

- **Increased slightly**
  - Less than $100 million: 40%
  - $100-$250 million: 42%
  - $250-$500 million: 39%
  - $500 million or more: 39%

- **Remained the same**
  - Less than $100 million: 13%
  - $100-$250 million: 14%
  - $250-$500 million: 15%
  - $500 million or more: 39%

- **Decreased slightly**
  - Less than $100 million: 11%
  - $100-$250 million: 11%
  - $250-$500 million: 9%
  - $500 million or more: 12%

- **Decreased significantly**
  - Less than $100 million: 1%
  - $100-$250 million: 3%
  - $250-$500 million: 4%
  - $500 million or more: 0%
Total Annual Call Report Costs

What is the estimated total annual cost for your bank to prepare the Call Report?

![Bar Chart showing the estimated total annual costs for different percentiles]

- 10th Percentile: $3,000
- 20th Percentile: $4,560
- 30th Percentile: $5,295
- 40th Percentile: $6,720
- 50th Percentile: $8,000
- 60th Percentile: $10,000
- 70th Percentile: $12,410
- 80th Percentile: $18,610
- 90th Percentile: $30,000

The estimated total annual cost for your bank to prepare the Call Report ranges from $3,000 to $30,000.
Total Annual Call Report Costs

What is the estimated total annual cost for your bank to prepare the Call Report?

![Bar chart showing annual costs across different asset sizes.]

- Less than $100 million: $10,316
- $100-$250 million: $14,306
- $250-$500 million: $14,990
- $500 million or more: $41,556
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?

- Personnel Salaries: 61%
- Software and Licensing: 19%
- Core Processing Modules: 8%
- Training: 7%
- Systems Updates: 3%
- Other: (Please describe.) 1%
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?

- **Personnel Salaries**
  - Less than $100 million: 61%
  - $100-$250 million: 64%
  - $250-$500 million: 61%
  - $500 million or more: 64%

- **Software and Licensing**
  - Less than $100 million: 8%
  - $100-$250 million: 7%
  - $250-$500 million: 7%
  - $500 million or more: 8%

- **Core Processing Modules**
  - Less than $100 million: 11%
  - $100-$250 million: 17%
  - $250-$500 million: 20%
  - $500 million or more: 22%

- **Training**
  - Less than $100 million: 8%
  - $100-$250 million: 8%
  - $250-$500 million: 9%
  - $500 million or more: 8%

- **Systems Updates**
  - Less than $100 million: 3%
  - $100-$250 million: 3%
  - $250-$500 million: 4%
  - $500 million or more: 4%

- **Other: (Please describe.)**
  - Less than $100 million: 2%
  - $100-$250 million: 1%
  - $250-$500 million: 1%
  - $500 million or more: 0%
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?

- Increased significantly: 30%
- Increased slightly: 56%
- Remained the same: 12%
- Decreased slightly: 2%
- Decreased significantly: 0%
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?

- Increased significantly:
  - Less than $100 million: 35%
  - $100-$250 million: 27%
  - $250-$500 million: 28%
  - $500 million or more: 31%

- Increased slightly:
  - Less than $100 million: 54%
  - $100-$250 million: 55%
  - $250-$500 million: 59%
  - $500 million or more: 55%

- Remained the same:
  - Less than $100 million: 10%
  - $100-$250 million: 15%
  - $250-$500 million: 10%
  - $500 million or more: 14%

- Decreased slightly:
  - Less than $100 million: 1%
  - $100-$250 million: 3%
  - $250-$500 million: 2%
  - $500 million or more: 0%

- Decreased significantly:
  - Less than $100 million: 0%
  - $100-$250 million: 0%
  - $250-$500 million: 0%
  - $500 million or more: 0%
Most Burdensome Schedules

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

- RC-R -- Regulatory Capital: 75%
- RC-C -- Part I: Loans and Leases: 61%
- RC-E -- Deposit Liabilities: 49%
- RC-C -- Part II: Loans to Small Businesses and Small Farms: 47%
- RC-O -- Other Data for Deposit Insurance and FICO Assessments: 42%
- RC-N -- Past Due and Nonaccrual Loans, Leases, and Other Assets: 38%
- RC-K -- Quarterly Averages: 25%
- RI-B -- Part I. Charge-offs and Recoveries on Loans and Leases: 19%
- RC-L -- Off-Balance Sheet Items: 18%
- RI -- Income Statement: 18%
- RC-B -- Securities: 15%
- RC-M -- Memoranda: 10%
- RC -- Balance Sheet: 7%
- RI-E -- Explanations: 4%
- RI-B -- Part II. Changes in Allowance for Loan and Lease Losses: 3%
Most Burdensome Schedules

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

![Bar chart showing percentage reduction in preparation time for filing an abbreviated Call Report: 0%, 12%, 40%, 34%, 13% for 0%, 1-25%, 26-50%, 51-75%, 76% or more, respectively.]
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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<thead>
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<td>76% or more</td>
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<td>19%</td>
<td>13%</td>
<td>10%</td>
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</table>
Burden Reduction of Short-Form

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

- Yes, substantially: 72%
- Yes, marginally: 26%
- No, not at all (automated processes): 3%
Burden Reduction of Short-Form

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

- **Yes, substantially**
  - Less than $100 million: 71%
  - $100-$250 million: 71%
  - $250-$500 million: 72%
  - $500 million or more: 72%

- **Yes, marginally**
  - Less than $100 million: 25%
  - $100-$250 million: 28%
  - $250-$500 million: 26%
  - $500 million or more: 23%

- **No, not at all (automated processes)**
  - Less than $100 million: 4%
  - $100-$250 million: 1%
  - $250-$500 million: 2%
  - $500 million or more: 6%