

January 9, 2020

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Madam Secretary:

RE: Update of Statistical Disclosures for Bank and Savings and Loan Registrants, File No. S7-02-17

CFA Institute¹ is pleased to provide you with our perspectives on areas for consideration in conjunction with the Securities and Exchange Commission's (SEC's or Commission's) *Update of Statistical Disclosures for Bank and Savings and Loan Registrants*.

CFA Institute is providing comments consistent with our objective of promoting fair and transparent global capital markets and advocating for investor protections. An integral part of our efforts toward meeting those goals is ensuring that corporate financial reporting and disclosures – and the related audits – provided to investors and other end users are of high quality. Our advocacy position is informed by our global membership who invest both locally and globally and in consultation with Corporate Disclosure Policy Council (“CDPC”).²

¹ CFA Institute is a global, not-for-profit professional association of nearly 171,400 investment analysts, advisers, portfolio managers, and other investment professionals in 165 countries, of whom more than 164,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute membership also includes 154-member societies in 77 countries and territories.

² The objective of the CDPC is to foster the integrity of financial markets through its efforts to address issues affecting the quality of financial reporting and disclosure worldwide. The CDPC is comprised of investment professionals with extensive expertise and experience in the global capital markets, some of whom are also CFA Institute member volunteers. In this capacity, the CDPC provides the practitioners' perspective in the promotion of high-quality financial reporting and disclosures that meet the needs of investors.

All Industry Guide 3 Data Should Be Provided In XBRL

Data reported through Guide 3 falls into seven areas:

- (1) distribution of assets, liabilities and stockholders' equity; interest rates and interest differential,
- (2) investment portfolios,
- (3) loan portfolios,
- (4) summary of loan loss experience,
- (5) deposits,
- (6) return on equity and assets, and
- (7) short-term borrowings.

Bank holding companies are required to report these data, but they may do so anywhere within their filings. If they choose to report these disclosures in the financial statements, they must make them available in XBRL format. If they choose to report them outside of the financial statements, they do not have to report them in XBRL format. This lack of consistency makes it difficult for data consumers to easily collect and compare Industry Guide 3 data for multiple bank holding companies.

Financial data that is used by regulators and investors to perform comparative analytics, and that serves as a convenient reference to gauge the financial health of bank holding companies, should be provided in structured, machine-readable format. This data should be provided in XBRL format, regardless of where the data resides (for example, in the MD&A or in the financial statements). The inconsistency could be corrected by simply requiring that all Industry Guide 3 data be provided in XBRL format. This will vastly improve the usability and value of this information.

Benefits of Structured Data

Our 2016 publication *Data and Technology: Transforming the Financial Information Landscape* outlines the benefits of XBRL data:

- Improves financial statement accuracy -- eliminating errors from keying information incorrectly and avoiding misinterpretation errors,
- Improves productivity -- allowing analysts to spend less time on data collection, and enabling deeper analysis,
- Increases opportunity for higher returns -- allows for faster and better analysis; and more in-depth analysis of individual companies,
- Allows for better risk management, and,
- Empowers the analyst by allowing easier analysis of disclosure.

Data provided in a structured format is both timelier and significantly less expensive to process, thus reducing the cost of analysis and encouraging more robust and in-depth analysis.

Adopt Inline XBRL

On June 28, 2018, the SEC mandated the use of Inline XBRL which assists data users because it highlights structured data facts in filings and provides greater clarity to the meaning of reported values. Reporting Industry Guide 3 data in Inline XBRL would allow it to be easily extracted and used and would also enhance the ability of data consumers to understand and read the data. We recommend that Inline XBRL be adopted for Industry Guide 3 data as it is already supported in the marketplace for other required disclosures.

Declining Costs

Costs for XBRL preparation have declined and have been documented in a pricing study conducted by the AICPA and XBRL US.³ The 2018 study found that the cost of XBRL preparation had declined 45% from 2014 to 2017 and that the average cost of a full year of XBRL preparation in 2017 was less than \$5,500.

Bank holding companies will be able to use the same tools and follow the same process that they do today in preparing XBRL-formatted documents. We do not believe that the additional tags required for Industry Guide 3 disclosures will pose a significant burden. Standardizing Guide 3 data is an important component to improving readability of the data and enabling greater comparability.

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Thank you again for the opportunity to provide our input on this Proposal. If you or your staff have questions or seek further elaboration of our views, please contact Mohini Singh at [REDACTED] or by email at [REDACTED] or me at [REDACTED] or by email at [REDACTED].

Sincerely,

/s/ Sandra J. Peters

Sandra J. Peters CPA, CFA
Senior Head, Global Financial Reporting Policy
CFA Institute

Cc: Corporate Disclosure Policy Council

³ AICPA/XBRL US: XBRL costs for small reporting companies has declined 45% since 2014:
<https://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/XBRL/DownloadableDocuments/XBRL%20Costs%20for%20Small%20Companies.pdf>