



Thrift Report

FIL-102-97
October 1, 1997

TO: PREPARERS OF THE THRIFT FINANCIAL REPORT
SUBJECT: *Proper Use of New Schedule SI Line Items 255, 265, and 266*

The FDIC believes there may be confusion regarding three new line items on Schedule SI of the quarterly Thrift Financial Report (TFR), namely Lines 255, 265, and 266. The new line items were added to Schedule SI effective with the March 31, 1997, TFR. These line items are to be completed by so-called "Oakar" thrifts—that is, thrifts that pay a portion of their quarterly deposit insurance assessment to both insurance funds.

Line items 255, 265, and 266 were added to help the FDIC calculate an Oakar thrift's adjusted attributable deposit amount (AADA). The AADA serves as the base on which an Oakar thrift's payment to the other ("secondary") fund is computed.

"Oakar" Thrifts

An "Oakar" thrift is a thrift that belongs to one insurance fund, generally the Savings Association Insurance Fund (SAIF), and has acquired deposits insured by the secondary insurance fund, generally the Bank Insurance Fund (BIF), by means of a so-called "Oakar transaction." The most common Oakar transaction occurs when a SAIF-member thrift acquires deposits from a BIF-member bank, either by means of a whole-institution acquisition (merger/combination/consolidation) or through a branch acquisition.

Other examples of Oakar transactions include:

- a SAIF-member thrift acquiring deposits from a thrift-chartered institution that is a BIF member—a "BIF HOLA" thrift;
- a BIF HOLA thrift acquiring deposits from a SAIF-member thrift; or
- a BIF HOLA thrift acquiring deposits from a bank-chartered institution that is a SAIF member (a "Sasser" bank).

Acquisition of an Oakar Institution

In another common Oakar transaction, a SAIF-member thrift can become an Oakar thrift by simply acquiring another SAIF-member Oakar thrift or a Sasser Oakar bank. (In addition, a BIF HOLA thrift can become a BIF HOLA Oakar bank by acquiring another BIF HOLA Oakar thrift or a BIF-member Oakar bank.) In such cases, the acquired Oakar institution's AADA becomes the AADA of the resultant thrift.

Please Note: If an Oakar thrift acquires an Oakar institution that is a member of the other insurance fund (for example, a SAIF-member thrift acquiring a BIF Oakar bank or a BIF HOLA Oakar thrift), the thrift should contact the FDIC to request a special AADA worksheet. The worksheet will assist the reporting thrift in determining the correct amount to include in Line Item 265 of Schedule SI.

Reporting Requirements

The following instructions for each line item are intended to supplement information found in the TFR instructions and to clarify the reporting requirements for each item.

Schedule SI, Line Item 255

This line item is used to report all deposits acquired by the reporting institution from any insured depository institution (regardless of insurance fund membership) in the quarter ending with the filing of the TFR. For example, all deposits acquired between July 1, 1997, and September 30, 1997, will be reported on this line item of the September 30, 1997, TFR.

The amount reported in this line item should be equal to the deposit amount acquired on the date of the transaction, and should include all deposits as defined by Section 3(l) of the Federal Deposit Insurance Act (FDI Act), including escrows and interest accrued and unpaid.

The amount reported in this line item will always be greater than, or equal to, the amount that is reported on Line Item 265.

Schedule SI, Line Item 265

This line item is used to report all deposits acquired during the quarter by the reporting institution from any insured depository institution that was insured by the insurance fund of which the resultant thrift is not a member, the secondary insurance fund. In other words, this item is used to report "Oakar" deposits (AADA) acquired in the quarter. This amount should also be included as part of the amount reported in Line Item 255.

Please note: This line item is also to be used to report the AADA of an Oakar institution that has been acquired by the reporting thrift. If the acquired Oakar institution is a member of the same insurance fund as the resultant thrift, the resultant thrift (the "reporting" thrift) should include in this line item the AADA shown on Line 46 of the acquired Oakar institution's last assessment invoice.

As mentioned previously, if the reporting thrift has acquired an Oakar institution that is a member of the other insurance fund, the thrift should contact the FDIC at the telephone number listed at the end of this FIL to request a special AADA worksheet. The worksheet will assist the reporting thrift in determining the correct amount to include in this line item.

Again, the amount that is reported in this line item should be equal to the deposits that were acquired from the other insurance fund on the date of the transaction. In addition, the amount reported in this line item will always be less than, or equal to, the amount that is reported on Line Item 255.

Schedule SI, Line Item 266

This line item is used to report all deposits sold by the reporting institution in the quarter. The amount that is reported on this line item should be equal to the deposits that were sold on the date of the transaction.

Example:

In the third quarter of the year, Thrift A (a SAIF-member):

- acquires four branches of Bank Z (a BIF-member). This acquisition is an Oakar transaction. On the date of transaction, the deposits acquired equal \$143,500,000;
- acquires Thrift B (a SAIF-member Oakar thrift) through a merger. On the date of transaction, the deposits acquired equal \$750,000,000. Thrift B's AADA as of its last invoice (June 30) was \$350,000,000; and
- sells a branch to Thrift C (a SAIF-member thrift). On the date of transaction, the deposits sold equal \$50,000,000.

Thrift A will complete its September 30 TFR, Schedule SI, as follows:

Line Item 255. . . \$893,500,000 (\$143,500,000 + \$750,000,000)

Line Item 265. . . \$493,500,000 (\$143,500,000 + \$350,000,000)

Line Item 266 . . . \$50,000,000

The FDIC uses the information reported in these three line items when calculating an Oakar thrift's AADA each quarter for assessment purposes. A "Quarterly Growth Adjustment Statement," showing the AADA calculation, is prepared by the FDIC for every Oakar thrift and is included with the thrift's quarterly assessment invoice.

If you have any questions regarding these line items, please contact the FDIC's Assessment Management Section at (800) 477-9557. In the Washington, D.C., area, please call (202) 416-7400.

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