

LOANS SECURED BY STOCK OF TRANSAMERICA CORPORATION

3,508,269.30

(See page 8, insert 6, March 31, 1939)

These loans are numerous and widely scattered throughout the various branches and many of the individual loans, so secured, are classified in the branch reports of examination. The amount as shown represents, in the aggregate, the extension of credit dependent upon the stock of Transamerica Corporation. In the majority of cases they are loans made in prior years and many are workout problems dependent entirely on the security and are carried in an attempt by the management to effect a recovery on partially charged off assets through market appreciation in the value of Transamerica Corporation stock. The following is a comparative schedule of the total amount of loans secured by this stock:

COMPARATIVE SCHEDULE OF LOANS SECURED BY STOCK OF TRANSAMERICA CORPORATION

Date of Examination	"A"	Shares Pledged	"B"	Shares Pledged	Shares Pledged "C"
Dec. 31-29	\$40,064,358.69	1,697,165	\$17,057,610.19 *	453,650	No record kept.
Jun. 10-30	26,683,141.24	1,500,318	12,496,757.48 *	361,680	do
Feb. 28-31	20,941,703.76	1,609,120	30,413,252.16 *	822,536	do
Aug. 31-31	15,104,423.35	1,609,553	10,271,027.96	863,937	141,161
Mar. 31-32	11,010,253.77	1,418,385	9,524,571.37	816,025	115,041
Nov. 9-32	9,594,093.07	1,389,460	7,916,201.29	658,342	218,552
Nov. 10-33	8,831,763.24	1,386,502	8,155,215.68	808,806	252,549
Nov. 18-33	7,418,552.89	1,197,656	6,936,943.43	780,793	192,610
Jun. 22-34	5,110,770.65	997,685	4,634,967.39 **	701,936	234,849
Feb. 11-35	3,984,154.79	804,396	4,489,748.47 **	684,794	257,161
Oct. 7-35	3,840,856.30	778,195	3,950,531.21 **	542,068	181,830
Apr. 27-36	5,828,887.81#	972,383#	3,575,540.49 **	429,300	264,437
Oct. 14-36	6,026,140.94#	938,663#	2,798,243.26 **	330,449	232,559
Apr. 20-37	5,684,086.31	869,984	3,203,483.49 **	350,105	195,925
Aug. 31-37	1,370,361.05	156,852	4,786,941.33 ***	530,976	***
Apr. 28-38	564,803.17	101,013½	4,252,420.82 ***	522,373	***
Nov. 21-38	674,261.49	110,600	4,037,044.77 ***	501,525	***
Mar. 31-39	772,975.92	132,130	2,735,293.38 ***	441,493	***

"A" Loans secured by Transamerica Corporation stock only.

"B" Loans secured by Transamerica Corporation stock and other collateral. Dollar amount represents balance of loans dependent upon Transamerica Corporation stock.

"C" Shares of Transamerica Corporation stock held as collateral, upon which no portion of the loan is dependent.

(*) Indicates total loans which are secured by Transamerica Corporation stock and other collateral, and not the balance of loan dependency upon Transamerica Corporation stock as indicated above under "B".

Transamerica Corporation and Subsidiaries Large Line - cont'd.

(**) Basis for figuring the dependency of the loan upon Transamerica Corporation stock held as collateral changed to the proportion: That the value of the Transamerica Corporation stock has to the total value of all the collateral securing the loans, instead of, as formerly used, figuring the entire uncovered balance of the loan as dependent upon TAC collateral.

(***) Now includes proportionate amount dependent upon TAC stock regardless of the collateral position with respect to other securities held as collateral.

(#) It is significant that, contrary to announced policy in regard to loans made upon Transamerica Corporation stock, both the number of shares and the dollar amount increased during 1936, when the stock market experienced accelerated activity and a decided market value enhancement for Transamerica Corporation stock.