

FEDERAL RESERVE BANK
OF NEW YORK

March 5, 1965

REGULATION F
Securities of Member State Banks

To State Member Banks in the Second Federal Reserve District:

Enclosed is a copy of Regulation F, Securities of Member State Banks, issued by the Board of Governors of the Federal Reserve System. It relates to the registration of "equity securities" of State-chartered banks that are members of the Federal Reserve System, the filing of reports by such banks, solicitation of stockholder proxies, and disclosure of transactions in bank stocks by so-called "insiders." A summary of the major provisions of the regulation appears in a statement by the Board of Governors contained in our Circular No. 5595, which was sent to you on December 30, 1964.

Also enclosed is a copy of each form prescribed in the regulation. The forms (Forms F-1 through F-9) and related instructions are integral parts of the regulation. Banks subject to the regulation must file registration statements in conformity with the requirements of Form F-1 by April 30, 1965. Forms F-1 through F-6 and Form F-9 are not to be used as blank forms to be filled in, but only as guides in the preparation of the statements and reports called for by each. Forms F-7 and F-8, however, can be used as blank forms to be filled in. Copies of Forms F-7 and F-8 will be available at this Bank for directors of registrant banks and those of their officers and stockholders required to file such reports.

Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,
President.

**BOARD OF GOVERNORS
of the
FEDERAL RESERVE SYSTEM**

SECURITIES OF MEMBER STATE BANKS



**REGULATION F
(12 CFR 206)
Effective January 1, 1965**



INQUIRIES WITH RESPECT TO THIS REGULATION

Any inquiry relating to this regulation should be addressed to the Federal Reserve Bank of the Federal Reserve district in which the inquiry arises. Forms necessary for the preparation of statements and reports may be obtained from any Federal Reserve Bank.

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FORMS AND RELATED INSTRUCTIONS

Forms and related instructions, which are integral parts of this regulation, are assembled separately as follows:

Form F-1—Registration Statement for Securities of a Bank;
Form F-2—Annual Report;
Form F-3—Current Report; and
Form F-4—Quarterly Report.

Form F-5—Proxy Statement; Statement Where Management Does Not Solicit Proxies; and

Form F-6—Statement in Election Contest.

Form F-7—Initial Statement of Beneficial Ownership of Equity Securities.

Form F-8—Statement of Changes in Beneficial Ownership of Equity Securities.

Form F-9—Financial Statements.
A. Balance Sheet
B. Statement of Income
C. Statement of Changes in Capital Accounts
D. Schedules

BOARD OF GOVERNORS
of the
FEDERAL RESERVE SYSTEM

REGULATION F

(12 CFR 206)

Effective January 1, 1965

SECURITIES OF MEMBER STATE BANKS

SECTION 206.1—SCOPE OF PART ¹

This Part is issued by the Board of Governors of the Federal Reserve System (the "Board") pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78) (the "Act") and applies to all securities subject to registration pursuant to section 12(b) or section 12(g) of the Act by a bank that is organized under State law and is a member of the Federal Reserve System ("bank").

SECTION 206.2—DEFINITIONS

For the purposes of this Part, including all forms and instructions promulgated for use in connection herewith, unless the context otherwise requires:

¹ This text corresponds to the Code of Federal Regulations, Title 12, Chapter II, Part 206, cited as 12 CFR 206. The words "this Part", as used herein, mean Regulation F.

(a) The terms "**exchange**", "**director**", "**person**", "**security**", and "**equity security**" have the meanings given them in section 3(a) of the Act.

(b) The term "**affiliate**" (whether referred to as an "affiliate" of, or a person "affiliated" with, a specified person) means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(c) The term "**amount**", when used with respect to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to shares, and the number of units if relating to any other kind of security.

(d) The term "**associate**", when used to indicate a relationship with any person, means (1) any corporation or organization (other than the bank or a majority-owned subsidiary of the bank) of which such person is an officer or partner or is, directly or indirectly, either alone or together with one or more members of his immediate family, the beneficial owner of 10 per

cent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the bank or any of its parents or subsidiaries.

(e) The term “**charter**” includes articles of incorporation, declarations of trust, articles of association or partnership, or any similar instrument, as amended, effecting (either with or without filing with any governmental agency) the organization or creation of an incorporated or unincorporated person.

(f) The term “**control**” (including the terms “controlling”, “controlled by”, and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(g) The term “**employee**” does not include a director, trustee, or officer.

(h) The term “**equity capital accounts**” means capital stock, surplus, undivided profits, and reserve for contingencies and other capital reserves.

(i) The term “**fiscal year**” means the annual accounting period or, if no closing date has been adopted, the calendar year ending on December 31.

(j)(1) For the purpose of determining whether the registration requirements of section 12(g)(1) of the Act are applicable, securities shall be deemed to be “**held of record**” by each person who is identified as the owner of such securities on records of security holders maintained by or on behalf of the bank, subject to the following:

(A) In any case where the records of security holders have not been maintained in accordance with accepted practice, any additional person who would be identified as such an owner on such records if they had been maintained in accordance with accepted practice shall be included as a holder of record.

(B) Securities identified as held of record by a corporation, a partnership, a trust whether or not the trustees are named, or other organization shall be included as so held by one person.

(C) Securities identified as held of record by one or more persons as trustees, executors, guardians, custodians, or in other fiduciary capacities with respect to a single trust, estate, or account shall be included as held of record by one person.

(D) Securities held by two or more persons as co-owners shall be included as held by one person.

(E) Each outstanding unregistered or bearer certificate shall be included as held of record by a separate person, except to the extent that the bank can establish that, if such securities were registered, they would be held of record, under the provisions of this paragraph (j), by a lesser number of persons.

(F) Securities registered in substantially similar names, where the bank has reason to believe because of the address or other indications that such names represent the same person, may be included as held of record by one person.

(2) Notwithstanding subparagraph (1):

(A) Securities held subject to a voting trust, deposit agreement, or similar arrangement shall be included as held of record by the record holders of the voting trust certificates, certificates of deposit, receipts, or similar evidences of interest in such securities; Provided, however, that the bank may rely in good faith on such information as is received in response to its request from a nonaffiliated issuer of the certificates or interests.

(B) If the bank knows or has reason to know that the form of holding securities of record is used principally to circumvent the provisions of section 12(g)(1) of the Act, the beneficial owners of such securities shall be deemed to be record owners thereof.

(k) The term “**immediate family**” includes a person’s (1) spouse; (2) son, daughter, and descendant of either; (3) father, mother, and an-

cestor of either; (4) stepson and stepdaughter; and (5) stepfather and stepmother. For the purpose of determining whether any of the foregoing relationships exist, a legally adopted child shall be considered a child by blood.

(l) The term **“listed”** means admitted to full trading privileges upon application by the bank and includes securities for which authority to add to the list on official notice of issuance has been granted.

(m) The term **“majority-owned subsidiary”** means a subsidiary more than 50 per cent of whose outstanding securities representing the right, other than as affected by events of default, to vote for the election of directors, is owned by the subsidiary’s parent and/or one or more of the parent’s other majority-owned subsidiaries.

(n) The term **“material”**, when used to qualify a requirement for furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling the security registered.

(o) The term **“officer”** means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence), Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policy-making functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President as well as a number of “Vice Presidents”), some or all “Vice Presidents” do not participate in major policy-making functions, and such persons are not officers for the purpose of this Part.

(p) The term **“option”** means any option, warrant, or right other than those issued to security holders on a pro rata basis.

(q) The term **“parent”** of a specified person is a person controlling such person directly, or indirectly through one or more intermediaries.

(r) The term **“plan”** includes all plans, con-

tracts, authorizations, or arrangements, whether or not set forth in any formal document.

(s) The term **“predecessor”** means a person the major portion of the business and assets of which another person acquired in a single succession or in a series of related successions.

(t) The terms **“previously filed”** and **“previously reported”** mean previously filed with, or reported in, a registration statement under section 12, a report under section 13, or a definitive proxy statement or statement where management does not solicit proxies under section 14 of the Act, which statement or report has been filed with the Board, except that information contained in any such document shall be deemed to have been previously filed with or reported to an exchange only if such document is filed with such exchange.

(u) The term **“principal underwriter”** means an underwriter in privity of contract with the issuer of the securities as to which he is underwriter.

(v) The term **“promoter”** includes: (1) any person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the bank; (2) any person who, in connection with the founding and organizing of the bank, directly or indirectly receives in consideration of services or property or both services and property 10 per cent or more of any class of securities of the bank or 10 per cent or more of the proceeds from the sale of any class of such securities. A person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not, however, be deemed a promoter if such person does not otherwise take part in founding and organizing the bank.

(w) The term **“proxy”** includes every proxy, consent, or authorization within the meaning of section 14(a) of the Act. The consent or authorization may take the form of failure to object or to dissent.

(x) The terms **“qualified stock option”**, **“restricted stock option”**, and **“employee stock purchase plan”** have the meanings given them

in sections 422 through 424 of the Internal Revenue Code of 1954.

(y) The term “**share**” means a share of stock in a corporation or unit of interest in an unincorporated person.

(z) The term “**significant subsidiary**” means a subsidiary meeting either of the following conditions:

(1) The investments in the subsidiary by its parent plus the parent’s proportion of the investments in such subsidiary by the parent’s other subsidiaries, if any, exceed 5 per cent of the equity capital accounts of the bank.

(2) The parent’s proportion of the gross operating revenues of the subsidiary exceeds 5 per cent of the gross operating revenues of the parent.

(aa) The terms “**solicit**” and “**solicitation**” mean (1) any request for a proxy whether or not accompanied by or included in a form of proxy; (2) any request to execute or not to execute, or to revoke, a proxy; or (3) the furnishing of a form of proxy or other communication to security holders under circumstances reasonably calculated to result in the procurement, withholding, or revocation of a proxy. The terms do not apply, however, to the furnishing of a form of proxy to a security holder upon the unsolicited request of such security holder, the performance by the bank of acts required by section 206.5(g), or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

(bb) A “**subsidiary**” of a bank is (1) an affiliate controlled by the bank, directly or indirectly, through one or more intermediaries, except where the control (A) exists by reason of ownership or control of voting securities by the bank in a fiduciary capacity or (B) was obtained by the bank in the course of securing or collecting a debt previously contracted in good faith, or (2) a person a majority of whose voting securities are held in trust for the benefit of the holders of a class of stock of the bank pro rata.

(cc) The term “**succession**” means the direct acquisition of the assets comprising a going

business, whether by merger, consolidation, purchase, or other direct transfer. The term does not include the acquisition of control of a business unless followed by the direct acquisition of its assets. The term “**succeed**” and “**successor**” have meanings correlative to the foregoing.

(dd) The term “**verified**”, when used with respect to financial statements, means either (1) certified by an independent public accountant, or (2) signed in accordance with section 206.7 (b)(2) by the person principally responsible for the accounting records of the bank (the “principal accounting officer”) and by the person principally responsible for the audit procedures of the bank (the “auditor”); except that the term “verified” shall mean certified by an independent public accountant in any case in which the Board so informs the bank concerned, in writing, at least 90 days prior to the end of the fiscal year to which the financial statements will relate.

(ee) The term “**voting securities**” means securities the holders of which are presently entitled to vote for the election of directors.

SECTION 206.3—INSPECTION AND PUBLICATION OF INFORMATION FILED UNDER THE ACT

(a) **Filing of material with the Board.** All papers required to be filed with the Board pursuant to the Act or regulations thereunder shall be filed at its office in Washington, D. C. Material may be filed by delivery to the Board, through the mails, or otherwise. The date on which papers are actually received by the Board shall be the date of filing thereof if all of the requirements with respect to the filing have been complied with.

(b) **Inspection.** Except as provided in paragraph (c), all information filed regarding a security registered with the Board will be available for inspection at the Federal Deposit Insurance Corporation, 550 Seventeenth Street, N. W., Washington, D. C. In addition, copies

of the registration statement and reports required by section 206.4 (exclusive of exhibits), the statements required by section 206.5(a), and the annual reports to security holders required by section 206.5(c) will be available for inspection at each of the 12 Federal Reserve Banks.

(c) **Nondisclosure of certain information filed.** Any person filing any statement, report, or document under the Act may make written objection to the public disclosure of any information contained therein in accordance with the procedure set forth below:

(1) The person shall omit from the statement, report, or document, when it is filed, the portion thereof that it desires to keep undisclosed (hereinafter called the confidential portion). In lieu thereof, it shall indicate at the appropriate place in the statement, report, or document that the confidential portion has been so omitted and filed separately with the Board.

(2) The person shall file with the copies of the statement, report, or document filed with the Board:

(A) As many copies of the confidential portion, each clearly marked "CONFIDENTIAL TREATMENT", as there are copies of the statement, report, or document filed with the Board and with each exchange, if any. Each copy shall contain the complete text of the item and, notwithstanding that the confidential portion does not constitute the whole of the answer, the entire answer thereto; except that in case the confidential portion is part of a financial statement or schedule, only the particular financial statement or schedule need be included. All copies of the confidential portion shall be in the same form as the remainder of the statement, report, or document.

(B) An application making objection to the disclosure of the confidential portion. Such application shall be on a sheet or sheets separate from the confidential portion, and shall contain (i) an identification of the portion of the statement, report, or document that has been omitted, (ii) a statement of the grounds of objection, and (iii) the name of each exchange, if

any, with which the statement, report, or document is filed. The copies of the confidential portion and the application filed in accordance with this subparagraph shall be enclosed in a separate envelope marked "CONFIDENTIAL TREATMENT" and addressed to Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551.

(3) Pending the determination by the Board as to the objection filed in accordance with subparagraph (2), the confidential portion will not be disclosed by the Board.

(4) If the Board determines that the objection shall be sustained, a notation to that effect will be made at the appropriate place in the statement, report, or document.

(5) If the Board shall have determined that disclosure of the confidential portion is in the public interest, a finding and determination to that effect will be entered and notice of the finding and determination will be sent by registered or certified mail to the person.

(6) The confidential portion shall be made available to the public:

(A) upon the lapse of 15 days after the dispatch of notice by registered or certified mail of the finding and determination of the Board described in subparagraph (5), if prior to the lapse of such 15 days the person shall not have filed a written statement that he intends in good faith to seek judicial review of the finding and determination;

(B) upon the lapse of 60 days after the dispatch of notice by registered or certified mail of the finding and determination of the Board, if the statement described in clause (A) shall have been filed and if a petition for judicial review shall not have been filed within such 60 days; or

(C) if such petition for judicial review shall have been filed within such 60 days, upon final disposition, adverse to the person, of the judicial proceedings.

(7) If the confidential portion is made available to the public, a copy thereof shall be attached to each copy of the statement, report,

or document filed with the Board and with each exchange concerned.

SECTION 206.4—REGISTRATION
STATEMENTS AND REPORTS
OF BANKS

(a) **Requirement of registration statement.** Securities of a bank shall be registered under the provisions of either section 12(b) or section 12(g) of the Act by filing a statement in conformity with the requirements of Form F-1. No registration shall be required under the provisions of section 12(b) or section 12(g) of the Act of any warrant or certificate evidencing a right to subscribe to or otherwise acquire a security of a bank if such warrant or certificate by its terms expires within 90 days after the issuance thereof.

(b) **Registration effective as to class or series.** Depending upon whether the security is to be listed on an exchange, registration shall become effective as provided in section 12(d) or section 12(g)(1) of the Act as to the entire class of such security, then or thereafter authorized. If, however, a class of security is issuable in two or more series with different terms, each such series shall be deemed a separate class for the purposes of this paragraph.

(c) **Acceleration of effectiveness of registration.** A request for acceleration of the effective date of registration shall be made in writing by either the bank, an exchange, or both and shall briefly describe the reasons therefor.

(d) **Exchange certification.** (1) Certification that a security has been approved by an exchange for listing and registration pursuant to section 12(d) of the Act shall be made by the governing committee or other corresponding authority of the exchange.

(2) The certification shall specify (A) the approval of the exchange for listing and registration; (B) the title of the security so approved; (C) the date of filing with the exchange of the registration statement and of any amendments thereto; and (D) any conditions imposed on

such certification. The exchange shall promptly notify the Board of the partial or complete satisfaction of any such conditions.

(3) The certification may be made by telegram but in such case shall be confirmed in writing. All certifications in writing and all amendments thereto shall be filed with the Board in duplicate and at least one copy shall be manually signed by the appropriate exchange authority.

(4) The date of receipt by the Board of the certification approving a security for listing and registration shall be the date on which the certification is actually received by the Board or the date on which the registration statement to which the certification relates is actually received by the Board, whichever date is later.

(5) If an amendment to the registration statement is filed with the exchange and with the Board after the receipt by the Board of the certification of the exchange approving the security for listing and registration, the certification, unless withdrawn, shall be deemed made with reference to the statement as amended.

(6) An exchange may, by notice to the Board, withdraw its certification prior to the time that the registration to which it relates first becomes effective pursuant to paragraph (b) of this section 206.4.

(e) **Requirement of annual reports.** Every registrant bank shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed with the registration statement. The report shall be filed within 120 days after the close of the fiscal year and shall conform to the requirements of Form F-2.

(f) **Exception from requirement for annual report.** Notwithstanding paragraph (e) of this section 206.4, any bank that has filed, within the period prescribed for filing an annual report pursuant to that paragraph, a registration statement that has become effective and is not subject to any proceeding under section 15(c) or section 19(a) of the Act, or to an order thereunder, need not file an annual report if such statement covers the fiscal period that would be

covered by such annual report and contains all of the information, including financial statements and exhibits, required for annual reports.

(g) **Current reports.** Every registrant bank shall file a current report in conformity with the requirements of Form F-3 within 10 days after the close of any month during which any of the events specified in that form occurs, unless substantially the same information as required by that form has been previously reported by the bank.

(h) **Quarterly reports.** Every registrant bank shall file a quarterly report in conformity with the requirements of Form F-4 for each fiscal quarter ending after the close of the latest fiscal year for which financial statements were filed in a registration statement except that no report need be filed for the fiscal quarter which coincides with the end of the fiscal year of the bank. Such reports shall be filed not later than 45 days after the end of such quarterly period, except that the report for any period ending prior to the date on which a class of securities of the bank first becomes effectively registered may be filed not later than 45 days after the effective date of such registration.

(i) **Additional information.** In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

(j) **Information not available.** Information required need be given only insofar as it is known or reasonably available to the bank. If any required information is unknown and not reasonably available to the bank, either because the obtaining thereof would involve unreasonable effort or expense or because it rests peculiarly within the knowledge of another person not affiliated with the bank, the information may be omitted, subject to the following conditions:

(1) The bank shall give such information on the subject as it possesses or can acquire with-

out unreasonable effort or expense together with the sources thereof, and

(2) The bank shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information. No such request need be made, however, to any foreign government, or an agency or instrumentality thereof, if, in the opinion of the bank, such request would be harmful to existing relationships.

(k) **Disclaimer of control.** If the existence of control is open to reasonable doubt in any instance, the bank may disclaim the existence of control and any admission thereof; in such case, however, the bank shall state the material facts pertinent to the possible existence of control.

(l) **Incorporation by reference.** (1) Matter contained in any part of a statement or report, other than exhibits, may be incorporated by reference in answer or partial answer to any item of the statement or report. Matter contained in an exhibit may be so incorporated to the extent permitted in paragraph (m) of this section 206.4. A registration statement for an additional class of securities of the bank may incorporate by reference any item contained in a previous registration statement or report.

(2) Material incorporated by reference shall be clearly identified in the reference. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement or report where the information is required. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear, or confusing.

(m) **Summaries or outlines of documents.** Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made, in succinct and condensed form, as to the most important provisions. In addition to such statement, the summary or outline may incorporate by reference particular items, sections, or paragraphs of any

exhibit and may be qualified in its entirety by such reference. Matter contained in an exhibit may be incorporated by reference in answer to an item only to the extent permitted by this paragraph (m).

(n) **Omission of substantially identical documents.** In any case where two or more indentures, contracts, franchises, or other documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, the bank need file a copy of only one of such documents, with a schedule identifying the documents omitted and setting forth the material details in which such documents differ from the document of which a copy is filed. The Board may at any time in its discretion require the filing of copies of documents so omitted.

(o) **Incorporation of exhibits by reference.**

(1) Any document or part thereof previously filed with the Board pursuant to this Part may, subject to the following limitations, be incorporated by reference as an exhibit to any registration statement or report filed with the Board by the same or any other person. Any document or part thereof filed with an exchange pursuant to the Act may be incorporated by reference as an exhibit to any registration statement or report filed with the exchange by the same or any other person.

(2) Any document incorporated by reference pursuant to this paragraph (o) shall be so incorporated only by reference to the specific document and to the prior filing in which it was physically filed, not to another file which incorporates it by reference.

(3) If any modification has occurred in the text of any document incorporated by reference since the filing thereof, the bank shall file with the reference a statement containing the text of any such modification and the date thereof.

(4) No document which has been on file with the Board pursuant to this Part for a period of more than 10 years may be incorporated by reference. This limitation shall not, however, apply to a corporate charter or by-laws if such document has not been amended more than

twice since such filing.

(p) **Extension of time for furnishing information.** If the furnishing of any information, document, or report at the time it is required to be filed is impracticable, the bank may file with the Board as a separate document an application (1) identifying the information, document, or report in question, (2) stating why the filing thereof at the time required is impracticable, and (3) requesting an extension of time for filing the information, document, or report to a specified date not more than 60 days after the date it would otherwise have to be filed. The application shall be deemed granted unless the Board, within 10 days after receipt thereof, shall enter an order denying the application.

(q) **Number of copies; signatures; binding**

(1) Except where otherwise provided in a particular form, 16 copies of each registration statement and report (including financial statements) and 4 copies of each exhibit and each other document filed as a part thereof, shall be filed with the Board. At least one complete copy of each statement shall be filed with each exchange, if any, on which the securities covered thereby are being registered. At least one copy of each report shall be filed with each exchange, if any, on which the bank has securities registered.

(2) At least one copy of each statement or report filed with the Board and one copy thereof filed with an exchange shall be manually signed. If the statement or report is typewritten, one of the signed copies filed with the Board shall be an original "ribbon" copy. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power or other authority shall also be filed with the statement or report.

(3) Each copy of a statement or report filed with the Board or with an exchange shall be bound in one or more parts. Copies filed with the Board shall be bound without stiff covers. The statement or report shall be bound on the left side in such a manner as to leave the reading matter legible.

(r) **Requirements as to paper, printing, and language.** (1) Statements and reports shall be filed on good quality, unglazed, white paper 8½ x 13 inches in size, insofar as practicable. Tables, charts, maps, and financial statements may, however, be on larger paper if folded to that size.

(2) The statement or report and, insofar as practicable, all papers and documents filed as a part thereof, shall be printed, lithographed, mimeographed, xeroxed, or typewritten. The statement or report or any portion thereof may, however, be prepared by any similar process that, in the opinion of the Board, produces copies suitable for a permanent record. Irrespective of the process used, all copies of any such material shall be clear, easily readable, and suitable for repeated photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

(3) The body of all printed statements and reports shall be in roman type at least as large as 10-point modern type. To the extent necessary for convenient presentation, however, financial statements and other statistical or tabular data and the notes thereto may be in type at least as large as 8-point modern type. All type shall be leaded at least 2 points.

(4) Statements and reports shall be in English. If any exhibit or other paper or document filed with a statement or report is in a foreign language, it shall be accompanied by a translation into English.

(s) **Preparation of statement or report.** Each statement and report shall contain the numbers and captions of all items of the appropriate form, but the text of the items may be omitted provided the answers thereto are so prepared as to indicate to the reader the coverage of the items without the necessity of his referring to the text of the items or instructions thereto. Where any item requires information to be given in tabular form, however, it shall be given in substantially the tabular form specified in the item. All instructions, whether appearing under the items of the form or elsewhere therein, are

to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

(t) **Riders; inserts.** Riders shall not be used. If the statement or report is typed on a printed form, and the space provided for the answer to any given item is insufficient, reference shall be made in such space to a full insert page or pages on which the item number and caption and the complete answer are given.

(u) **Amendments.** All amendments shall comply with all pertinent requirements applicable to statements and reports. Amendments shall be filed separately for each separate statement or report amended. Amendments to a statement may be filed either before or after registration becomes effective.

(v) **Title of securities.** Wherever the title of securities is required to be stated, information shall be given that will indicate the type and general character of the securities, including:

(1) In the case of shares, the par or stated value, if any; the rate of dividends, if fixed, and whether cumulative or noncumulative; a brief indication of the preference, if any; and if convertible, a statement to that effect.

(2) In the case of funded debt, the rate of interest; the date of maturity, or if the issue matures serially, a brief indication of the serial maturities, such as "maturing serially from 1970 to 1980"; if payment of principal or interest is contingent, an appropriate indication of such contingency; a brief indication of the priority of the issue; and if convertible, a statement to that effect.

(3) In the case of any other kind of security, appropriate information of comparable character.

(w) **Interpretation of requirements.** Unless the context clearly shows otherwise,

(1) The forms require information only as to the bank.

(2) Whenever any fixed period of time in the past is indicated, such period shall be computed from the date of filing.

(3) Whenever words relate to the future,

they have reference solely to present intention.

(4) Any words indicating the holder of a position or office include persons, by whatever titles designated, whose duties are those ordinarily performed by holders of such positions or offices.

(x) **When securities are deemed to be registered.** A class of securities with respect to which an application for registration or a registration statement has been filed pursuant to section 12 of the Act shall be deemed to be registered for the purposes of sections 13, 14, and 16 of the Act and this Part only when such application or registration statement has become effective as provided in section 12, and securities of said class shall not be subject to sections 13, 14, and 16 of the Act until such application or registration statement has become effective as provided in section 12.

SECTION 206.5—PROXIES, PROXY STATEMENTS, AND STATEMENTS WHERE MANAGEMENT DOES NOT SOLICIT PROXIES

(a) **Requirement of Statement.** No solicitation of a proxy with respect to a security of a bank registered pursuant to section 12 of the Act shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information required by Form F-5. If the management of any bank having such a security outstanding fails to solicit proxies from the holders of any such security in such a manner as to require the furnishing of such a proxy statement, at least 15 calendar days prior to any annual or other meeting of the holders of such security at which the holders of such security are entitled to vote, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F-5. A proxy statement or a statement where management does not solicit proxies required by this paragraph is hereinafter sometimes referred to as a "Statement".

(b) **Exceptions.** The requirements of the first sentence of paragraph (a) shall not apply to the following:

(1) Any solicitation made otherwise than on behalf of the management of the bank where the total number of persons solicited is not more than 10.

(2) Any solicitation by a person in respect to securities carried in his name or in the name of his nominee (otherwise than as voting trustee) or held in his custody, if such person

(A) receives no commission or remuneration for such solicitation, directly or indirectly, other than reimbursement of reasonable expenses;

(B) furnishes promptly to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who will furnish copies thereof for such purpose and who will, if requested, defray the reasonable expenses to be incurred in forwarding such material; and

(C) in addition, does no more than (i) impartially instruct the person solicited to forward a proxy to the person, if any, to whom the person solicited desires to give a proxy, or (ii) impartially request from the person solicited instructions as to the authority to be conferred by the proxy and state that a proxy will be given if no instructions are received by a certain date.

(3) Any solicitation by a person with respect to securities of which he is the beneficial owner.

(4) Any solicitation through the medium of a newspaper advertisement that informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy, and any other soliciting material and does no more than (A) name the bank; (B) state the reason for the advertisement; and (C) identify the proposal or proposals to be acted upon by security holders.

(c) **Annual report to security holders to accompany Statements.** (1) Any Statement furnished on behalf of the management of the bank that relates to an annual meeting of security

holders at which directors are to be elected shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last fiscal year as will, in the opinion of the management, adequately reflect the financial position and operations of the bank. The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Board, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management. This paragraph (c) shall not apply, however, to solicitations made on behalf of management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's Statement includes an undertaking in bold-faced type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

(2) Sixteen copies of each annual report sent to security holders pursuant to this paragraph (c) shall be sent to the Board not later than (A) the date on which such report is first sent or given to security holders or (B) the date on which preliminary copies of the management Statement are filed with the Board pursuant to paragraph (f), whichever date is later. Such annual report is not deemed to be "soliciting material" or to be "filed" with the Board or otherwise subject to this section 206.5 or the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference.

(d) **Requirements as to proxy.** (1) The form of proxy (A) shall indicate in bold-face

type whether or not the proxy is solicited on behalf of the management of the bank, (B) shall provide a specifically designated blank space for dating the proxy, and (C) shall identify clearly and impartially each matter or group of related matters that management intends to present for action. No reference need be made, however, to matters as to which discretionary authority is conferred pursuant to subparagraph (3).

(2) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified if the form of proxy states in bold-face type how the shares represented by the proxy are intended to be voted in each such case.

(3) A proxy may confer discretionary authority with respect to other matters that may come before the meeting, if (A) the persons on whose behalf the solicitation is made are not aware a reasonable time prior to the time the solicitation is made that any such other matters are to be presented for action at the meeting and (B) a specific statement to that effect is made in the proxy statement or in the form of proxy.

(4) No proxy shall confer authority (A) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (B) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders.

(5) The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the shares represented by the proxy will be voted and that where the person solicited specifies by means of a ballot provided pursuant to subparagraph (2) a choice with

respect to any matters to be acted upon, the shares will be voted in accordance with the specifications so made.

(e) **Presentation of information in Statement.** (1) The information included in the Statement shall be clearly presented and the statements made shall be divided into groups according to subject matter and the various groups of statements shall be preceded by appropriate headings. The order of items in the form need not be followed. Where practicable and appropriate, the information shall be presented in tabular form. All amounts shall be stated in figures. Information required by more than one applicable item need not be repeated. No statement need be made in response to any item that is inapplicable.

(2) Any information required to be included in the Statement as to terms of securities or other subject matter that from a standpoint of practical necessity must be determined in the future may be stated in terms of present knowledge and intention. To the extent practicable, the authority to be conferred concerning each such matter shall be confined within limits reasonably related to the need for discretionary authority. Subject to the foregoing, information that is not known to the persons on whose behalf the solicitation is to be made and is not reasonably within the power of such persons to ascertain or procure may be omitted, if a brief statement of the circumstances rendering such information unavailable is made.

(3) There may be omitted from a proxy statement any information contained in any other proxy soliciting material that has been furnished to each person solicited in connection with the same meeting or subject matter if a clear reference is made to the particular document containing such information.

(4) All printed Statements shall be set in roman type at least as large as 10-point modern type except that to the extent necessary for convenient presentation financial statements and other statistical or tabular matter may be set in roman type at least as large as 8-point

modern type. All type shall be leaded at least 2 points.

(f) **Material required to be filed.** (1) Three preliminary copies of each Statement, form of proxy, and other item of soliciting material to be furnished to security holders concurrently therewith, shall be filed with the Board by management or any other person making a solicitation subject to this section 206.5 at least 10 calendar days (or 15 calendar days in the case of other than routine meetings, as defined below) prior to the date such item is first sent or given to any security holders, or such shorter period prior to that date as the Board may authorize. The management of the bank or other person filing such material may presume that the Board will have no comments with respect thereto unless such comments are received or they are otherwise advised before the expiration of such 10-day, 15-day or shorter period, whichever is applicable. For the purposes of this subparagraph (1), a routine meeting means a meeting with respect to which no one is soliciting proxies subject to this section 206.5 other than on behalf of management and at which management intends to present no matters other than the election of directors, election of inspectors of election, and other recurring matters. In the absence of actual knowledge to the contrary, management may assume that no other such solicitation of the bank's security holders is being made. In cases of annual meetings, one additional preliminary copy of the Statement, the form of proxy, and any other soliciting material, marked to show changes from the material sent or given to security holders with respect to the preceding annual meeting, shall be filed with the Board.

(2) Three preliminary copies of any additional soliciting material, relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Board at least two days (exclusive of Saturdays, Sundays, and holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as the Board may

authorize upon a showing of good cause therefor.

(3) Sixteen copies of each Statement, form of proxy, and other item of soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Board not later than the date such material is first sent or given to any security holders. Three copies of such material shall at the same time be filed with, or mailed for filing to, each exchange upon which any security of the bank is listed.

(4) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material that discusses or reviews, or comments upon the merits of, any matter to be acted upon and is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation shall be filed with the Board by the person on whose behalf the solicitation is made at least five days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as the Board may authorize upon a showing of good cause therefor.

(5) All copies of material filed pursuant to subparagraphs (1) and (2) shall be clearly marked "Preliminary Copies" and shall be for the information of the Board only, except that such material may be disclosed to any department or agency of the United States Government and the Board may make such inquiries or investigation with respect to the material as may be necessary for an adequate review thereof. All material filed pursuant to subparagraphs (1), (2), or (3) shall be accompanied by a statement of the date upon which copies thereof are intended to be, or have been, sent or given to security holders. All material filed pursuant to subparagraph (4) shall be accompanied by a statement of the date upon which copies thereof are intended to be released to the individuals who will make the actual solicitation.

(6) Copies of replies to inquiries from security holders requesting further information and copies of communications that do no more than

request that forms of proxy theretofore solicited be signed, dated, and returned need not be filed pursuant to this paragraph (f).

(7) Notwithstanding the provisions of paragraphs (f)(1), (f)(2), and (i)(5), copies of soliciting material in the form of speeches, press releases, and radio or television scripts may, but need not, be filed with the Board prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the Board as required by paragraph (f)(3) not later than the date such material is used or published. The provision of paragraphs (f)(1), (f)(2), and (i)(5) shall apply, however, to any reprints or reproductions of all or any part of such material.

(8) Where any Statement, form of proxy, or other material filed pursuant to this paragraph (f) is revised, two of the copies of such revised material filed pursuant to paragraph (f)(3) shall be marked to indicate clearly the changes. If the revision alters the text of the material, the changes in such text shall be indicated by means of underscoring or in some other appropriate manner.

(g) **Mailing communications for security holders.** If the management of the bank has made or intends to make any proxy solicitation subject to this section 206.5, the bank shall perform such of the following acts as may be requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote on such matter or to vote at such meeting and who shall first defray the reasonable expenses to be incurred by the bank in the performance of the act or acts requested:

(1) The bank shall mail or otherwise furnish to such security holder the following information as promptly as practicable after the receipt of such request:

(A) A statement of the approximate number of holders of record of any class of securities, any of the holders of which have been or are to be solicited on behalf of the management, or any group of such holders that the security holder shall designate;

(B) If the management of the bank has

made or intends to make, through bankers, brokers, or other persons any solicitation of the beneficial owners of securities of any class, a statement of the approximate number of such beneficial owners, or any group of such owners that the security holder shall designate;

(C) An estimate of the cost of mailing a specified proxy statement, form of proxy, or other communication to such holders, including insofar as known or reasonably available, the estimated handling and mailing costs of the bankers, brokers, or other persons specified in (B).

(2) (A) Copies of any proxy statement, form of proxy, or other communication furnished by the security holder shall be mailed by the bank to such of the holders of record specified in (1)(A) above as the security holder shall designate. The bank shall also mail to each banker, broker, or other persons specified in (1)(B) above, a sufficient number of copies of such proxy statement, form of proxy, or other communication as will enable the banker, broker, or other person to furnish a copy thereof to each beneficial owner solicited or to be solicited through him;

(B) Any such material that is furnished by the security holder shall be mailed with reasonable promptness by the bank after receipt of a tender of the material to be mailed, of envelopes or other containers therefor, of postage or payment for postage, and of evidence that such material has been filed with the Board pursuant to paragraph (f). The bank need not, however, mail any such material that relates to any matter to be acted upon at an annual meeting of security holders prior to the earlier of (i) a day corresponding to the first date on which management proxy soliciting material was released to security holders in connection with the last annual meeting of security holders, or (ii) the first day on which solicitation is made on behalf of management. With respect to any such material that relates to any matter to be acted upon by security holders otherwise than at an annual meeting, such material need not be mailed prior

to the first day on which solicitation is made on behalf of management;

(C) Neither the management nor the bank shall be responsible for such proxy statement, form of proxy, or other communication.

(3) In lieu of performing the acts specified above, the bank may, at its option, furnish promptly to such security holder a reasonably current list of the names and addresses of such of the holders of record specified in (1)(A) above as the security holder shall designate, and a list of the names and addresses of the bankers, brokers, or other persons specified in (1)(B) above as the security holder shall designate together with a statement of the approximate number of beneficial owners solicited or to be solicited through each such banker, broker, or other person and a schedule of the handling and mailing costs of each such banker, broker, or other person, if such schedule has been supplied to the management of the bank. The foregoing information shall be furnished promptly upon the request of the security holder or at daily or other reasonable intervals as it becomes available to the management of the bank.

(h) **False or misleading statements.** No solicitation or communication subject to this section shall be made by means of any Statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or that omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter that has become false or misleading. Depending upon particular circumstances, the following may be misleading within the meaning of this paragraph: predictions as to specific future market values, earnings, or dividends; material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper,

illegal, or immoral conduct or associations, without factual foundation; failure so to identify a Statement, form of proxy, and other soliciting material as clearly to distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter; claims made prior to a meeting regarding the results of a solicitation.

(i) Special provisions applicable to election contests.

(1) Solicitations to which this paragraph applies. This paragraph (i) applies to any solicitation subject to this section 206.5 by any person or group of persons for the purpose of opposing a solicitation subject to this section by any other person or group of persons with respect to the election or removal of directors at any annual or special meeting of security holders.

(2) Participant defined.

(A) For purposes of this paragraph (i) the terms "participant" and "participant in a solicitation" include the following:

- (i) the bank;
- (ii) any director of the bank, and any nominee for whose election as a director proxies are solicited;
- (iii) any committee or group that solicits proxies, any member of such committee or group, and any person whether or not named as a member who, acting alone or with one or more other persons, directly or indirectly, takes the initiative in organizing, directing, or financing any such committee or group;
- (iv) any person who finances or joins with another to finance the solicitation of proxies, except persons who contribute not more than \$500 and who are not otherwise participants;
- (v) any person who lends money or furnishes credit or enters into any other arrangements, pursuant to any contract or understanding with a participant, for the purpose of financing or otherwise inducing the purchase, sale, holding, or voting of securities of the bank by any participant or other person, in support of or in opposition to a participant, except a bank, broker, or dealer who, in the ordinary course of

business, lends money or executes orders for the purchase or sale of securities and who is not otherwise a participant;

(vi) any other person who solicits proxies.

(B) Such terms do not include

(i) any person or organization retained or employed by a participant to solicit security holders, or any person who merely transmits proxy soliciting material or performs ministerial or clerical duties;

(ii) any person employed by a participant in the capacity of attorney, accountant, or advertising, public relations, or financial adviser, and whose activities are limited to the performance of his duties in the course of such employment;

(iii) any person regularly employed as an officer or employee of the bank or any of its subsidiaries who is not otherwise a participant; or

(iv) any officer or director of, or any person regularly employed by, any other participant, if such officer, director, or employee is not otherwise a participant.

(3) Filing of information required by Form F-6.

(A) No solicitation subject to this paragraph (i) shall be made by any person other than the management of the bank unless at least five business days prior thereto, or such shorter period as the Board may authorize upon a showing of good cause therefor, there has been filed with the Board and with each exchange upon which any security of the bank is listed, by or on behalf of each participant in such solicitation, a statement in duplicate containing the information specified by Form F-6.

(B) Within five business days after a solicitation subject to this paragraph (i) is made by the management of the bank, or such longer period as the Board may authorize upon a showing of good cause therefor, there shall be filed with the Board and with each exchange upon which any security of the bank is listed, by or on behalf of each participant in such

solicitation, other than the bank, a statement in duplicate containing the information specified by Form F-6.

(C) If any solicitation on behalf of management or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to this paragraph (i) in opposition thereto, a statement in duplicate containing the information specified in Form F-6 shall be filed by or on behalf of each participant in such prior solicitation, other than the bank, as soon as reasonably practicable after the commencement of the solicitation in opposition thereto, with the Board and with each exchange on which any security of the bank is listed.

(D) If, subsequent to the filing of the statements required by subparagraphs (A), (B), and (C) above, additional persons become participants in a solicitation subject to this paragraph (i), there shall be filed, with the Board and each appropriate exchange, by or on behalf of each such person a statement in duplicate containing the information specified by Form F-6, within three business days after such person becomes a participant, or such longer period as the Board may authorize upon a showing of good cause therefor.

(E) If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment to such statement shall be filed promptly with the Board and each appropriate exchange.

(F) Each statement and amendment thereto filed pursuant to this paragraph (i) shall be part of the official public files of the Board and shall be deemed a communication subject to the provisions of paragraph (h) of this section 206.5.

(4) **Solicitations prior to furnishing required Statement.** Notwithstanding the provisions of section 206.5(a), a solicitation subject to this paragraph (i) may be made prior to furnishing security holders a written Statement containing the information specified in Form F-5 with respect to such solicitation if (A) the statements required by subparagraph (3) of this paragraph (i) are filed by or on behalf of each participant

in such solicitation; (B) no form of proxy is furnished to security holders prior to the time the Statement is furnished to security holders, except that this clause (B) shall not apply where a Statement then meeting the requirements of Form F-5 has been furnished to security holders; (C) at least the information specified in Items 2(a) and 3(a) of the statement required by subparagraph (3) of this paragraph (i) to be filed by each participant, or an appropriate summary thereof, is included in each communication sent or given to security holders in connection with the solicitation; and (D) a written Statement containing the information specified in Form F-5 with respect to a solicitation is sent or given security holders at the earliest practicable date.

(5) **Solicitations prior to furnishing required Statement—Filing requirements.** Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the proxy statement required by section 206.5(a) shall be filed with the Board in preliminary form, at least five business days prior to the date copies of such material are first sent or given to security holders, or such shorter period as the Board may authorize upon a showing of good cause therefor.

(6) **Application of this paragraph to annual report.** Notwithstanding the provisions of section 206.5(c), three copies of any portion of the annual report referred to in that paragraph that comments upon or refers to any solicitation subject to this paragraph (i), or to any participant in any such solicitation, other than the solicitation by the management, shall be filed with the Board as proxy material subject to this section 206.5. Such portion of the annual report shall be filed with the Board in preliminary form at least five business days prior to the date copies of the report are first sent or given to security holders.

(7) **Application of paragraph (f).** The provisions of subparagraphs (3), (4), (5), (6), and (7) of paragraph (f) of this section 206.5 shall apply, to the extent pertinent, to soliciting

material subject to subparagraphs (5) and (6) of this paragraph (i).

(8) **Use of reprints or reproductions.** In any solicitation subject to this paragraph (i), soliciting material that includes, in whole or part, any reprints or reproductions of any previously published material shall:

(A) state the name of the author and publication, the date of prior publication, and identify any person who is quoted without being named in the previously published material.

(B) except in the case of a public official document or statement, state whether or not the consent of the author and publication has been obtained to the use of the previously published material as proxy soliciting material.

(C) if any participant using the previously published material, or anyone on his behalf, paid, directly or indirectly, for the preparation or prior publication of the previously published material, or has made or proposes to make any payments or give any other consideration in connection with the publication or republication of such material, state the circumstances.

(j) **Prohibition of certain solicitations.** No person making a solicitation that is subject to this section 206.5 shall solicit (1) any undated or post-dated proxy; or (2) any proxy that provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder.

SECTION 206.6—"INSIDERS' "
SECURITIES TRANSACTIONS AND
REPORTS UNDER SECTION 16
OF THE ACT

(a) **Filing of statements by directors, officers, and principal stockholders.** (1) Initial statements of beneficial ownership of equity securities of a bank required by section 16(a) of the Act, and statements of changes in such beneficial ownership, shall be prepared and filed in accordance with the requirements of Form F-7 and Form F-8, respectively.

(2) A person who is already filing statements with the Board pursuant to section 16(a) need not file an additional statement on Form F-7 when an additional class of equity securities of the same bank becomes registered or when he assumes another or an additional relationship to the bank; for example, when an officer becomes a director.

(3) Any bank that has equity securities listed on more than one national securities exchange may designate one of them as the only exchange with which reports pursuant to section 16(a) need be filed. Such designation shall be filed with the Board and with each national securities exchange on which any equity security of the bank is listed. After the filing of such designation the securities of such bank shall be exempted with respect to the filing of statements pursuant to section 16(a) with any exchange other than the designated exchange.

(b) **Ownership of more than 10 per cent of an equity security.** In determining, for the purpose of section 16(a), whether a person is the beneficial owner, directly or indirectly, of more than 10 per cent of any class of equity security of a bank, such class shall be deemed to consist of the total amount of such class that has been issued, regardless of whether any part of such amount is held by or for the account of the bank.

(c) **Disclaimer of beneficial ownership.** Any person filing a statement may expressly declare therein that the filing of such statement shall not be construed as an admission that such person is, for the purpose of section 16, the beneficial owner of any equity securities covered by the statement.

(d) **Ownership of securities held in trust.** (1) Beneficial ownership of a bank's securities for the purpose of section 16(a) shall include:

(A) the ownership of such securities as a trustee where either the trustee or members of his immediate family have a vested interest in the income or corpus of the trust,

(B) the ownership of a vested beneficial interest in a trust, and

(C) the ownership of such securities as a

settlor of a trust in which the settlor has the power to revoke the trust without obtaining the consent of all beneficiaries.

(2) Except as provided in subparagraph (3) of this paragraph (d), beneficial ownership of securities of registrant banks solely as a settlor or beneficiary of a trust shall be exempt from the provisions of section 16(a) where less than 20 per cent in market value of the securities having a readily ascertainable market value held by such trust (determined as of the end of the preceding fiscal year of the trust) consists of equity securities with respect to which reports are required by section 16(a) or would be required but for an exemption by the Securities and Exchange Commission, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation similar to the exemption provided for by this sentence. Exemption from section 16(a) is likewise accorded with respect to any obligation that would otherwise be imposed solely by reason of ownership as settlor or beneficiary of a bank's securities held in trust, where the ownership, acquisition, or disposition of such securities by the trust is made without prior approval by the settlor or beneficiary. No exemption pursuant to this subparagraph shall, however, be acquired or lost solely as a result of changes in the value of the trust assets during any fiscal year or during any time when there is no transaction by the trust in the securities otherwise subject to the reporting requirements of section 16(a).

(3) In the event that 10 per cent of any class of any equity security of a bank is held in a trust, that trust and the trustees thereof as such shall be deemed a person required to file the reports specified in section 16(a).

(4) Not more than one report need be filed to report any holdings of a bank's securities or with respect to any transaction in such securities held by a trust, regardless of the number of officers, directors, or 10-per cent stockholders who are either trustees, settlors, or beneficiaries of a trust if the report filed discloses the names of all trustees, settlors, and beneficiaries who are officers, directors, or 10-per cent stockhold-

ers. A person having an interest only as a beneficiary of a trust shall not be required to file any such report so long as he relies in good faith upon an understanding that the trustee of such trust will file whatever reports might otherwise be required of such beneficiary.

(5) In determining, for the purposes of paragraph (a) of this section 206.6, whether a person is the beneficial owner, directly or indirectly, of more than 10 per cent of any class of equity security of a bank, the interest of such person in the remainder of a trust shall be excluded.

(6) No report shall be required by any person, whether or not otherwise subject to the requirement of filing reports under section 16(a), with respect to his indirect interest in portfolio securities held by

(A) any holding company registered under the Public Utility Holding Company Act,

(B) any investment company registered under the Investment Company Act,

(C) a pension or retirement plan holding securities of a bank whose employees generally are the beneficiaries of the plan,

(D) a business trust with over 25 beneficiaries.

(e) **Certain transactions subject to section 16(a).** The acquisition or disposition of any transferable option, put, call, spread, or straddle shall be deemed such a change in the beneficial ownership of the bank's security to which such privilege relates as to require the filing of a statement reflecting the acquisition or disposition of such privilege. Nothing in this paragraph (e), however, shall exempt any person from filing the statements required upon the exercise of such option, put, call, spread, or straddle.

(f) **Exemption from section 16 of securities purchased or sold by odd-lot dealers.** A bank's securities purchased or sold by an odd-lot dealer (1) in odd lots so far as reasonably necessary to carry on odd-lot transactions, or (2) in round lots to offset odd-lot transactions previously or simultaneously executed or reasonably anticipated in the usual course of busi-

ness, shall be exempt from the provisions of section 16 with respect to participation by such odd-lot dealer in such transactions

(g) Exemption of small transactions from section 16(a). (1) Any acquisition of a bank's securities shall be exempt from section 16(a) where

(A) the person effecting the acquisition does not within six months thereafter effect any disposition, otherwise than by way of gift, of securities of the same class, and

(B) the person effecting such acquisition does not participate in acquisitions or in dispositions of securities of the same class having a total market value in excess of \$3,000 for any six-month period during which the acquisition occurs.

(2) Any acquisition or disposition of a bank's securities by way of gift, where the total amount of such gifts does not exceed \$3,000 in market value for any six-month period, shall be exempt from section 16(a) and may be excluded from the computations prescribed in subparagraph (1)(B) of this paragraph (g).

(3) Any person exempted by subparagraph (1) or (2) of this paragraph (g) shall include in the first report filed by him after a transaction within the exemption a statement showing his acquisitions and dispositions for each six-month period or portion thereof that has elapsed since his last filing.

(h) Temporary exemption of certain persons from sections 16(a) and (b). During the period of 12 months following their appointment and qualification, a bank's securities held by the following persons shall be exempt from sections 16(a) and 16(b):

(1) executors or administrators of the estate of a decedent;

(2) guardians or committees for an incompetent; and

(3) receivers, trustees in bankruptcy, assignees for the benefit of creditors, conservators, liquidating agents, and similar persons duly authorized by law to administer the estate or assets of other persons.

After the 12-month period following their

appointment and qualification the foregoing persons shall be required to file reports under section 16(a) with respect to a bank's securities held by the estates that they administer and shall be liable for profits realized from trading in such securities pursuant to section 16(b) only when the estate being administered is a beneficial owner of more than 10 per cent of any class of equity security of a bank.

(i) Exemption from section 16(b) of transactions that need not be reported under section 16(a). Any transaction that has been or shall be exempted by the Board from the requirements of section 16(a) shall, insofar as it is otherwise subject to the provisions of section 16(b), be likewise exempted from section 16(b).

(j) Exemption from section 16(b) of certain transactions by registered investment companies. Any transaction of purchase and sale, or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if the transaction is effected by an investment company registered under the Investment Company Act of 1940 and both the purchase and sale of such security have been exempted from the provisions of section 17(a) of the Investment Company Act of 1940 by an order of the Securities and Exchange Commission entered pursuant to section 17(b) of that Act.

(k) Exemption from section 16(b) of certain transactions effected in connection with a distribution. (1) Any transaction of purchase and sale, or sale and purchase, of an equity security of a bank that is effected in connection with the distribution of a substantial block of such securities shall be exempt from the provisions of section 16(b), to the extent specified in this paragraph (k), as not comprehended within the purpose of said section, upon the following conditions:

(A) The person effecting the transaction is engaged in the business of distributing securities and is participating in good faith, in the ordinary course of such business, in the distribution of such block of securities;

(B) The security involved in the transaction is (i) a part of such block of securities and is acquired by the person effecting the transaction, with a view to the distribution thereof, from the bank or other person on whose behalf such securities are being distributed or from a person who is participating in good faith in the distribution of such block of securities, or (ii) a security purchased in good faith by or for the account of the person effecting the transaction for the purpose of stabilizing the market price of securities of the class being distributed or to cover an over-allotment or other short position created in connection with such distribution; and

(C) Other persons not within the purview of section 16(b) are participating in the distribution of such block of securities on terms at least as favorable as those on which such person is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(b) by this paragraph (k). However, the performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not preclude an exemption that would otherwise be available under this paragraph.

(2) The exemption of a transaction pursuant to this paragraph (k) with respect to the participation therein of one party thereto shall not render such transaction exempt with respect to participation of any other party therein unless such other party also meets the conditions of this paragraph.

(1) **Exemption from section 16(b) of acquisitions of shares of stock and stock options under certain stock bonus, stock option, or similar plans.** Any acquisition of shares of a bank's stock (other than stock acquired upon the exercise of an option, warrant, or right) pursuant to a stock bonus, profit sharing, retirement, incentive, thrift, savings, or similar plan, or any acquisition of a qualified or restricted stock option pursuant to a qualified or restricted stock option plan, or of a stock option pursuant to an employee stock purchase plan, by a director or

officer of the bank issuing such stock or stock option shall be exempt from the operation of section 16(b) if the plan meets the following conditions:

(1) The plan has been duly approved, directly or indirectly,

(A) by the holders of a majority of the securities of the bank present, or represented, and entitled to vote at the meeting at which it was approved, or by the written consent of the holders of a majority of the securities of the bank entitled to vote, or

(B) by the holders of a majority of the securities of a predecessor so entitled to vote, if the plan or obligations to participate thereunder were assumed by the bank in connection with the succession.

(2) If the selection of any director or officer of the bank to whom stock may be allocated (or to whom qualified, restricted, or employee stock purchase plan stock options may be granted pursuant to the plan) or the determination of the number or maximum number of shares of stock that may be allocated to any such director or officer (or that may be covered by qualified, restricted, or employee stock purchase plan stock options granted to any such director or officer) is subject to the discretion of any person, then such discretion shall be exercised only as follows:

(A) With respect to the participation of directors (i) by the board of directors of the bank, a majority of which board and a majority of the directors acting in the matter are disinterested persons; (ii) by, or only in accordance with the recommendation of, a committee of three or more persons having full authority to act in the matter, all of the members of which committee are disinterested persons; or (iii) otherwise in accordance with the plan, if the plan specifies the number or maximum number of shares of stock that directors may acquire (or that may be subject to qualified, restricted, or employee stock purchase plan stock options granted to directors) and the terms upon which and the times at which, or the periods within which, such stock may be acquired (or such

options may be acquired and exercised); or sets forth, by formula or otherwise, effective and determinable limitations with respect to the foregoing based upon earnings of the bank, dividends paid, compensation received by participants, option prices, market value of shares, outstanding shares or percentages thereof outstanding from time to time, or similar factors.

(B) With respect to the participation of officers who are not directors (i) by the board of directors of the bank or a committee of three or more directors; or (ii) by, or only in accordance with the recommendations of, a committee of three or more persons having full authority to act in the matter, all of the members of which committee are disinterested persons.

For the purposes of this subparagraph (2), a director or committee member shall be deemed to be a disinterested person only if such person is not at the time such discretion is exercised eligible and has not at any time within one year prior thereto been eligible for selection as a person to whom stock may be allocated (or to whom qualified, restricted, or employee stock purchase plan stock options may be granted) pursuant to the plan or any other plan of the bank or any of its affiliates entitling the participants therein to acquire stock or qualified, restricted, or employee stock purchase plan stock options of the bank or any of its affiliates.

(3) As to each participant or as to all participants the plan effectively limits the aggregate dollar amount or the aggregate number of shares of stock that may be allocated (or may be subject to qualified, restricted, or employee stock purchase plan stock options granted) pursuant to the plan. The limitations may be established on an annual basis, or for the duration of the plan, whether or not the plan has a fixed termination date. Such limitations may be determined either by fixed or maximum dollar amounts, fixed or maximum numbers of shares, formulas based upon earnings of the bank, dividends paid, compensation received by participants, option prices, market value of shares, outstanding shares or percentages thereof outstanding from time to time, or similar factors

that will result in an effective and determinable limitation. Such limitations may be subject to any provisions for adjustment of the plan or of stock allocable (or options outstanding thereunder) to prevent dilution or enlargement of rights.

(m) **Exemption from section 16(b) of long-term profits incident to sales within six months of the exercise of an option.** (1) To the extent specified in subparagraph (2) below, transactions involving the purchase and sale, or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if such purchase is pursuant to the exercise of an option, warrant, or right either

(A) acquired more than six months before its exercise, or

(B) acquired pursuant to the terms of an employment contract entered into more than six months before its exercise.

(2) With respect to transactions specified in subparagraph (1) above, the profits inuring to the bank pursuant to section 16(b) shall not exceed the difference between the proceeds of sale and the lowest market price of any security of the same class within six months before or after the date of sale. Nothing in this paragraph (m) shall be deemed to enlarge the amount of profit that would inure to the bank in the absence of this paragraph.

(3) The disposition of any equity security of a bank shall also be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if purchased in a transaction specified in subparagraph (1) above pursuant to a plan or agreement for merger or consolidation, or reclassification of the bank's securities, or for the exchange of its securities for the securities of another person that has acquired its assets, where the terms of such plan or agreement are binding upon all stockholders of the bank except to the extent that dissenting stockholders may be entitled, under statutory provisions or provisions contained in the bank's

charter, to receive the appraised or fair value of their holdings.

(4) The exemptions provided by this paragraph (m) shall not apply to any transaction made unlawful by section 16(c) or by any regulations thereunder.

(5) The burden of establishing market price of a security for the purpose of this paragraph (m) shall rest upon the person claiming the exemption.

(n) **Exemption of certain securities from section 16(c).** Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section the execution by a broker of an order for an account in which he had no direct or indirect interest.

(o) **Exemption from section 16(c) of certain transactions effected in connection with a distribution.** Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section any sale made by or on behalf of a dealer in connection with a distribution of a substantial block of the bank's securities, upon the following conditions:

(1) The sale is made with respect to an over-allotment in which the dealer is participating as a member of an underwriting group, or the dealer or a person acting on his behalf intends in good faith to offset such sale with a security to be acquired by or on behalf of the dealer as a participant in an underwriting, selling, or soliciting-dealer group of which the dealer is a member at the time of the sale, whether or not the security to be so acquired is subject to a prior offering to existing security holders or some other class of persons; and

(2) Other persons not within the purview of section 16(c) are participating in the distribution of such block of securities on terms at least as favorable as those on which such dealer is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(c) by this paragraph (o). The performance of the functions of manager of a distributing group

and the receipt of a bona fide payment for performing such functions shall not, however, preclude an exemption that would otherwise be available under this paragraph.

(p) **Exemption of sales of securities to be acquired.** (1) Whenever any person is entitled, as an incident to his ownership of an issued equity security of a bank and without the payment of consideration, to receive another security of the bank "when issued" or "when distributed", the security to be acquired shall be exempt from the operation of section 16(c) if

(A) the sale is made subject to the same conditions as those attaching to the right of acquisition,

(B) such person exercises reasonable diligence to deliver such security to the purchaser promptly after his right of acquisition matures, and

(C) such person reports the sale on the appropriate form for reporting transactions by persons subject to section 16(a).

(2) This paragraph (p) shall not be construed as exempting transactions involving both a sale of a security "when issued" or "when distributed" and a sale of the security by virtue of which the seller expects to receive the "when-issued" or "when-distributed" security, if the two transactions combined result in a sale of more units than the aggregate of those owned by the seller plus those to be received by him pursuant to his right of acquisition.

(q) **Arbitrage transactions under section 16.** It shall be unlawful for any director or officer of a bank to effect any foreign or domestic arbitrage transaction in any equity security of the bank unless he shall include such transaction in the statements required by section 16(a) of the Act and section 206.6(a) and shall account to such bank for the profits arising from such transaction, as provided in section 16(b). The provisions of section 16(c) shall not apply to such arbitrage transactions. The provisions of section 206.6(a) and of section 16 shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any

person other than such director or officer of the bank issuing such security.

SECTION 206.7—FORM AND CONTENT OF FINANCIAL STATEMENTS

(a) **Principles of financial reporting.** Financial statements filed with the Board pursuant to this Part shall be prepared in accordance with generally accepted accounting principles and practices applicable to banks. The Board may from time to time issue releases on accounting principles and practices to be used with respect to specific areas.

(b) **Verification. (1) General.**

(A) Every verification with respect to financial statements filed pursuant to this Part shall be dated, shall be signed manually, and shall identify without detailed enumeration the financial statements covered by the verification.

(B) If the person or persons making a verification considers that he must take exceptions or express qualifications with respect thereto, each such exception or qualification shall be stated specifically and clearly and, to the extent practicable, shall indicate the effect of the matter on the financial statements to which it relates.

(2) **Opinions to be expressed by principal accounting officer and auditor.** Every verification by a bank's principal accounting officer and auditor shall state:

(A) The opinions of such persons with respect to the financial statements covered by the verification and the accounting principles and practices reflected therein; and

(B) The opinions of such persons as to any material changes in accounting principles or practices or in the method of applying the accounting principles or practices, or adjustments of the accounts, required to be set forth by paragraph (c)(5) of this section 206.7.

(3) **Certification by independent public accountants.**

(A) Qualifications of independent public accountants.

(i) The Board will not recognize any person as an independent public accountant who is not registered or licensed to practice as a public accountant by a regulatory authority of a State and in good standing with such authority as such an accountant.

(ii) The Board will not recognize as independent a public accountant who is not in fact independent. For example, an accountant will be considered not independent with respect to any person in which he has, or had during the period of report, any direct financial interest or material indirect financial interest; or with which he is, or was during such period, connected as a promoter, underwriter, voting trustee, director, officer, or employee.

(iii) In determining whether a public accountant is in fact, independent with respect to a particular person, the Board will give appropriate consideration to all relevant circumstances, including evidence bearing on all relationships between the accountant and that person or any affiliate thereof, and will not confine itself to the relationships existing in connection with the filing of reports with the Board.

(B) Representations as to the audit. The independent public accountant's certificate

(i) shall state whether the audit was made in accordance with generally accepted auditing standards; and

(ii) shall designate any auditing procedures generally recognized as normal (or deemed necessary by the accountant under the circumstances of the particular case) that have been omitted, and the reasons for their omission, but no procedure that independent accountants ordinarily employ in the course of an audit made for the purpose of expressing the opinions required by clause (C) below shall be omitted.

(C) Opinions to be expressed. The independent public accountant's certificate shall state:

(i) The opinion of the accountant with respect to the financial statements covered by

the certificate and the accounting principles and practices reflected therein;

(ii) The opinion of the accountant as to any material changes in accounting principles or practices or in the method of applying the accounting principles or practices, or adjustments of the accounts, required to be set forth by paragraph (c)(5) of this section 206.7; and

(iii) The nature of, and the opinion of the accountant as to, any material differences between the accounting principles and practices reflected in the financial statements and those reflected in the accounts after the entry of adjustments for the period under review.

(D) Certification of financial statements by more than one independent public accountant. If, with respect to the certification of the financial statements of any bank, the principal independent public accountant relies on an examination made by another independent public accountant of certain of the accounts of such bank or its affiliates, the certificate of such other accountant shall be filed (and the provisions of this subparagraph shall be applicable thereto); however, the certificate of such other accountant need not be filed (i) if no reference is made directly or indirectly to such other accountant's examination in the principal accountant's certificate, or (ii) if, having referred to such other accountant's examination, the principal accountant states in his certificate that he assumes responsibility for such other accountant's examination in the same manner as if it had been made by him.

(c) **Provisions of general application.** (1) **Requirements as to form.** Financial statements shall be prepared in accordance with the applicable requirements of Forms 9A, B, C, and D. All money amounts required to be shown in financial statements may be expressed in even dollars or thousands of dollars. If shown in even thousands, an indication to that effect shall be inserted immediately beneath the caption of the statement or schedule, or at the top of each money column. The individual amounts

shown need not be adjusted to the nearest dollar or thousand if the failure of the items to add to the totals shown is stated in a note as due to the dropping of amounts of less than \$1.00 or \$1,000, as appropriate.

(2) **Items not material.** If the amount that would otherwise be required to be shown with respect to any item is not material, it need not be separately set forth.

(3) **Inapplicable captions and omission of unrequired or inapplicable financial statements.** No caption need be shown in any financial statement required by the forms set forth in this Part as to which the items and conditions are not present. Financial statements not required or inapplicable because the required matter is not present need not be filed, but the statements omitted and the reasons for their omission shall be indicated in the list of financial statements required by the applicable form.

(4) **Additional information.** In addition to the information required with respect to any financial statement, such further information shall be furnished as is necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

(5) **Changes in accounting principles and practices and retroactive adjustments of accounts.** Any change in accounting principle or practice, or in the method of applying any accounting principle or practice, made during any period for which financial statements are filed that affects comparability of such financial statements with those of prior or future periods, and the effect thereof upon the net income for each period for which financial statements are filed, shall be disclosed in a note to the appropriate financial statement. Any material retroactive adjustment made during any period for which financial statements are filed, and the effect thereof upon net income of prior periods, shall be disclosed in a note to the appropriate financial statement.

(6) **Summary of accounting principles and practices.** Information required in notes as to accounting principles and practices reflected in

the financial statements may be presented in the form of a single statement. In such a case specific references shall be made in the appropriate financial statements to the applicable portion of such single statement.

(7) **Foreign currencies.** The basis of conversion of all items in foreign currencies shall be stated, and the amount and disposition of the resulting unrealized profit or loss shown. Disclosure should be made as to the effect, insofar as this can be reasonably determined, of foreign exchange restrictions upon the consolidated financial position and operating results of the bank and its subsidiaries.

(8) **Commitments.** If material in amount, the pertinent facts relative to firm commitments for the acquisition, directly or indirectly, of fixed assets and for the purchase, repurchase, construction, or rental of assets under long-term leases shall be stated briefly in the balance sheet or in footnotes referred to therein. Where the rentals or obligations under long-term leases are material there shall be shown the amounts of annual rentals under such leases with some indication of the periods for which they are payable, together with any important obligation assumed or guarantee made in connection therewith. If the rentals are conditional, the minimum annual amounts shall be stated, unless inappropriate in the circumstances.

(9) **General notes to balance sheets.** If present with respect to the person for which the statement is filed, the following shall be set forth in the balance sheet or in notes thereto:

(A) Assets subject to lien. The amounts of assets mortgaged, pledged, or otherwise subject to a lien or security interest shall be designated and the obligation secured thereby, if any, shall be identified briefly.

(B) Intercompany profits and losses. The effect upon any balance sheet item of profits or losses resulting from transactions with affiliated companies not consolidated shall be stated. If impracticable of accurate determination without unreasonable effort or expense, an estimate or explanation shall be given.

(C) Preferred shares. (i) If callable, the

date or dates and the amount per share at which such shares are callable shall be stated; (ii) Arrears in cumulative dividends per share and in total for each class of shares shall be stated; (iii) Preferences on involuntary liquidation, if other than the par or stated value, shall be shown. When the excess involved is material, there shall be shown the difference between the aggregate preference on involuntary liquidation and the aggregate par or stated value, a statement that this difference (plus any arrears in dividends) exceeds the sum of the par or stated value of the junior capital shares, surplus, and undivided profits if such is the case, and a statement as to the existence (or absence) of any restrictions upon surplus and/or undivided profits growing out of the fact that upon involuntary liquidation the preference of the preferred stock exceeds its par or stated value.

(D) Pension and retirement plans. (i) A brief description of the essential provisions of any employee pension or retirement plan shall be given; (ii) The estimated annual cost of the plan shall be stated; (iii) If a plan has not been funded or otherwise provided for, the estimated amount that would be necessary to fund or otherwise provide for the past-service cost of the plan shall be disclosed.

(E) Capital stock optioned to officers and employees.

(i) A brief description of the terms of each option arrangement shall be given, including the title and amount of securities subject to the option, the year or years during which the options were granted, and the year or years during which the optionees became, or will become, entitled to exercise the options;

(ii) There shall be stated the number of shares under option at the balance sheet date, and the option price and the fair value thereof (per share and in total) at the dates the options were granted; the number of shares with respect to which options became exercisable during the period, and the option price and the fair value thereof (per share and in total) at the dates the options became exercisable; and the number of shares with respect to which options

were exercised during the period, and the option price and the fair value thereof (per share and in total) at the dates the options were exercised. The required information may be summarized as appropriate with respect to each of the categories referred to in this subclause (ii);

(iii) The basis of accounting for such option arrangements and the amount of charges, if any, reflected in income with respect thereto shall be stated.

(F) Restrictions that limit the availability of surplus and/or undivided profits for dividend purposes. Any such restriction, other than as reported in subparagraph (9)(C) of this paragraph (c) shall be described, indicating briefly its source, its pertinent provisions, and, where appropriate and determinable, the amount of the surplus and/or undivided profits so restricted.

(G) Contingent liabilities. A brief statement as to contingent liabilities not reflected in the balance sheet shall be made.

(10) General notes to statements of income. If present with respect to the person for which the statement is filed, the following shall be set forth in the statement of income or in notes thereto:

(A) Intercompany profits and losses. The amount of any profits or losses resulting from transactions between unconsolidated affiliated companies shall be stated. If impracticable of determination without unreasonable effort and expense, an estimate or explanation shall be given.

(B) Depreciation and amortization. For the period for which statements of income are filed, there shall be stated the policy followed with respect to: (i) The provision for depreciation of physical properties or valuation allowances created in lieu thereof, including the methods and, if practicable, the rates used in computing the annual amounts; (ii) The provision for depreciation and amortization of intangibles, or valuation allowances created in lieu thereof, including the methods and, if practicable, the rates used in computing the

annual amounts; (iii) The accounting treatment for maintenance, repairs, renewals, and improvements; and (iv) The adjustment of the accumulated valuation allowances for depreciation and amortization at the time the properties were retired or otherwise disposed of, including the disposition made of any profit or loss on sale of such properties.

(d) **Consolidated financial statements.** (1) Consolidated statements generally present more meaningful information to the investor than unconsolidated statements. Except where good reason exists, consolidated statements of the bank and its majority-owned significant subsidiaries should be filed.

(2) Every majority-owned bank-premises subsidiary and every majority-owned subsidiary operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations") shall be consolidated with that of the reporting bank irrespective of whether such subsidiary is a significant subsidiary.

(3) If the financial statements of a subsidiary are as of a date or for periods different from those of the bank, such statements may be used as the basis for consolidation of the subsidiary only if the date of such statements is not more than 93 days from the date of the close of the bank's fiscal year; the closing date of the subsidiary is specified; the necessity for the use of different closing dates is explained briefly; and any changes in the respective fiscal periods of the bank and the subsidiary made during the period of report are indicated clearly.

(4) There shall be set forth in a note to each consolidated balance sheet filed a statement of any difference between the investment in subsidiaries consolidated, as shown by the bank's books, and the bank's equity in the net assets of such subsidiaries as shown by the subsidiaries' books. If any such difference exists, there shall be set forth the amount of the difference and the disposition made thereof in preparing the consolidated statements, naming the balance sheet captions and stating the amount included in each.

(5) Minority interests in the net assets of subsidiaries consolidated shall be shown in each consolidated balance sheet. The aggregate amount of profit or loss accruing to minority interests shall be stated separately in each consolidated statement of income.

(6) In general, intercompany items and transactions shall be eliminated. If not eliminated, a statement of the reasons for inclusion and the methods of treatment shall be made.

(e) **Statement of changes in capital accounts.** A statement of changes in capital accounts shall be filed with each statement of income filed pursuant to this Part.

(f) **Schedules to be filed.** (1) The following schedules shall be filed with each balance sheet filed pursuant to this Part: Schedule I—U.S.

Government Obligations and Obligations of States and Political Subdivisions; Schedule II—Other Securities; Schedule III—Loans; Schedule IV—Bank Premises and Equipment; Schedule V—Investments in, Dividend Income from, and Share in Earnings or Losses of Unconsolidated Subsidiaries; and Schedule VI—“Other” Liabilities for Borrowed Money.

(2) The following schedules shall be filed with each statement of income filed pursuant to this Part: Schedule VII—Allowance for Possible Loan Losses; and Schedule VIII—Occupancy Expense of Bank Premises.

(3) Reference to the schedules referred to in subparagraphs (1) and (2) shall be made against the appropriate captions of the balance sheet or statement of income.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FORM F-1

REGISTRATION STATEMENT FOR SECURITIES OF A BANK
Pursuant to Section 12(b) or Section 12(g) of the Securities Exchange Act of 1934

(Exact name of bank as specified in charter)

(Address of principal office)

Title of each class of securities being registered pursuant to section 12(b) of the Act:*

Title of class	Name of each exchange on which class is being registered
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Title of each class of securities being registered pursuant to section 12(g) of the Act:*

GENERAL INSTRUCTION

This form is not to be used as a blank form to be filled in but only as a guide in the preparation of a registration statement. Particular attention should be given to the definitions in section 206.2 and the general requirements in section 206.4 of this Part. Unless otherwise stated, the information required shall be given as of a date reasonably close to the date of filing the statement. The statement shall contain the numbers and captions of all items, but the text of the items may be omitted if the answers with respect thereto are prepared in the manner specified in section 206.4(s).

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. General information. State the year in which the bank was organized. If organized as a national bank, state the year of conversion into a State bank. Indicate the approximate number of holders of record of each class of equity securities of the bank.

* If none, so state.

Item 2. Parents and subsidiaries of the bank.

(a) List all parents of the bank, showing the basis of control and, as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent, if any.

(b) Furnish a list or diagram of all subsidiaries of the bank and, as to each subsidiary, indicate (1) the State or other jurisdiction under the laws of which it was organized, and (2) the percentage of voting securities owned or other basis of control by its immediate parent. Designate (i) subsidiaries for which separate financial statements are filed; (ii) subsidiaries included in consolidated financial statements; and (iii) subsidiaries for which no financial statements are filed, indicating briefly why statements of such subsidiaries are not filed.

Instruction. 1. Include the bank and show clearly the relationship of each person named to the bank and the other persons named, including the percentage of voting securities of the bank owned or other basis of control by its immediate parent. The names of particular subsidiaries may be omitted if the unnamed subsidiaries considered in the aggregate as a single subsidiary would not constitute a significant subsidiary.

2. In case the bank owns, directly or indirectly, approximately 50 per cent of the voting securities of any person and approximately 50 per cent of the voting

securities of such person are owned directly or indirectly by another single interest, such person shall be deemed to be a subsidiary for the purpose of this item.

Item 3. Description of business. Describe briefly the business done by the bank and any significant developments or trends in such business occurring over the preceding five years. Information should be furnished as to any mergers, consolidations, or other acquisitions of assets of any other person that were consummated during such period. State the number of banking offices in each city (or county) in the United States in which the bank has offices and the number of banking offices located in each foreign country or jurisdiction. In describing the business done by the bank, the business of its subsidiaries should be included only insofar as the same is important to an understanding of the character and development of the business conducted by the total enterprise.

Item 4. Description of bank premises and other real estate. Describe briefly, individually or by categories, (a) properties held in fee, by the bank and its subsidiaries, in which the banking offices are located, indicating any major encumbrances with respect thereto, and (b) other real estate of material value that is owned by the bank. In the event aggregate annual rentals paid during the bank's last fiscal year exceeded 5 per cent of its operating expenses, state the amount of such rentals and the average term of the leases pursuant to which such rentals were paid.

Item 5. Organization within five years. If the bank was organized within the past five years, furnish the following information:

(a) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options, or rights of any kind) received or to be received by each promoter directly or indirectly from the bank, and the nature and amount of any assets, services, or other consideration therefor received or to be received by the bank.

(b) As to any assets acquired or to be acquired by the bank from a promoter, state the amount at which acquired or to be acquired and

the principle followed in determining the amount. Identify the persons making the determination and state their relationship, if any, with the bank or any promoter. If the assets were acquired by the promoter within two years prior to their transfer to the bank, state the cost thereof to the promoter.

Item 6. Pending legal proceedings. Describe briefly any material pending legal proceedings, other than ordinary routine proceedings incidental to the business, to which the bank or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted, and the principal parties thereto.

Instructions. 1. No information need to be given with respect to proceedings that involve principally claims for damages if the aggregate amount involved does not exceed 10 per cent of the equity capital accounts of the bank. If, however, any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

2. Any material proceedings to which any director, officer, or affiliate of the bank, any security holder named in answer to Item 11(a), or any associate of any such director, officer, or security holder, is a party adverse to the bank or any of its subsidiaries shall also be described.

Item 7. Directors and officers. List all directors and officers of the bank and all persons chosen to become directors or officers. Indicate all positions and offices with the bank held by each person named and his principal occupations during the past five years. (The term "officer" is defined in section 206.2(o).)

Item 8. Indemnification of directors and officers. State the general effect of any charter provision, by-law, contract, arrangement, or statute under which any director or officer of the bank is insured or indemnified in any manner against any liability that he may incur in his capacity as such.

Item 9. Remuneration of directors and officers. (a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank

and its subsidiaries during the bank's latest fiscal year to the following persons for services in all capacities:

(1) Each director, and each of the two highest paid officers, of the bank whose annual total direct remuneration exceeded \$30,000, naming each such person.

(2) All directors and officers of the bank as a group, without naming them, but stating the number of persons included.

(A) Name of individual or number of persons in group	(B) Capacities in which remuneration was received	(C) Aggregate direct remuneration

Instructions. 1. This item applies to any person who was a director or officer of the bank at any time during said fiscal year. Information need not, however, be given for any portion of that period during which such person was not a director or officer.

2. The information is to be given on an accrual basis, if practicable. The tables required by this paragraph and paragraph (b) may be combined if the bank so desires.

3. Do not include remuneration paid to a partnership in which any director or officer was a partner. But see Item 12, below.

4. If the bank has not completed a full fiscal year since its organization or if it acquired or is to acquire the majority of its assets from a predecessor within the current fiscal year, the information shall be given for the current fiscal year, estimating future payments, if necessary. To the extent that such remuneration is to be computed upon the basis of a percentage of earnings or profits, the percentage may be stated without estimating the amount of such profits to be paid.

5. If any part of the remuneration shown in response to this item was paid pursuant to a material bonus or profit-sharing plan, describe briefly the plan and the basis upon which directors or officers participate therein.

(b) Furnish the following information, in substantially the tabular form indicated below, as to all pension or retirement benefits proposed to be paid under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the bank or any of its subsidiaries

to each director or officer named in answer to paragraph (a)(1):

(A) Name of individual	(B) Amounts set aside or accrued during bank's last fiscal year	(C) Estimated annual benefits upon retirement

Instructions. 1. Column (B) need not be answered with respect to amounts computed on an actuarial basis under any plan that provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The information called for by Column (C) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings or profits of the bank or its subsidiaries for such year or a prior year (or where otherwise impracticable to state the estimated annual benefits upon retirement) there shall be set forth, in lieu of the information called for by Column (C), the aggregate amount set aside or accrued to date, unless impracticable to do so, in which case the method of computing such benefits shall be stated.

(c) Describe briefly all remuneration payments (other than payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the bank or any of its subsidiaries pursuant to any existing plan to (i) each director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the bank as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization, or similar group payments or benefits. If impractical to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments should be stated, together with an explanation of the basis for future payments.

Item 10. Options to purchase securities. Furnish the following information as to options to

purchase securities from the bank or any of its subsidiaries that are outstanding as of a specified date within 30 days prior to the date of filing.

(a) Describe the options, stating the material provisions including the consideration received and to be received for such options by the grantor thereof and the market value of the securities called for on the granting date. If, however, the options are "qualified stock options" or "restricted stock options" or options granted pursuant to a plan qualifying as an "employee stock purchase plan" as those terms are defined in sections 422 through 424 of the Internal Revenue Code of 1954 only the following is required: (i) a statement to that effect, (ii) a brief description of the terms and conditions of the options or of the plan pursuant to which they were issued, and (iii) a statement of the provisions of the plan or options with respect to the relationship between the option price and the market price of the securities at the date when the options were granted, or with respect to the terms of any variable price option.

(b) State (i) the title and amount of the securities called for by such options; (ii) the purchase prices of the securities called for and the expiration dates of such options; and (iii) the market value of the securities called for by such options as of the latest practicable date.

Instruction. In case a number of options are outstanding having different prices and expiration dates, the options may be grouped by prices and dates. If this produces more than five separate groups then there may be shown only the range of the expiration dates and the average purchase prices, i.e., the aggregate purchase price of all securities of the same class called for by all outstanding options to purchase securities of that class divided by the number of securities of such class so called for.

(c) Furnish separately the information called for by paragraph (b) above for all options held by (i) each director or officer named in answer to paragraph (a)(1) of Item 9, naming each such person, and (ii) all directors and officers as a group without naming them.

Instructions. 1. The extension or renewal of options shall be deemed the granting of options within the meaning of this item.

2. Where the total market value of securities called for by all outstanding options as of the specified date referred to in this item does not exceed \$10,000 for any officer or director named in answer to paragraph (a)(1) of Item 9, or \$30,000 for all officers and directors as a group or for all option holders as a group, this item need not be answered with respect to options held by such person or group.

Item 11. Principal holders of securities. Furnish the following information as of a specified date within 90 days prior to the date of filing in substantially the tabular form indicated:

(a) As to the voting securities of the bank owned of record or beneficially by each person who owns of record, or is known by the bank to own beneficially, more than 10 per cent of any class of such securities. Show in Column (C) whether the securities are owned both of record and beneficially, or record only, or beneficially only, and show in Columns (D) and (E) the respective amounts and percentages owned in each such manner:

(A) Name and address	(B) Title of class	(C) Type of ownership	(D) Amount owned	(E) Per cent of class

(b) As to each class of equity securities of the bank or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by all directors and officers of the bank, as a group, without naming them.

(A) Title of class	(B) Amount beneficially owned	(C) Per cent of class

Instructions. 1. The percentages are to be calculated on the basis of the amount of securities outstanding, excluding securities held by or for the account of the

bank. In any case where the amount owned by directors and officers as a group is less than 1 per cent of the class, the per cent of the class owned by them may be omitted.

2. If, to the knowledge of the bank, more than 10 per cent of any class of voting securities of the bank are held or to be held subject to any voting trust or other similar agreement, state the title of such securities, the amount held or to be held, and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

Item 12. Interest of management and others in certain transactions. Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of any of the following persons in any material transactions during the last three years, or in any material proposed transactions, to which the bank or any of its subsidiaries was, or is to be, a party:

- (a) any director or officer of the bank;
- (b) any security holder named in answer to Item 11(a); or
- (c) any associate of any of the foregoing persons.

Instructions. 1. See Instruction 1 to Item 9(a). Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

2. As to any transaction involving the purchase or sale of assets by or to the bank or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within two years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the bank where the security holder receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class.

4. No information need be given in answer to this item as to any remuneration not received during the bank's last fiscal year or as to any remuneration or other transaction reported in response to Item 9 or 10.

5. Information should be included as to any material underwriting discounts and commissions upon the sale of securities by the bank where any of the specified persons was or is to be a principal underwriter or is a controlling person or member of a firm that was or is to be a principal underwriter. Information need not be given concerning ordinary management fees paid by underwriters to a managing underwriter pur-

suant to an agreement among underwriters the parties to which do not include the bank or its subsidiaries.

6. No information need be given in answer to this item as to any transaction or any interest therein where:

(i) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(ii) the interest of the specified person in the transaction is solely that of a director of another corporation that is a party to the transaction;

(iii) the specified person is subject to this Item 12 solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director and/or officer of another corporation that is a party to the transaction;

(iv) the transaction does not involve remuneration for services, directly or indirectly, and (A) the interest of the specified persons arises from the ownership individually and in the aggregate of less than a 10 per cent interest in another person that is a party to the transaction, (B) the transaction is in the ordinary course of business of the bank or its subsidiaries, and (C) the amount of such transaction or series of transactions is less than 10 per cent of the equity capital accounts of the bank;

(v) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or other similar service;

(vi) the interest of the specified person, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed \$30,000.

7. Information shall be furnished in answer to this item with respect to transactions not excluded above that involve remuneration, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership individually and in the aggregate of less than a 10 per cent interest in another person furnishing the services to the bank or its subsidiaries.

Item 13. Capital stock being registered. If capital stock is being registered, state the title of the class and furnish the following information:

(a) Outline briefly (1) dividend rights; (2) voting rights; (3) liquidation rights; (4) preemptive rights; (5) conversion rights; (6) redemption provisions; (7) sinking fund provisions; and (8) liability to further calls or to assessment by the bank.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the bank while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

Instructions. 1. This item requires only a brief summary of the provisions that are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct resume is required.

2. If the rights evidenced by the securities being registered are materially limited or qualified by the rights of any other class of securities include such information regarding such other securities as will enable investors to understand the rights evidenced by securities being registered. If any securities being registered are to be offered in exchange for other securities, an appropriate description of such other securities shall be given. No information need be given, however, as to any class of securities all of which will be redeemed and retired if appropriate steps to assure such redemption and retirement will be taken prior to registration of the securities being registered.

Item 14. Long-term debt being registered. If long-term debt is being registered, outline briefly such of the following as are relevant:

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund, or retirement.

(b) Provisions restricting the declaration of dividends or the creation or maintenance of reserves.

(c) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the modification of the terms of the security, and similar provisions.

(d) The name of the trustee and the nature of any material relationship with the bank or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action, and what indemnification the trustee may require before proceeding to enforce the lien.

Instruction. The instructions to Item 13 shall also apply to this item.

Item 15. Other securities being registered. If securities other than capital stock or long-

term debt are being registered, outline briefly the rights evidenced thereby. If subscription warrants or rights are being registered, state the title and amount of securities called for, the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to Item 13 shall also apply to this item.

Item 16. Recent sales of securities. Furnish the following information as to all securities of the bank sold by the bank within the past three years, or presently proposed to be sold. Include securities issued in exchange for property, services, or other securities.

(a) Give the date of sale, title, and amount of securities sold.

(b) Give the names of the principal underwriters, if any. As to any securities sold privately, name the persons or identify the class of persons to whom the securities were sold.

(c) As to securities sold for cash, state the aggregate offering price and the aggregate underwriting discounts or commissions. As to any securities sold otherwise than for cash, state the nature of the transaction and the nature and aggregate amount of consideration received by the bank.

Instructions. 1. Information need not be set forth as to notes, drafts, bills of exchange, or bank acceptances that mature not later than 18 months from the date of issuance.

2. If the sales were made in a series of transactions, the information may be given by such totals and periods as will reasonably convey the information required.

Item 17. Financial statements and exhibits. List all financial statements and exhibits filed as a part of the registration statement.

(a) Financial statements.

(b) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this registration statement to be signed

on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

Date ____ By _____
(Name and title of signing officer)

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

These instructions specify the balance sheets and statements of income required to be filed as a part of a Registration Statement on this form. Section 206.7 of this Part governs the verification, form, and content of the balance sheets and statements of income required, including the basis of consolidation, and prescribes the statement of changes in capital accounts and the schedules to be filed in support thereof.

A. Financial Statements of the Bank

1. **Balance sheets.** (a) The bank shall file a verified balance sheet as of the close of its latest fiscal year unless such fiscal year has ended within 90 days prior to the date of filing the Registration Statement, in which case the balance sheet may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the bank has ended within 90 days prior to the date of filing the Registration Statement and the balance sheet required by paragraph (a) is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the Registration Statement, within 120 days after the date of filing, a verified balance sheet of the bank as of the end of the latest fiscal year.

2. **Statements of income.** (a) The bank shall file verified statements of income for each of the three fiscal years preceding the date of the balance sheet required by Instruction 1(a).

(b) There shall be filed with each balance sheet filed pursuant to Instruction 1(b) a verified statement of income of the bank for the fiscal year immediately preceding the date of the balance sheet.

3. **Omission of bank's financial statements in certain cases.** Notwithstanding Instructions 1 and 2, the individual financial statements of the bank may be omitted if consolidated statements of the bank and one or more of its subsidiaries are filed.

B. Consolidated Statements

4. **Consolidated balance sheets.** (a) There shall be filed a verified consolidated balance sheet of the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, as of the close of the latest fiscal year of the bank, unless such fiscal year has ended within 90 days prior to the date of filing the Registration Statement, in which case this balance sheet may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the bank has ended within 90 days prior to the date of filing the Registration Statement, and the balance sheet required by paragraph (a) is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the Registration Statement, within 120 days after the date of filing, a verified consolidated balance sheet of the bank and such subsidiaries as of the end of the latest fiscal year.

5. **Consolidated statement of income.** (a) There shall be filed verified statements of income of the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, for each of the three fiscal years preceding the date of the consolidated balance sheet required by Instruction 4(a).

(b) There shall be filed with each balance sheet filed pursuant to Instruction 4(b), a verified consolidated statement of income of the

bank and such subsidiaries for the fiscal year immediately preceding the date of the balance sheet.

C. Unconsolidated Subsidiaries and Other Persons

6. Separate statements of unconsolidated subsidiaries and other persons. There shall be filed such other verified financial statements with respect to unconsolidated subsidiaries and other persons as are material to a proper understanding of the financial position and results of operations of the total enterprise.

D. Special Provisions

7. Succession to other businesses. (a) If during the period for which its statements of income are required, the bank has by merger, consolidation, or otherwise succeeded to one or more businesses, the additions, eliminations, and other changes effected in the succession shall be appropriately set forth in a note or supporting schedule to the balance sheets filed. In addition, statements of income for each constituent business, or combined statements, if appropriate, shall be filed for such period prior to the succession as may be necessary when added to the time, if any, for which statements of income after the succession are filed to cover the equivalent of the period specified in Instructions 2 and 5 above.

(b) If the bank by merger, consolidation, or otherwise is about to succeed to one or more businesses, there shall be filed for the constituent businesses financial statements, combined if appropriate, that would be required if they were registering securities under the Act. In addition, there shall be filed a balance sheet of the bank giving effect to the plan of succession. These balance sheets shall be set forth in such form, preferably columnar, as will show in related manner the balance sheets of the constituent businesses, the changes to be effected in the succession and the balance sheet of the bank after giving effect to the plan of succession. By

a footnote or otherwise, a brief explanation of the changes shall be given.

(c) This instruction shall not apply with respect to the bank's succession to the business of any majority-owned subsidiary or to any acquisition of a business by purchase.

8. Acquisition of other businesses. (a) There shall be filed for any business directly or indirectly acquired by the bank after the date of the balance sheet filed pursuant to Part A or B above and for any business to be directly or indirectly acquired by the bank, the financial statements that would be required if such business were a registrant.

(b) The acquisition of securities shall be deemed to be the acquisition of a business if such securities give control of the business or combined with securities already held give such control. In addition, the acquisition of securities that will extend the bank's control of a business shall be deemed the acquisition of the business if any of the securities being registered hereunder are to be offered in exchange for the securities to be acquired.

(c) No financial statements need be filed, however, for any business acquired or to be acquired from a majority-owned subsidiary. In addition, the statements of any one or more businesses may be omitted if such businesses, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

9. Filing of other statements in certain cases. The Board may, upon the request of the bank, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Board may also require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

E. Historical Financial Information

10. **Scope of Part E.** The information required by Part E shall be furnished for the seven-year period preceding the period for which statements of income are filed, as to the accounts of each person whose balance sheet is filed. The information is to be given as to all of the accounts specified whether they are presently carried on the books or not. Part E does not call for verification, but only for a survey or review of the accounts specified. It should not be detailed beyond a point material to an investor.

11. **Revaluation of assets.** (a) If there were any material increases or decreases resulting from revaluing of assets, state (1) in what year or years such revaluations were made; (2) the amounts of such increases or decreases, and the accounts affected, including all related entries; and (3) if in connection with such revaluations any related adjustments were made in reserve accounts, the accounts and amounts with explanations.

(b) Information is not required as to adjustments made in the ordinary course of business, but only as to major revaluations made for the purpose of entering on the books current values, reproduction cost, or any values other than original cost.

(c) No information need be furnished with respect to any revaluation entry that was subsequently reversed or with respect to the reversal of a revaluation entry recorded prior to the period if a statement as to the reversal is made.

12. **Capital shares.** (a) If there were any material restatements of capital shares that resulted in transfers from capital share liability to surplus, undivided profits, or reserves, state the amount of each such restatement and all related entries. No statement need be made as to restatements resulting from the declaration of share dividends.

(b) If there was an original issue of capital shares, any part of the proceeds of which was credited to accounts other than capital stock accounts, state the title of the class, the ac-

counts, and the respective amounts credited thereto.

13. **Debt discount and expense written off.** If any material amount of debt discount and expense, on long-term debt still outstanding, was written off earlier than as required under any periodic amortization plan, give the following information: (1) title of the securities; (2) date of the write-off; (3) amount written off; and (4) to what account charged.

14. **Premiums and discount and expense on securities retired.** If any material amount of long-term debt or preferred shares was retired, and if either the retirement was made at a premium or there remained, at the time of retirement, a material amount of unamortized discount and expense applicable to the securities retired, state for each class (1) title of the securities retired; (2) date of retirement; (3) amount of premium paid and of unamortized discount and expense; (4) to what account charged; and (5) whether being amortized and, if so, the plan of amortization.

15. **Other changes in surplus or undivided profits.** If there were any material increases or decreases in surplus or undivided profits, other than those resulting from transactions specified above, the closing of the income account, or the declaration or payment of dividends, state (1) the year or years in which such increases or decreases were made; (2) the nature and amounts thereof; and (3) the accounts affected, including all material related entries. Instruction 11(c) above also applies here.

16. **Predecessors.** The information shall be furnished, to the extent material, as to any predecessor of the bank from the beginning of the period to the date of succession, not only as to the entries made respectively in the books of the predecessor or the successor, but also as to the changes effected in the transfer of the assets from the predecessor. No information need be furnished, however, as to any one or more predecessors that, considered in the aggregate, would not constitute a significant predecessor.

17. **Omission of certain information.** (a) No

information need be furnished as to any subsidiary, whether consolidated or unconsolidated, for the period prior to the date on which the subsidiary became a majority-owned subsidiary of the bank or of a predecessor for which information is required above.

(b) No information need be furnished hereunder as to any one or more unconsolidated subsidiaries for which separate financial statements are filed if all subsidiaries for which the information is so omitted, considered in the aggregate, would not constitute a significant subsidiary.

(c) Only the information specified in Instruction 11 need be given as to any predecessor or any subsidiary thereof if immediately prior to the date of succession thereto by a person for which information is required, the predecessor or subsidiary was in insolvency proceedings.

INSTRUCTIONS AS TO EXHIBITS

Subject to provisions regarding incorporation by reference, the following exhibits shall be filed as a part of the Registration Statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits in Item 17.

1. Copies of the charter (or a composite or restatement thereof) and the by-laws (or instruments corresponding thereto) as presently in effect.

2. Copies of any plan of acquisition, reorganization, readjustment, or succession described in answer to Item 3 or 16.

3. (a) Specimens or copies of all securities being registered hereunder, and copies of all constituent instruments defining the rights of holders of long-term debt of the bank and of all subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

(b) There need not be filed, however, (1) any instrument with respect to long-term debt

not being registered hereunder if the total amount of securities authorized thereunder does not exceed 25 per cent of the equity capital accounts of the bank and its subsidiaries on a consolidated basis and if there is filed an agreement to furnish a copy of such instrument to the Board upon request, (2) any instrument with respect to any class of securities if appropriate steps to assure the redemption or retirement of such class will be taken prior to or upon delivery by the bank of the securities being registered, or (3) copies of instruments evidencing scrip certificates for fractions of shares.

4. Copies of all pension, retirement, or other deferred compensation plans, contracts, or arrangements. If any such plan, contract, or arrangement is not set forth in a formal document, furnish a reasonably detailed description thereof. Copies of any booklet or other description of any such plan, contract, or arrangement shall also be filed.

5. Copies of any plan setting forth the terms and conditions upon which outstanding options, warrants, or rights to purchase securities of the bank or its subsidiaries from the bank or its affiliates have been issued, together with specimen copies of such options, warrants, or rights; or, if they were not issued pursuant to such a plan, copies of each such option, warrant, or right.

6. Copies of any voting trust agreement referred to in answer to Item 11.

7. (a) Copies of every material contract not made in the ordinary course of business that is to be performed in whole or in part at or after the filing of the Registration Statement or that was made not more than two years before such filing and performance of which has not been completed. Only contracts need be filed as to which the bank or a subsidiary is a party or has succeeded to a party by assumption or assignment, and in which the bank or such subsidiary has a beneficial interest.

(b) If the contract is such as ordinarily accompanies the kind of business conducted by the bank and its subsidiaries, it is made in the

ordinary course of business and need not be filed, unless it falls within one or more of the following categories, in which case it should be filed except where immaterial in amount or significance:

(1) Directors, officers, promoters, voting trustee, or security holders named in answer to Item 11(a) are parties thereto except where the contract merely involves purchase or sale of current assets having a determinable market price, at such price.

(2) It calls for the acquisition or sale of fixed assets for a consideration exceeding 50

per cent of the value of all fixed assets of the bank and its subsidiaries.

(3) It is a lease under which a significant part of the property described under Item 4 is held by the bank, or

(4) The amount of the contract, or its importance to the business of the bank and its subsidiaries, is material, and the terms and conditions are of a nature of which investors reasonably should be informed.

(c) Any bonus or profit-sharing plan, contract, or arrangement shall be deemed material and shall be filed.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-2

ANNUAL REPORT

Pursuant to Section 13 of the Securities Exchange Act of 1934

For the fiscal year ended _____

(Exact name of bank as specified in charter)

(Address of principal office)

GENERAL INSTRUCTIONS

A. Preparation of report. This form is not to be used as a blank form to be filled in but only as a guide in the preparation of an annual report. The report shall contain the numbers and captions of all items required to be answered, but the text of such items may be omitted if the answers with respect thereto are prepared in the manner specified in section 206.4(s) of this Part. Particular attention should be given to the definitions in section 206.2 and the general requirements in section 206.4 of this Part. Except as otherwise stated, the information required shall be given as of the end of the bank's fiscal year, or as of the latest practicable date subsequent thereto.

B. Reports by banks filing proxy statements and statements where management does not solicit proxies. Items 4 through 6 shall not be restated or answered by any bank that, since the close of its fiscal year, has filed with the Board, with respect to an election of directors, a proxy statement or statement where management does not solicit proxies pursuant to section 206.5(a) of this Part. The incorporation of such Statement by reference in answer to such items is not required. Any financial statements contained in such Statement or in an annual report to security holders furnished to the Board pursuant to section 206.5(c) of this Part may be incorporated by reference if such financial statements substantially meet the requirements of this form.

C. Reports by banks not filing proxy statements or statements where management does not solicit proxies. Information contained in an annual report to security holders furnished to the Board pursuant to Instruction D below, by any bank not subject to Instruction B, may be incorporated by reference in answer or partial answer to any item of this form. In addition, any financial statements contained in any such annual report may be incorporated by reference if such financial statements substantially meet the requirements of this form.

D. Annual reports to stockholders. Every bank that files an annual report on this form shall furnish to the Board for its information sixteen copies of any annual report to security holders covering such registrant bank's latest fiscal year, unless copies thereof are furnished to the Board pursuant to section 206.5 of this Part. Such report shall be mailed to the Board not later than the date on which it is first sent or given to security holders, but shall not be deemed to be "filed" with the Board or otherwise subject to the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of its annual report on this form or incorporates it herein by reference. If no annual report is submitted to security holders for the bank's latest fiscal year, the Board shall be so advised.

INFORMATION REQUIRED IN REPORT

Item 1. Securities registered. As to each class

of securities of the bank that is registered pursuant to section 12 of the Act, state the title of such class, the name of the exchange, if any, on which registered, and the number of holders of record of such class.

Item 2. Parents and subsidiaries of the bank. Furnish a list or diagram showing the relationship of the bank to all parents and subsidiaries, and as to each person named indicate the percentage of voting securities owned, or other basis of control, by its immediate parent.

Instructions. 1. This item need not be answered if there has been no change in the list or diagram as last previously reported.

2. The list or diagram shall include the bank and shall be so prepared as to show clearly the relationship of each person named to the bank and to the other persons named. If any person is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.

3. Designate by appropriate symbols (a) subsidiaries for which separate financial statements are filed; (b) subsidiaries included in the respective consolidated financial statements; and (c) other subsidiaries, indicating briefly why statements of such subsidiaries are not filed.

4. Indicate the name of the country in which each foreign subsidiary was organized.

5. The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

6. A person, approximately 50 per cent of whose voting securities are owned, directly or indirectly, by the bank, and approximately 50 per cent of whose voting securities are owned, directly or indirectly, by another person, shall be considered a subsidiary for the purpose of this item.

Item 3. Changes in business. Describe briefly any material changes during the fiscal year, not previously reported, in the business of the bank and its subsidiaries.

Item 4. Principal holders of voting securities. If any person owns of record, or is known by the bank to own beneficially, more than 10 per cent of the outstanding voting securities of the bank, name each such person, state the approximate amount of such securities owned of record but not owned beneficially, the approximate amount owned beneficially and the percentage of outstanding voting securities rep-

resented by the amount owned by him in each such manner.

Instruction. To the extent that the information required by this item is given in answer to Item 2, a reference to such item will suffice.

Item 5. Directors of bank. Furnish the following information, in tabular form to the extent practicable, with respect to each director of the bank:

(a) Name each such director, state the date on which his present term of office will expire and list all other positions and offices with the bank presently held by him.

(b) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. If not previously reported, furnish similar information as to all of his principal occupations or employments during the last five years.

(c) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by him. If he is not the beneficial owner of any such securities, make a statement to that effect.

(d) If more than 10 per cent of any class of securities of the bank or any of its parents or subsidiaries are beneficially owned by him and his associates, state the approximate amount of each class of such securities beneficially owned by such associates, naming each associate whose holdings are substantial.

Item 6. Remuneration of director and officers and related matters. Set forth the same information as to remuneration of officers and directors and their transactions with management and others as is required to be furnished by Item 7 of Form F-5.

Item 7. Financial statements and exhibits. List below all financial statements and exhibits filed as a part of the annual report:

- (a) Financial statements.
- (b) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

Date ____ By _____
(Name and title of signing officer)

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

These instructions specify the balance sheets and statements of income required to be filed as a part of annual reports on this form. Section 206.7 of this Part governs the verification, form, and content of the balance sheets and statements of income required, including the basis of consolidation, and prescribes the statement of changes in capital accounts and the schedules to be filed in support thereof.

1. **Financial statements of the bank.** (a) There shall be filed for the bank a verified balance sheet as of the close of the fiscal year and a verified statement of income for the fiscal year.

(b) Notwithstanding paragraph (a), the individual financial statements of the bank may be omitted if consolidated statements of the bank and one or more of its subsidiaries are filed.

2. **Consolidated statements.** There shall be filed for the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, a verified consolidated balance sheet as of

the close of the fiscal year of the bank and a verified consolidated statement of income for such fiscal year.

3. **Separate statements of unconsolidated subsidiaries and other persons.** There shall be filed such other verified financial statements with respect to unconsolidated subsidiaries and other persons as are material to a proper understanding of the financial position and results of operations of the total enterprise.

4. **Filing of other statements in certain cases.** The Board may, upon the informal written request of the bank and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Board may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

INSTRUCTIONS AS TO EXHIBITS

Subject to provisions regarding incorporation by reference, the following exhibits shall be filed as a part of the report:

1. Copies of all amendments or modifications, not previously filed, to all exhibits previously filed (or copies of such exhibits as amended or modified).

2. Copies of all documents of the character required to be filed as an exhibit to an original form for registration of securities of a bank which have been executed or otherwise put into effect during the fiscal year and not previously filed.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-3

CURRENT REPORT

Pursuant to Section 13 of the Securities Exchange Act of 1934

For the month of _____, 19____

(Exact name of bank as specified in charter)

(Address of principal office)

GENERAL INSTRUCTIONS

A. Preparation of report. This form is not to be used as a blank form to be filled in but only as a guide in the preparation of the report. The report shall contain the numbers and captions of all applicable items, but the text of such items may be omitted if the answers with respect thereto are prepared in the manner specified in section 206.4(s) of this Part. All items which are not required to be answered in a particular report may be omitted and no reference thereto need be made in the report. Particular attention should be given to the definitions in section 206.2 and the general requirements in section 206.4 of this Part.

B. Events to be reported. A report on this form is required to be filed upon the occurrence of any one or more of the events specified in the items of this form. Reports are to be filed within 10 days after the close of each month during which any of the specified events occurs. However, if substantially the same information as that required by this form has been previously reported by the bank, an additional report of the information on this form need not be made.

C. Incorporation by reference to proxy statement, statement where management does not solicit proxies, or annual report to security holders. Information contained in any Statement previously filed with the Board pursuant to section 206.5(a) of this Part or in an annual

report to security holders furnished to the Board pursuant to section 206.5(c) of this Part may be incorporated by reference in answer or partial answer to any item or items of this form. In addition, any financial statements contained in any such Statement or annual report may be incorporated by reference provided such financial statements substantially meet the requirements of this form.

INFORMATION TO BE INCLUDED IN REPORT

Item 1. Changes in control of bank. (a) If any person has become a parent of the bank, give the name of such person, the date and a brief description of the transaction or transactions by which the person became such a parent and the percentage of voting securities of the bank owned by the parent or other basis of control by the parent over the bank.

(b) If any person has ceased to be a parent of the bank, give the name of such person and the date and a brief description of the transaction or transactions by which the person ceased to be such a parent.

(c) If securities of a bank or any of its parents have been pledged under such circumstances that a default may result in a change of control of the bank, state the names of the pledgor and pledgee and the title and amount of securities pledged.

Instruction. Where, pursuant to a previously reported pledge agreement, additional securities are pledged on the same terms, no report is necessary un-

less there is a significant change in the percentage of voting securities pledged.

Item 2. Acquisition or disposition of assets.

If the bank or any of its significant subsidiaries has acquired or disposed of a significant amount of assets, otherwise than in the ordinary course of business, state the date and manner of acquisition or disposition and briefly describe the assets involved, the nature and amount of consideration given or received therefor, the principle followed in determining the amount of such consideration, the identity of the persons from whom the assets were acquired or to whom they were sold and the nature of any material relationship between such persons and the bank or any of its affiliates, any director or officer of the bank, or any associate of any such director or officer.

Instructions. 1. No information need be given as to (i) any transaction between any person and any wholly-owned subsidiary of such person: i.e., a subsidiary substantially all of whose outstanding voting securities are owned by such person and/or its other wholly-owned subsidiaries; (ii) any transaction between two or more wholly-owned subsidiaries of any person; or (iii) the redemption or other acquisition of securities from the public, or the sale or other disposition of securities to the public, by the bank of such securities.

2. The term "acquisition" includes every purchase, acquisition by lease, exchange, merger, consolidation, succession or other acquisition; provided that such term does not include the construction or development of property by or for the bank or its subsidiaries or the acquisition of materials for such purpose, and does not include the acquisition of assets acquired (i) in collecting a debt previously contracted in good faith or (ii) in a fiduciary capacity. The term "disposition" includes every sale, disposition by lease, exchange, merger, consolidation, mortgage, or hypothecation of assets, assignment, abandonment, destruction, or other disposition, but does not include disposition of assets acquired (i) in collecting a debt previously contracted in good faith or (ii) in a fiduciary capacity.

3. The information called for by this item is to be given as to each transaction or series of related transactions of the size indicated. The acquisition or disposition of securities shall be deemed the indirect acquisition or disposition of the assets represented by such securities if it results in the acquisition or disposition of control of such assets.

4. An acquisition or disposition shall be deemed to involve a significant amount of assets (i) if the net book value of such assets or the amount paid or received therefor upon such acquisition or disposition exceeded 5 per cent of the equity capital accounts of the bank, or (ii) if it involved the acquisition or

disposition of a business whose gross operating revenues for its last fiscal year exceeded 5 per cent of the gross operating revenues of the bank and its consolidated subsidiaries for the bank's latest fiscal year.

5. Where assets are acquired or disposed of through the acquisition or disposition of control of a person, the person from whom such control was acquired or to whom it was disposed of shall be deemed the person from whom the assets were acquired or to whom they were disposed of, for the purposes of this item. Where such control was acquired from or disposed of to not more than five persons, their names shall be given, otherwise it will suffice to identify in an appropriate manner the class of such persons.

6. Attention is directed to the requirements at the end of the form with respect to the filing of financial statements for businesses acquired.

Item 3. Legal proceedings. (a) Briefly describe any material legal proceedings, other than ordinary routine proceedings incidental to the business, to which the bank or any of its subsidiaries has become a party or of which any of their property has become the subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted, and the principal parties thereto.

(b) If any such proceeding previously reported has been terminated, identify the proceeding, state the date and nature of such termination and the general effect thereof with respect to the bank and its subsidiaries.

Instructions. 1. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 per cent of the equity capital accounts of the bank. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

2. Any material proceeding to which any director, officer, or affiliate of the bank, any holder of more than 10 per cent of any class of its equity securities, or any associate of any such director, officer, or security holder, is a party adverse to the bank or any of its subsidiaries, shall also be described.

Item 4. Changes in securities. (a) If the instruments defining the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of

registered securities have been materially limited or qualified by the issuance or modification of any other class of securities, state briefly the general effect of the issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

Instruction. Working capital restrictions and other limitations upon the payment of dividends are to be reported hereunder.

Item 5. Defaults upon senior securities. (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the bank or any of its significant subsidiaries exceeding 5 per cent of the equity capital accounts of the bank, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest, or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

Instruction. This paragraph refers only to events which have become defaults under the governing instruments, i.e., after the expiration of any period of grace and compliance with any notice requirements.

(b) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the bank which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the bank, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.

Item 6. Increase in amount of securities outstanding. If the amount of securities of the bank outstanding has been increased through the issuance of any new class of securities or through the issuance or reissuance of any additional securities of a class outstanding and the aggregate amount of all such increases not previously reported exceeds 5 per cent of the pre-

viously outstanding securities of the class, furnish the following information:

(a) Title of class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions resulting in the increase and a statement of the aggregate net cash proceeds or the nature and aggregate amount of any other consideration received or to be received by the bank.

(c) The names of the principal underwriters, if any, indicating any such underwriters which are affiliates of the bank.

(d) A reasonably itemized statement of the purposes, so far as determinable, for which the net proceeds have been or are to be used and the approximate amount used or to be used for each such purpose.

Instructions. 1. This item does not apply to notes, drafts, bills of exchange, or bank acceptances which mature not later than 18 months from the date of issuance. No report need be made where the amount not previously reported, although in excess of 5 per cent of the amount previously outstanding, does not exceed \$100,000 face amount of indebtedness or 1,000 shares or other units.

2. This item includes the reissuance of treasury securities and securities held for the account of the issuer thereof. The extension of the maturity date of indebtedness shall be deemed to be the issuance of new indebtedness for the purpose of this item. In the case of such an extension, the percentage shall be computed upon the basis of the principal amount of the indebtedness extended.

Item 7. Decrease in amount of securities outstanding. If the amount of any class of securities of the bank outstanding has been decreased through one or more transactions and the aggregate amount of all such decreases not previously reported exceeds 5 per cent of the amount of securities of the class previously outstanding, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions involving the decrease and a statement of the aggregate amount of cash or the nature and aggregate amount of any other con-

sideration paid or to be paid by the bank in connection with such transaction or transactions.

Instruction. Instruction 1 to Item 6 shall also apply to this item. This item need not be answered as to decreases resulting from ordinary sinking fund operations, similar periodic decreases made pursuant to the terms of the constituent instruments, or decreases resulting from the conversion of securities or from the payment of indebtedness at maturity.

Item 8. Options to purchase securities. If any options to purchase securities of the bank or any of its subsidiaries from the bank or any of its subsidiaries have been granted or extended and the amount of securities called for by all such options the granting or extension of which has not been previously reported exceeds 5 per cent of the outstanding securities of the class, furnish the following information:

- (a) The dates on which the options were granted or extended;
- (b) The total amount of securities called for by such options;
- (c) The consideration for the granting or extension of the options;
- (d) The exercise prices;
- (e) The market value of the securities on the granting or extension dates;
- (f) The expiration dates of the options; and
- (g) Any other material conditions to which the options were subject.

Instruction. This item need not be answered where the amount not previously reported, although in excess of 5 per cent of the amount previously outstanding, does not exceed \$100,000 face amount of indebtedness or 1,000 shares or other units of other securities.

Item 9. Revaluation of assets or restatement of capital stock account. (a) If there has been a material revaluation of the assets of the bank or any of its significant subsidiaries involving a write-up, write-down, write-off, or abandonment, state the date of the revaluation, the amount involved and the accounts affected, including all related entries. If any adjustment was made in any related reserve account in connection with the revaluation, state the account and amounts involved and explain the adjustment.

- (b) If there has been a material restatement

of the capital stock account of the bank resulting in a transfer from capital stock to surplus, undivided profits, or reserves, or vice versa, state the date, purpose, and amount of the restatement and give a brief explanation of all related entries in connection with the restatement.

Item 10. Submission of matters to a vote of security holders. If any matter has been submitted to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.
- (b) If the meeting involved the election of directors, state the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.
- (c) Briefly describe each other matter voted upon at the meeting and state the number of affirmative votes and the number of negative votes cast with respect to each such matter.

Instructions. 1. If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a security holders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

2. Paragraph (a) need be answered only if paragraph (b) or (c) is required to be answered.

3. Paragraph (b) need not be answered if (i) a proxy statement, or statement where management does not solicit proxies, with respect to the meeting was filed with the Board pursuant to section 206.5(a). (ii) there was no solicitation in opposition to the management's nominees as listed in such Statement, and (iii) all of such nominees were elected.

4. Paragraph (c) need not be answered as to procedural matters or as to the selection or approval of auditors.

5. If the bank has published a report containing all of the information called for by this item, the item may be answered by a reference to the information contained in such report, provided copies of such report are filed as an exhibit to the report on this form.

Item 11. Other materially important events. The bank may, at its option, report under this item any events that the bank deems of material importance to security holders, even though

information as to such events is not otherwise called for by this form.

Item 12. Financial statements and exhibits.

List below the financial statements and exhibits, if any, filed as a part of this report:

- (a) Financial statements
- (b) Exhibits

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

Date _____ By _____
(Name and title of signing officer)

**FINANCIAL STATEMENTS OF
BUSINESSES ACQUIRED**

1. Business for which statements are required. The financial statements specified below shall be filed for any business the acquisition of which by the bank or any of its majority-owned subsidiaries is required to be described in answer to Item 2 above.

2. Statements required. (a) There shall be filed a balance sheet of the business as of a date reasonably close to the date of acquisition. The balance sheet need not be verified, but if it is not verified there shall also be filed a verified balance sheet as of the close of the preceding fiscal year.

(b) Statements of income of the business shall be filed for each of the last three full fiscal years and for the period, if any, between the close of the latest of such fiscal years and the date of the latest balance sheet filed. These statements of income shall be verified up to the date of the verified balance sheet.

(c) If the business was in insolvency proceedings immediately prior to its acquisition, the balance sheets required above need not be verified. In such case, the statements of income

required shall be verified to the close of the latest full fiscal year.

(d) No supporting schedules need be filed.

3. Filing of other statements in certain cases. The Board may, upon the informal written request of the bank, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Board may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person for which financial statements are required, or whose statements are otherwise necessary for the protection of investors.

EXHIBITS

Subject to provisions as to incorporation by reference, the following documents shall be filed as exhibits to this report:

1. Copies of any contract, plan, or arrangement for any acquisition or disposition described in answer to Item 2, including any plan of reorganization, readjustment, exchange, merger, consolidation, or succession in connection therewith.

2. Copies of any judgment or any document setting forth the terms of any settlement described in answer to Item 3.

3. Copies of the amendments to all constituent instruments and other documents described in answer to Item 4.

4. Copies of all constituent instruments defining the rights of the holders of any new class of securities referred to in answer to Item 6.

5. Copies of the plan pursuant to which the options referred to in answer to Item 8 were granted, or if there is no such plan, specimen copies of the options.

6. Copies of any material amendments to the bank's charter or by-laws, not otherwise required to be filed.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-4

QUARTERLY REPORT

Item	3 months ending _____		Fiscal year to date (__ months ending _____)	
	19____ (current year)	19____ (prior year)	19____ (current year)	19____ (prior year)
1. Operating revenue:				
(a) Interest and other fees on loans				
(b) Interest and dividends on securities				
(c) Commissions, fees, and other income				
(d) Total operating revenue				
2. Operating expenses:				
(a) Salaries and other compensation				
(b) Interest paid				
(c) Other operating expenses				
(d) Total operating expenses				
3. Operating earnings before income taxes (Item 1d minus Item 2d)				
4. Income taxes applicable to operating earnings				
5. NET OPERATING EARNINGS (Item 3 minus Item 4)				

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

Date _____

By _____
(Name and title of signing officer)

(a) **Use of Form F-4.** Form F-4 is a guide for use in preparation of the quarterly report to be filed with the Board.

(b) **Persons for whom the information is to be given.** The required information is to be given as to the registrant bank or, if the bank files consolidated financial statements with the annual reports filed with the Board, it shall cover the bank and its consolidated subsidiaries. If the information is given as to the bank and its consolidated subsidiaries, it need not be given separately for the bank.

(c) **Presentation of information.** The form calls only for the items of information specified. It is not necessary to furnish a formal statement of income. The information is not required to

be verified (see section 206.7(b) of this Part). The report may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars if a notation to that effect is made.

(d) **Incorporation by reference to published statements.** If the bank makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, such information may be incorporated by reference to such published statement if copies thereof are filed as an exhibit to this report.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FORM F-5

PROXY STATEMENT; STATEMENT WHERE MANAGEMENT DOES
NOT SOLICIT PROXIES

GENERAL INSTRUCTIONS

Each Statement required under section 206.5(a) of this Part shall, to the extent applicable, include the information called for under each of the items below. In the preparation of the Statement, particular attention should be given to the definitions in section 206.2 of this Part.

This form is not to be used as a blank form to be filled in nor is it intended to prescribe a form for presentation of material in the Statement. Its purpose is solely to prescribe the information **required** to be set forth in the Statement; any additional information that management or the soliciting persons deem appropriate may be included.

INFORMATION REQUIRED IN STATEMENT

Item 1. Revocability of proxy. State whether the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

Item 2. Dissenters' rights of appraisal. Outline briefly the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment or other similar act, state whether the person solicited will be notified of such date.

Item 3. Persons making the solicitation. (a) Solicitations not subject to section 206.5(i).

(1) If the solicitation is made by the man-

agement of the bank, so state. Give the name of any director of the bank who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action which he intends to oppose.

(2) If the solicitation is made otherwise than by the management of the bank, so state and give the names of the persons by whom and the persons on whose behalf it is made.

(3) If the solicitation is to be made otherwise than by the use of the mails, describe the methods to be employed. If the solicitation is to be made by specially engaged employees or paid solicitors, state (i) the material features of any contract or arrangement for such solicitation and identify the parties, and (ii) the cost or anticipated cost thereof.

(4) State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

(b) Solicitations subject to section 206.5(i).

(1) State by whom the solicitation is made and describe the methods employed and to be employed.

(2) If regular employees of the bank or any other participants in a solicitation have been or are to be employed to solicit security holders, describe the class or classes of employees to be so employed, and the manner and nature of their employment for such purpose.

(3) If specially engaged employees, representatives, or other persons have been or are to be employed to solicit security holders, state (i) the material features of any contract or arrangement for such solicitation and identify the parties, (ii) the cost or anticipated cost thereof, and (iii) the approximate number of such employees or employees of any other per-

son (naming such other person) who will solicit security holders.

(4) State the total amount estimated to be spent and the total expenditures to date for, in furtherance of, or in connection with the solicitation of security holders.

(5) State by whom the cost of the solicitation will be borne. If such cost is to be borne initially by any person other than the bank, state whether reimbursement will be sought from the bank, and, if so, whether the question of such reimbursement will be submitted to a vote of security holders.

Instruction. With respect to solicitations subject to section 206.5(i), costs and expenditures within the meaning of this Item 3 shall include fees for attorneys, accountants, public relations or financial advisers, solicitors, advertising, printing, transportation, litigation, and other costs incidental to the solicitation, except that the bank may exclude the amounts of such costs represented by the amount normally expended for a solicitation for an election of directors in the absence of a contest, and costs represented by salaries and wages of regular employees and officers, provided a statement to that effect is included in the proxy statement.

Item 4. Interest of certain persons in matters to be acted upon. (a) Solicitations not subject to section 206.5(i). Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than elections to office:

(1) If the solicitation is made on behalf of management, each person who has been a director or officer of the bank at any time since the beginning of the last fiscal year.

(2) If the solicitation is made otherwise than on behalf of management, each person on whose behalf the solicitation is made. Any person who would be a participant in a solicitation for purposes of section 206.5(i) as defined in subparagraph 2(A), (iii), (iv), (v), and (vi) thereof shall be deemed a person on whose behalf the solicitation is made for purposes of this paragraph (a).

(3) Each nominee for election as a director of the bank.

(4) Each associate of the foregoing persons.

Instruction. Except in the case of a solicitation subject to section 206.5 of this Part made in opposition to another solicitation subject to section 206.5 of this Part, this sub-item (a) shall not apply to any interest arising from the ownership of securities of the bank where the security holder receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class.

(b) Solicitations subject to section 206.5(i).

(1) Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each participant as defined in section 206.5(i)(2)(A), (ii), (iii), (iv), (v), and (vi), in any matter to be acted upon at the meeting, and include with respect to each participant the information, or a fair and adequate summary thereof, required by Items 2(a), 2(d), 3, 4(b), and 4(c) of Form F-6.

(2) With respect to any person named in answer to Item 6(b), describe any substantial interest, direct or indirect, by security holdings or otherwise, that he has in any matter to be acted upon at the meeting, and furnish the information called for by Item 4(b) and (c) of Form F-6.

Item 5. Voting securities and principal holders thereof. (a) State, as to each class of voting securities of the bank entitled to be voted at the meeting, the number of shares outstanding and the number of votes to which each class is entitled.

(b) Give the date as of which the record of security holders entitled to vote at the meeting will be determined. If the right to vote is not limited to security holders of record on that date, indicate the conditions under which other security holders may be entitled to vote.

(c) If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights, make a statement that they have such rights and state briefly the conditions precedent to the exercise thereof.

(d) If to the knowledge of the persons on whose behalf the solicitation is made, any person owns of record or beneficially more than 10 per cent of the outstanding voting securities of the bank, name such person, state the approximate amount of such securities owned of

record but not owned beneficially and the approximate amount owned beneficially by such person and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

Item 6. Nominees and directors. (a) If action is to be taken with respect to the election of directors, furnish the following information, in tabular form to the extent practicable, with respect to each person nominated for election as a director and each other person whose term of office as a director will continue after the meeting:

(1) Name each such person, state when his term of office or the term of office for which he is a nominee will expire, and all other positions and offices with the bank presently held by him, and indicate which persons are nominees for election as directors at that meeting.

(2) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. Furnish similar information as to all of his principal occupations or employments during the last five years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting with respect to which a proxy statement or statement where management does not solicit proxies was submitted to security holders pursuant to section 206.5(a) of this Part.

(3) If he is or has previously been a director of the bank state the period or periods during which he has served as such.

(4) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by him. If he is not the beneficial owner of any such securities, make a statement to that effect.

(5) If more than 10 per cent of any class of securities of the bank or any of its parents or

subsidiaries is beneficially owned by him and his associates, state the approximate amount of each class of such securities beneficially owned by such associates, naming each associate whose holdings are substantial.

(b) If any nominee for election as a director is proposed to be elected pursuant to any arrangement or understanding between the nominee and any other person or persons, except the directors and officers of the bank acting solely in that capacity, name such other person or persons and describe briefly such arrangement or understanding.

Item 7. Remuneration and other transactions with management and others. Furnish the information called for by this item if action is to be taken with respect to (i) the election of directors, (ii) any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the bank will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants, or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. However, if the solicitation is made on behalf of persons other than the management, the information required need be furnished only as to nominees for election as directors and as to their associates.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank and its subsidiaries during the bank's latest fiscal year to the following persons for services in all capacities:

(1) Each director, and each of the two highest paid officers, of the bank whose annual total direct remuneration exceeded \$30,000, naming each such person.

(2) All directors and officers of the bank as a group, without naming them, but stating the number of persons included.

(A) Name of individual or number of persons in group	(B) Capacities in which remuneration was received	(C) Aggregate direct remuneration

Instructions. 1. This item applies to any person who was a director or officer of the bank at any time during the period specified. However, information need not be given for any portion of the period during which such person was not a director or officer.

2. The information is to be given on an accrual basis, if practicable. The tables required by this paragraph and paragraph (b) may be combined if the bank so desires.

3. Do not include remuneration paid to a partnership in which any director or officer was a partner. But see paragraph (f) below.

(b) Furnish the following information, in substantially the tabular form indicated, as to all pension or retirement benefits proposed to be paid under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the bank or any of its subsidiaries to each director or officer named in answer to paragraph (a)(1):

(A) Name of individual	(B) Amount set aside or accrued during bank's last fiscal year	(C) Estimated annual benefits upon retirement

Instructions. 1. Column (B) need not be answered with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The information called for by Column (C) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings of the bank or its subsidiaries for such year or a prior year, or

where it is otherwise impracticable to state the estimated annual benefits upon retirement, there shall be set forth, in lieu of the information called for by Column (C), the aggregate amount set aside or accrued to date, unless it is impracticable to do so, in which case there shall be stated the method of computing such benefits.

(c) Describe briefly all remuneration payments (other than payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the bank or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the bank as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization, or similar group payments or benefits. If it is impracticable to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments shall be stated, together with an explanation of the basis for future payments.

(d) Furnish the following information as to all options to purchase securities, from the bank or any of its subsidiaries, which were granted to or exercised by the following persons since the beginning of the bank's last fiscal year: (i) each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them:

(1) As to options granted, state (i) the title and amount of securities called for; (ii) the prices, expiration dates, and other material provisions; (iii) the consideration received for the granting thereof; and (iv) the market value of the securities called for on the granting date.

(2) As to options exercised, state (i) the title and amount of securities purchased; (ii) the purchase price; and (iii) the market value of the securities purchased on the date of purchase.

Instructions. 1. The extension of options shall be deemed the granting of options within the meaning of this paragraph.

2. (i) Where the total market value on the granting dates of the securities called for by all options granted

during the period specified does not exceed \$10,000 for any officer or director named in answer to paragraph (a)(1), or \$30,000 for all officers and directors as a group, this item need not be answered with respect to options granted to such person or group. (ii) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed \$10,000 for any such person or \$30,000 for such group, this item need not be answered with respect to options exercised by such person or group.

3. The information for all directors and officers as a group regarding market value of the securities on the granting date of the options and on the purchase date may be given in the form of price ranges for each calendar quarter during which options were granted or exercised.

(e) State as to each of the following persons who was indebted to the bank or its subsidiaries at any time since the beginning of the last fiscal year of the bank, (i) the largest aggregate amount of indebtedness outstanding at any time during such period, (ii) the nature of the indebtedness and of the transaction in which it was incurred, (iii) the amount thereof outstanding as of the latest practicable date, and (iv) the rate of interest paid or charged thereon:

- (1) Each director or officer of the bank; and
- (2) Each nominee for election as a director.

Instructions. 1. See Instruction 1 to paragraph (a). Include the name of each person whose indebtedness is described and the nature of the relationship by reason of which the information is required to be given.

2. This paragraph does not apply to any person whose aggregate indebtedness did not exceed \$10,000 at any time during the period specified. Exclude in the determination of the amount of indebtedness all amounts due from the particular person for transactions in the ordinary course of business.

(f) Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of any of the following persons in any material transactions since the beginning of the bank's last fiscal year, or in any material proposed transactions, to which the bank or any of its subsidiaries was or is to be a party:

- (1) Any director or officer of the bank;
- (2) Any nominee for election as a director;

(3) Any security holder named in answer to Item 5(d); or

(4) Any associate of any of the foregoing persons.

Instructions. 1. See Instruction 1 to paragraph (a). Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

2. As to any transaction involving the purchase or sale of assets by or to the bank or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within two years prior to the transaction.

3. The instruction to Item 4 shall apply to this item.

4. No information need be given under this paragraph as to any remuneration or other transaction reported in response to (a), (b), (c), (d), or (e) of this item.

5. No information need be given under this paragraph as to any transaction or any interest therein where:

(i) The rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(ii) The interest of the specified person in the transaction is solely that of a director of another corporation which is a party to the transaction;

(iii) The specified person is subject to this Item 7(f) solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director and/or officer of another corporation that is a party to the transaction;

(iv) The transaction does not involve remuneration for services, directly or indirectly, and (A) the interest of the specified persons arises from the ownership individually and in the aggregate of less than a 10 per cent interest in another person which is a party to the transaction, (B) the transaction is in the ordinary course of business of the bank or its subsidiaries, and (C) the amount of such transaction or series of transactions is less than 10 per cent of the equity capital accounts of the bank;

(v) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or other similar services; or

(vi) The interest of the specified person, including all periodic installments in the case of any lease or other agreement providing for periodic installments, does not exceed \$30,000.

6. Information shall be furnished under this paragraph with respect to transactions not excluded above which involve remuneration, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership individually and in the aggregate

of less than a 10 per cent interest in another person furnishing the services to the bank or its subsidiaries.

Item 8. Selection of auditors. If action is to be taken with respect to the selection or approval of auditors, or if it is proposed that particular auditors shall be recommended by any committee to select auditors for whom votes are to be cast, name the auditors and describe briefly any direct financial interest or any material indirect financial interest in the bank or any of its parents or subsidiaries, or any connection during the past three years with the bank or any of its parents or subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer, or employee.

Item 9. Bonus, profit-sharing, and other remuneration plans. If action is to be taken with respect to any bonus, profit-sharing, or other remuneration plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will participate therein, indicate the approximate number of persons in each such class and state the basis of such participation.

(b) State separately the amounts which would have been distributable under the plan during the last fiscal year of the bank (1) to directors and officers and (2) to employees if the plan had been in effect.

(c) State the name and position with the bank of each person specified in Item 7(a) who will participate in the plan and the amount which each such person would have received under the plan for the last fiscal year of the bank if the plan had been in effect.

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, or other remuneration or incentive plans for (i) each director or officer named in answer to Item 7(a) who will participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group; and (iii) all employees.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stock-

holders to increase the cost thereof to the bank or to alter the allocation of the benefits as between the groups specified in (b), state the nature of the amendments which can be so made.

Instruction. If the plan is set forth in a formal plan, contract, or arrangement, three copies thereof shall be filed with the Board at the time preliminary copies of the Statement are filed pursuant to section 206.5(f).

Item 10. Pension and retirement plans. If action is to be taken with respect to any pension or retirement plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will be entitled to participate therein, indicate the approximate number of persons in each such class, and state the basis of such participation.

(b) State (1) the approximate total amount necessary to fund the plan with respect to past services, the period over which such amount is to be paid, and the estimated annual payments necessary to pay the total amount over such period, (2) the estimated annual payment to be made with respect to current services, and (3) the amount of such annual payments to be made for the benefit of (i) directors and officers, and (ii) employees.

(c) State (1) the name and position with the bank of each person specified in Item 7(a) who will be entitled to participate in the plan, (2) the amount which would have been paid or set aside by the bank and its subsidiaries for the benefit of such person for the last fiscal year of the bank if the plan had been in effect, and (3) the amount of the annual benefits estimated to be payable to such person in the event of retirement at normal retirement date.

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, or other remuneration or incentive plans for (i) each director or officer named in answer to Item 7(a) who will participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group; and (iii) all employees.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost thereof to the bank or alter the allocation of the benefits as between the groups specified in (b)(3), state the nature of the amendments which can be so made.

Instructions. 1. The information called for by paragraph (b)(3) or (c)(2) need not be given as to payments made on an actuarial basis pursuant to any group pension plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The instruction to Item 9 shall apply to this item.

Item 11. Options, warrants, or rights. If action is to be taken with respect to the granting of extension of any options, warrants, or rights to purchase securities of the bank or any subsidiary, furnish the following information:

(a) State (i) the title and amount of securities called for or to be called for by such options, warrants, or rights; (ii) the prices, expiration dates, and other material conditions upon which the options, warrants, or rights may be exercised; (iii) the consideration received or to be received by the bank or subsidiary for the granting or extension of the options, warrants, or rights; and (iv) the market value of the securities called for or to be called for by the options, warrants, or rights, as of the latest practicable date.

(b) State separately the amount of options, warrants, or rights received or to be received by the following persons, naming each such person: (i) each director or officer named in answer to Item 7(a); (ii) each nominee for election as a director of the bank; (iii) each associate of such directors, officers, or nominees; and (iv) each other person who received or is to receive 5 per cent or more of such options, warrants, or rights. State also the total amount of such options, warrants, or rights received or to be received by all directors and officers of the bank as a group, without naming them.

(c) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit-sharing, or other remuneration or incentive

plans for (i) each director or officer named in answer to Item 7(a) who will participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group; and (iii) all employees.

Instruction. Paragraphs (b) and (c) do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

Item 12. Authorization or issuance of securities otherwise than for exchange. If action is to be taken with respect to the authorization or issuance of any securities otherwise than in exchange for outstanding securities of the bank, furnish the following information:

(a) State the title and amount of securities to be authorized or issued.

(b) Furnish a description of the material provisions of the securities such as would be required in a registration statement filed pursuant to this Part. If the securities are additional shares of common stock of a class outstanding, the description may be omitted except for a statement of the pre-emptive rights, if any.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the bank, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used.

(d) If the securities are to be issued otherwise than in a general public offering for cash, state the reasons for the proposed authorization or issuance, the general effect thereof upon the rights of existing security holders, and the vote needed for approval.

Item 13. Modification or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the bank, or the issuance or authorization for issuance of securities of the bank in exchange for outstanding securities of the bank, furnish the following information:

(a) If outstanding securities are to be modified, state the title and amount thereof. If securities are to be issued in exchange for out-

standing securities, state the title and amount of securities to be so issued, the title and amount of outstanding securities to be exchanged therefor, and the basis of the exchange.

(b) Describe any material differences between the outstanding securities and the modified or new securities in respect of any of the matters concerning which information would be required in the description of the securities in a registration statement filed pursuant to this Part.

(c) State the reasons for the proposed modification or exchange, the general effect thereof upon the rights of existing security holders, and the vote needed for approval.

(d) Furnish a brief statement as to arrears in dividends or as to defaults in principal or interest in respect to the outstanding securities which are to be modified or exchanged and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(e) Outline briefly any other material features of the proposed modification or exchange.

(f) The instruction to Item 9 shall apply to this item.

Item 14. Mergers, consolidations, acquisitions, and similar matters. Furnish the following information if action is to be taken with respect to any plan for (i) the merger or consolidation of the bank into or with any other person or of any other person into or with the bank, (ii) the acquisition by the bank or any of its subsidiaries of securities of another bank, (iii) the acquisition by the bank of any other going business or of the assets thereof, (iv) the sale or other transfer of all or any substantial part of the assets of the bank, or (v) the voluntary liquidation or dissolution of the bank.

(a) Outline briefly the material features of the plan. State the reasons therefor, the general effect thereof upon the rights of existing security holders, and the vote needed for its approval. If the plan is set forth in a written document, file three copies thereof with the Board when preliminary copies of the Statement are filed pursuant to section 206.5(f).

(b) Furnish the following information as to each person (other than subsidiaries substantially all of the stock of which are owned by the bank) which is to be merged into the bank or into or with which the bank is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the bank or any of its subsidiaries in exchange for all or a substantial part of its assets.

(1) Describe briefly the business and property of such person in substantially the manner required by Items 3 and 4 of Form F-1.

(2) Furnish a brief statement as to defaults in principal or interest in respect of any securities of the bank or of such person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(c) As to each class of securities of the bank, or of any person specified in paragraph (b), which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists, and which will be materially affected by the plan, state the high and low sale prices (or, in the absence of trading in a particular period, the range of the bid and asked prices) for each quarterly period within two years. This information may be omitted if the plan involves merely the voluntary liquidation or dissolution of the bank.

Item 15. Financial statements. (a) If action is to be taken with respect to any matter specified in Items 12, 13, or 14 above, furnish verified financial statements of the bank and its subsidiaries such as would be required in a registration statement filed pursuant to this Part. All schedules may be omitted.

(b) If action is to be taken with respect to any matter specified in Item 14(b), furnish financial statements such as would be required in a registration statement filed pursuant to this Part. Such statements need not be verified, and all schedules may be omitted. However, such statements may be omitted for a subsidiary, all of the stock of which is owned by the bank, that

is included in the consolidated statement of the bank and its subsidiaries.

(c) Notwithstanding paragraphs (a) and (b) above, any or all of such financial statements which are not material for the exercise of prudent judgment in regard to the matter to be acted upon may be omitted if the reasons for such omission are stated. Such financial statements are deemed material to the exercise of prudent judgment in the usual case involving the authorization or issuance of any material amount of senior securities, but are not deemed material in cases involving the authorization or issuance of common stock, otherwise than in exchange.

(d) The Statement may incorporate by reference any financial statements contained in an annual report sent to security holders pursuant to section 206.5(c) with respect to the same meeting as that to which the Statement relates, provided such financial statements substantially meet the requirements of this item.

Item 16. Action with respect to reports. If action is to be taken with respect to any report of the bank or of its directors, officers, or committees or any minutes of meeting of its security holders, furnish the following information:

(a) State whether or not such action is to constitute approval or disapproval of any of the

matters referred to in such reports or minutes.

(b) Identify each of such matters which it is intended will be approved or disapproved, and furnish the information required by the appropriate item or items of this schedule with respect to each such matter.

Item 17. Matters not required to be submitted. If action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders, state the nature of such matter, the reasons for submitting it to a vote of security holders and what action is intended to be taken by the management in the event of a negative vote on the matter by the security holders.

Item 18. Amendment of charter, by-laws, or other documents. If action is to be taken with respect to any amendment of the bank's charter, by-laws, or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment and the vote needed for its approval.

Item 19. Other proposed action. If action is to be taken with respect to any matter not specifically referred to above, describe briefly the substance of each such matter in substantially the same degree of detail as is required by Items 5 to 18, inclusive, above.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-6

STATEMENT IN ELECTION CONTEST

GENERAL INSTRUCTIONS

The statement shall contain the number and captions of all items, but the text of the items may be omitted. If an item is inapplicable or the answer is in the negative, so state. The information called for by Items 2(a) and 3(a) or a fair summary thereof is required to be included in all preliminary soliciting material by section 206.5(i) of this Part.

Item 1. Bank. State the name and address of the bank.

Item 2. Identity and background of participant. (a) State the following: (1) Your name and business address. (2) Your present principal occupation or employment and the name, principal business, and address of any corporation or other organization in which such employment is carried on.

(b) State the following: (1) Your residence address. (2) Information as to all material occupations, positions, offices, or employments during the last ten years, giving starting and ending dates of each and the name, principal business, and address of any business corporation or other business organization in which each such occupation, position, office, or employment was carried on.

(c) State whether or not you are or have been a participant in any other proxy contest involving the bank or other corporations within the past ten years. If so, identify the principals, the subject matter and your relationship to the parties and the outcome.

(d) State whether or not, during the past 10 years, you have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give dates, nature of conviction, name and location of court, and penalty imposed or other disposition of the

case. A negative answer to this sub-item need not be included in the Statement or other proxy soliciting material.

Item 3. Interests in securities of the bank.

(a) State the amount of each class of securities of the bank that you own beneficially, directly, or indirectly.

(b) State the amount of each class of securities of the bank that you own of record but not beneficially.

(c) State with respect to the securities specified in (a) and (b) the amounts acquired within the past two years, the dates of acquisition and the amounts acquired on each date.

(d) If any part of the purchase price or market value of any of the shares specified in paragraph (c) is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities, so state and indicate the amount of the indebtedness as of the latest practicable date. If such funds were borrowed or obtained otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, broker, or dealer, briefly describe the transaction, and state the names of the parties.

(e) State whether or not you are a party to any contracts, arrangements or understandings with any person with respect to any securities of the bank, including but not limited to joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. If so, name the persons with whom such contracts, arrangements, or understandings exist and give the details thereof.

(f) State the amount of securities of the bank owned beneficially, directly or indirectly, by each of your associates and the name and address of each such associate.

(g) State the amount of each class of securities of any parent or subsidiary of the bank which you own beneficially, directly or indirectly.

Item 4. Further matters. (a) Describe the time and circumstances under which you became a participant in the solicitation and state the nature and extent of your activities or proposed activities as a participant.

(b) Furnish for yourself and your associates the information required by Item 7(f) of Form F-5.

(c) State whether or not you or any of your associates have any arrangement or understanding with any person (1) with respect to any future employment by the bank or its affiliates; or (2) with respect to any future transactions to which the bank or any of its affiliates will or

may be a party. If so, describe such arrangement or understanding and state the names of the parties thereto.

Item 5. Signature. The statement shall be dated and signed in the following manner:

I certify that the statements made in this statement are true, complete, and correct, to the best of my knowledge and belief.

(Date)

(Signature of participant or
authorized representative)

Instruction. If the statement is signed on behalf of a participant by the latter's authorized representative, evidence of the representative's authority to sign on behalf of such participant shall be filed with the statement.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FORM F-7

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES
(Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934)

(Name of bank)

(Name of person whose ownership is reported)

(Business address of such person)

Relationship of such person to the bank. (See Instruction 5) _____

Date of event which requires the filing of this statement. (See Instruction 6) _____

EQUITY SECURITIES BENEFICIALLY OWNED (See Instruction 7)

Title of security (see Instruction 8)	Nature of ownership (see Instruction 9)	Amount owned (see Instruction 10)

Remarks: (See Instruction 11)

Date of statement _____

Signature

INSTRUCTIONS

1. **Persons required to file statements.** A statement on this form is required to be filed by every person who, at the time any class of equity securities of a bank becomes registered pursuant to section 12 of the Securities Exchange Act of 1934 (the Act), (i) is directly or indirectly the beneficial owner of more than 10 per cent of such class or (ii) is a director or officer of the bank which is the issuer of such securities, and by every person who thereafter becomes such a beneficial owner, director, or officer. The term "officer" means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence), Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policy-making functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President as well as a number of "Vice Presidents"), some or all "Vice Presidents" do not participate in major policy-making functions, and such persons are not officers for the purpose of this statement.

2. **When statements are to be filed.** Persons who hold any of the relationships specified in Instruction 1 when any class of equity securities of the bank becomes registered pursuant to section 12 of the Act are required to file a statement on this form within 10 days after the date such registration becomes effective. Persons who subsequently assume any of the relationships specified in Instruction 1 are required to file a statement within 10 days after assuming such relationship. Statements are not deemed to have been filed with the Board or an exchange until they have actually been received by the Board or such exchange.

3. **Where and how statements are to be filed.** One signed copy of each statement shall be filed with the Board of Governors of the Federal Reserve System, Washington, D. C. 20551. One signed copy thereof shall also be filed with each exchange on which any class of equity securities of the bank is listed. However, if such bank has, in accordance with section 206.6(a)(3) of Regulation F, designated a single exchange to receive statements, the statement need only be filed with the Board and the designated exchange.

4. **Separate statement for each bank.** A separate statement shall be filed with respect to the equity securities of each bank.

5. **Relationship of reporting person to bank.** Indicate clearly the relationship of the reporting person to the bank; for example, "Director", "Director and Vice President", "Beneficial owner of more than 10 per cent of the bank's common stock", etc.

6. **Date as of which beneficial ownership is to be given.** The information as to beneficial ownership of securities shall be given as of the date on which the event occurred which requires the filing of a statement on this form. For example, when registration of equity securities of the bank becomes effective pursuant to section 12 of the Act or when the person whose ownership is reported becomes a director or officer of the bank or becomes the beneficial owner of more than 10 per cent of a class of registered equity securities of the bank.

7. **Securities to be reported.** Persons specified in Instruction 1 above shall include information as to their beneficial ownership of all classes of equity securities of the bank, even though one or more of such classes may not be registered pursuant to section 12 of the Act.

8. **Title of equity security.** The statement of the title of an equity security should clearly distinguish it from any securities of other classes issued by the bank.

9. **Nature of ownership.** Under "Nature of ownership", state whether ownership of the equity securities is "direct" or "indirect". If the ownership is indirect, i.e., through a partnership, corporation, trust, or other entity, indicate in a footnote or other appropriate manner, the name or identity of the medium through which the securities are indirectly owned. The fact that equity securities are held in the name of a broker or other nominee does not, of itself, constitute indirect ownership. Equity securities owned indirectly shall be reported on separate lines from those owned directly and also from those owned through a different type of indirect ownership.

10. **Statement of amount owned.** In stating the amount of equity securities beneficially owned, give the face amount of convertible debt securities or the number of shares of stock or other units of other securities. In the case of equity securities owned indirectly, the entire amount of equity securities owned by the partnership, corporation, trust, or other entity shall be stated. The person whose ownership is reported may, if he so desires, also indicate in a footnote or other appropriate manner the extent of his interest in the partnership, corporation, trust, or other entity.

11. **Inclusion of additional information.** A statement may include any additional information or explanation deemed relevant by the person filing the statement.

12. **Signature.** If the statement is filed for a corporation, partnership, trust, etc., the name of the organization shall appear over the signature of the officer or other person authorized to sign the statement. If the statement is filed for an individual, it shall be signed by him or specifically on his behalf by a person authorized to sign for him.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FORM F-8

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES
(Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934)

(Name of bank)

(Name of person whose ownership is reported)

(Business address of such person)

Relationship of such person to the bank. (See Instruction 5) _____

Statement for calendar month of _____, 19____

CHANGES DURING MONTH, AND MONTH-END OWNERSHIP (See Instruction 6)

Title of equity security (see Instruction 7)	Date of trans- action (see Instruc- tion 8)	Amount bought, or otherwise acquired	Amount sold, or otherwise disposed of	Amount owned at end of month	Nature of ownership (see Instruc- tion 10)
		(see Instruction 9)			

Remarks: (See Instructions 11 and 12)

Date of statement _____

Signature

INSTRUCTIONS

1. **Persons required to file statements.** A statement on this form is required to be filed by every person who at any time during any calendar month was (i) directly or indirectly the beneficial owner of more than 10 per cent of any class of equity securities of a bank registered pursuant to section 12 of the Securities Exchange Act of 1934 (the Act), or (ii) a director or officer of the bank which is the issuer of such securities, and who during such month had any change in the nature or amount of his beneficial ownership of any class of equity securities of such bank. The term "officer" means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence), Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policy-making functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President, as well as a number of "Vice Presidents"), some or all "Vice Presidents" do not participate in major policy-making functions, and such persons are not officers for the purpose of this statement.

2. **When statements are to be filed.** Statements are required to be filed on or before the 10th day after the end of each calendar month in which any change in the nature or amount of beneficial ownership has occurred. Statements are not deemed to have been filed with the Board or an exchange until they have actually been received by the Board or such exchange.

3. **Where statements are to be filed.** One signed copy of each statement shall be filed with the Board of Governors of the Federal Reserve System, Washington, D. C. 20551. One signed copy thereof shall also be filed with each exchange on which any class of equity securities of the bank is listed. However, if such bank has, in accordance with section 206.6(a)(3) of Regulation F, designated a single exchange to receive statements, the statement need only be filed with the Board and the designated exchange.

4. **Separate statement for each bank.** A separate statement shall be filed with respect to the equity securities of each bank.

5. **Relationship of reporting person to bank.** Indicate clearly the relationship of the reporting person to the bank; for example, "Director", "Director and Vice President", "Beneficial owner of more than 10 per cent of the bank's common stock", etc.

6. **Transactions and holdings to be reported.** Persons required to file statements on this form shall include in their statements all changes during the calendar month in their beneficial ownership, and their beneficial ownership at the end of the month, of all classes of equity securities of the bank, even though one or more of such classes may not be registered pursuant to section 12 of the Act.

Every change in beneficial ownership shall be reported even though purchases and sales during the month are equal or the change involves only the nature of beneficial ownership (for example, from direct to indirect ownership or from one type of in-

direct ownership to another). Beneficial ownership at the end of the month of all classes of equity securities of the bank shall be shown even though there has been no reportable change during the month in the ownership of equity securities of a particular class.

7. **Title of equity security.** The statement of the title of an equity security should clearly distinguish it from any securities of other classes issued by the bank.

8. **Date of transaction.** The exact date (month, day, and year) of each transaction shall be stated opposite the amount involved in the transaction.

9. **Statement of amounts of equity securities.** In stating the amount of equity securities acquired, disposed of, or beneficially owned, give the face amount of convertible debt securities or the number of shares of stock or other units of other securities. In the case of equity securities owned indirectly, the entire amount of equity securities involved in the transaction or owned by the partnership, corporation, trust, or other entity shall be stated. The person whose ownership is reported may, if he so desires, also indicate in a footnote or other appropriate manner, the extent of his interest in the transaction or holdings of the partnership, corporation, trust, or other entity.

10. **Nature of ownership.** Under "Nature of ownership", state whether ownership of the equity securities is "direct" or "indirect". If the ownership is indirect, i.e., through a partnership, corporation, trust, or other entity, indicate in a footnote or other appropriate manner, the name or identity of the medium through which the securities are indirectly owned. The fact that equity securities are held in the name of a broker or other nominee does not, of itself, constitute indirect ownership. Equity securities owned indirectly shall be reported on separate lines from those owned directly and also from those owned through a different type of indirect ownership.

11. **Character of transaction.** If the transaction in equity securities was with the bank, so state. If it involved the purchase of equity securities through the exercise of warrants or options, so state, give the termination date of the option or warrant, and give the exercise price per share. If any other purchase or sale was effected otherwise than in the open market, that fact shall be indicated. If the transaction was not a purchase or sale, indicate its character; for example, gift or stock dividend, stock split, or other type of pro rata distribution, etc., as the case may be. The foregoing information may be appropriately set forth in the table or under "Remarks" below the table.

12. **Inclusion of additional information.** A statement may include any additional information or explanation deemed relevant by the person filing the statement.

13. **Signature.** If the statement is filed for a corporation, partnership, trust, etc., the name of the organization shall appear over the signature of the officer or other person authorized to sign the statement. If the statement is filed for an individual, it shall be signed by him or specifically on his behalf by a person authorized to sign for him.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FORM F-9: FINANCIAL STATEMENTS

A. BALANCE SHEET (Form F-9A)

B. STATEMENT OF INCOME (Form F-9B)

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS (Form F-9C)

D. SCHEDULES (Form F-9D)

GENERAL INSTRUCTIONS

1. **Preparation of forms.** The forms for financial statements are not to be used as blank forms to be filled in but only as guides in the preparation of financial statements. The requirements with respect to the filing of balance sheets and statements of income are contained in the instructions as to certain other forms required by this Part. Particular attention should be given to the general requirements as to financial statements in section 206.7 of this Part, including paragraphs (e) and (f) thereof, which prescribe when statements of changes in capital accounts and schedules will be filed. Although inapplicable items specified in the forms for financial statements should be omitted, the detailed instructions that relate to applicable items shall be followed.

2. **Accrual accounting.** Financial statements shall generally be prepared on the basis of accrual accounting whereby all revenues and all

expenses shall be recognized during the period earned or incurred regardless of the time received or paid, with certain exceptions: (a) income on securities in the trading account and (b) where the results would be only insignificantly different on a cash basis, or where accrual is not feasible. For those banks that did not maintain their books on the basis of accrual accounting for the fiscal year ending December 31, 1964, financial statements filed under this Part for such fiscal year and all prior years may be prepared on the cash basis of accounting. All financial statements for fiscal years ending after December 31, 1964, shall be prepared on the basis of accrual accounting. Statements with respect to the first fiscal year that a bank reports on the accrual basis shall indicate clearly, by footnote or otherwise, the beginning-of-year adjustments that were necessary and their effect on prior financial statements filed under this Part.

A. BALANCE SHEET

ASSETS

1. Cash and due from banks
2. Investment securities:
 - (a) U.S. Government obligations
 - (b) Obligations of States and political subdivisions
 - (c) Other securities
3. Trading account securities—Net
4. Loans (Less Allowance of \$—— for possible loan losses)
5. Bank premises and equipment
6. Other real estate owned
7. Investments in subsidiaries not consolidated
8. Customers' acceptance liability
9. Other assets
10. Total assets

LIABILITIES

11. Deposits:
 - (a) Demand deposits in domestic offices
 - (b) Savings deposits in domestic offices
 - (c) Time deposits in domestic offices
 - (d) Deposits in foreign offices
12. Mortgages payable
13. Other liabilities for borrowed money
14. Bank's acceptances outstanding
15. Accrued taxes and other expenses
16. Dividends payable
17. Other liabilities
18. Total liabilities
19. Minority interests in consolidated subsidiaries

CAPITAL ACCOUNTS

20. Capital notes and debentures
21. Equity capital:
 - (a) Capital stock: Preferred stock
 - Common stock
 - (b) Surplus
 - (c) Undivided profits
 - (d) Reserve for contingencies and other capital reserves
22. Total capital accounts
23. Total liabilities and capital

ASSETS

1. **Cash and due from banks.** (a) State the total of (1) currency and coin (A) owned and held in the bank's vaults and (B) in transit to or from a Federal Reserve Bank; (2) the bank's total reserve balance with the Federal Reserve Bank as shown by the bank's books; (3) demand and time balances with other banks; and (4) cash items in process of collection.

(b) All reciprocal balances shall be reported net.

(c) Do not include unavailable balances with closed or liquidating banks. Such balances should be reported in "other assets".

(d) Cash items in process of collection include: (1) checks in process of collection drawn on another bank, private bank, or any other banking institution that are payable immediately upon presentation (including checks with a Federal Reserve Bank in process of collection and checks on hand that will be presented for payment or forwarded for collection on the following business day); (2) Government checks

and warrants drawn on the Treasurer of the United States that are in process of collection; and (3) such other items in process of collection, including redeemed United States savings bonds, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items.

(e) Checks drawn on a bank other than the reporting bank that have been deposited in the reporting bank (or offices or branches of such bank) and have been forwarded for collection to other offices or branches of the reporting bank are cash items in the process of collection.

(f) Do not include commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, whether or not deposit credit therefor has been given to a customer. If deposit credit has been given, such drafts should be reported as "loans"; but if the drafts were received by the reporting bank on a collection basis they should not be included in the reporting bank's statement until such time as the funds have been actually collected.

(g) Do not include unposted debits. Such debits should be deducted from the appropriate deposit liability caption.

2. **Investment securities.** (a) State separately book value of (1) U.S. Government obligations (direct and guaranteed); (2) Obligations of States and political subdivisions; and (3) Other securities owned by the bank, including securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(b) Book value with respect to those securities reported in categories (1) and (2) of paragraph (a) shall be cost adjusted for amortization of premium and, at the option of the bank, for accretion of discount. If the reporting bank does not accrete discount, the amount that could have been accreted shall be set forth in a footnote.

(c) Include in category (2) of paragraph (a) obligations of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign states.

(d) Any allowance that (1) represents management's judgment as to possible loss or value depreciation in investment securities and (2) has been established through an appropriate charge against income shall be stated in a manner so that the balance sheet reflects the book value of the securities to which the allowance relates, the amount of the allowance, and the net carrying value of such securities. Any provision for possible security losses that the bank establishes as a precautionary measure only (such as to reflect normal fluctuations in market value of readily marketable securities) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

(e) Do not include borrowed securities, or securities purchased under resale agreements or similar arrangements. All securities purchased under transactions of this type are to be reported as "loans" regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different

institutions if the purpose of the transactions is to resell identical or similar securities.

3. **Trading account securities—Net.** State the aggregate net value, at the lower of cost or market at the balance sheet date, of securities of all types carried by the bank in a dealer trading account (or accounts) that are held principally for resale to customers.

4. **Loans.** (a) State the aggregate face value of all loans including (1) paper and securities acquired under resale agreements and similar transactions; (2) acceptances of other banks and commercial paper purchased in the open market; (3) acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount; (4) customers' liability to the reporting bank on drafts paid under letters of credit for which the bank has not been reimbursed; (5) "cotton overdrafts" or "advances", and commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, for which the reporting bank has given deposit credit to customers; and (6) Federal funds sold.

(b) Include (1) paper rediscounted with the Federal Reserve or other banks; (2) paper sold under repurchase agreement; and (3) paper pledged as collateral to secure bills payable, as marginal collateral to secure bills rediscounted, or for any other purpose.

(c) Do not include contracts of sale or other loans indirectly representing bank premises or other real estate; these should be included in "bank premises" or "other real estate".

(d) Do not deduct bona fide deposits accumulated by borrowers for the payment of loans.

(e) Allowance for possible loan losses shall be stated parenthetically. Include in this allowance only (1) any provision that the bank makes for possible loan losses pursuant to the Treasury tax formula and (2) any amount in excess of the provision taken under such formula that (A) represents management's judgment as to possible loss or value depreciation and (B) has been established through a charge against income. Any provision for possible loan losses that the bank establishes as a precautionary measure

that is in excess of the amount taken pursuant to the Treasury tax formula shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

5. **Bank premises and equipment.** (a) State the aggregate cost of (1) bank premises owned, (2) leasehold improvements, and (3) equipment less any accumulated depreciation or amortization with respect to such assets.

(b) All fixed assets acquired subsequent to December 31, 1959, shall be stated at cost less accumulated depreciation or amortization.

(c) All fixed assets acquired prior to January 1, 1960, that are not presently accounted for by the bank on the basis of cost less accumulated depreciation or amortization, may be stated at book value. Any such assets that are still in use and would not have been fully depreciated on a straight-line method of accounting for depreciation if the bank had recorded depreciation on such basis shall be described briefly in a footnote, together with an explanation of the accounting that was used with respect to such assets.

(d) The term “leasehold improvements” comprehends two types of situations: (1) where the bank erects a building on leased property; and (2) where a bank occupies leased quarters or uses leased parking lots and appropriately capitalizes disbursements for vaults, fixed machinery and equipment directly related to such leased quarters, or resurfacing or other improvements directly related to such parking lots that will become an integral part of the property and will revert to the lessor on expiration of the lease.

(e) Bank premises includes vaults, fixed machinery and equipment, parking lots owned adjoining or not adjoining the bank premises that are used by customers or employees, and potential building sites.

(f) Equipment includes all movable furniture and fixtures of the bank.

6. **Other real estate owned.** (a) State the aggregate cost of all real estate owned by the bank that is not a part of bank premises.

(b) With respect to real estate acquired

through default of a loan, aggregate cost shall include the unpaid balance on the defaulted loan plus the bank's out-of-pocket costs in acquiring clear title to the property. Any adjustments from aggregate cost shall be explained in a footnote.

(c) The aggregate market value of all real estate owned by the bank that is not a part of bank premises shall be set forth in a footnote, together with an explanation of the method of determining such market value.

7. **Investments in subsidiaries not consolidated.** State the aggregate investment, including advances, in subsidiaries not consolidated.

8. **Customers' acceptance liability.** (a) State the liability to the reporting bank of its customers on drafts and bills of exchange that have been accepted by the reporting bank or by other banks for its account and that are outstanding—that is, not held by the bank, on the reporting date. (If held by the reporting bank, they should be reported as “loans”.)

(b) In case a customer anticipates his liability to the bank on outstanding acceptances by paying the bank either the full amount of his liability or any part thereof in advance of the actual maturity of the acceptance, the bank should decrease the amount of the customer's liability on outstanding acceptances. If such funds are not received for immediate application to the reduction of the indebtedness to the bank or the receipt thereof does not immediately reduce or extinguish the indebtedness, then such funds held to meet acceptances must be reported in “demand deposits”.

(c) Do not include customer's liability on unused commercial and travelers' letters of credit issued under guaranty or against the deposit of security—that is, not issued for money or its equivalent.

9. **Other assets.** State separately, if material, (1) income earned but not collected; (2) prepaid expenses; (3) property acquired for the purpose of direct lease financing; and (4) any other asset not included in the preceding items.

10. **Total assets.** State the sum of all asset items.

LIABILITIES

11. **Deposits.** (a) State separately (1) demand deposits in domestic offices of the bank less unposted debits, (2) savings deposits in domestic offices of the bank less unposted debits, (3) time deposits in domestic offices of the bank less unposted debits, and (4) deposits in foreign offices.

(b) The term "demand deposit" means a deposit that is not a time deposit or a saving deposit.

(c) The term "savings deposit" means a deposit (1) to the credit of (i) one or more individuals, or (ii) a corporation, association, or other organization, no part of the net earnings of which inures to the benefit of any private shareholder or individual, or (iii) a trustee in bankruptcy, or (iv) any person, if the entire beneficial interest in the deposit is vested in one or more individuals or such corporation, association, or other organization; and (2)(i) with respect to which the depositor is required, or may at any time be required, by the bank to give not less than 30 days' written notice of an intended withdrawal and (ii) which is otherwise not payable on a specified date or at the expiration of a specified period of time after the date of deposit.

(d) The term "time deposit" means a deposit, other than a "savings deposit", which is evidenced by a negotiable or nonnegotiable certificate or other written agreement and which provides for payment of the deposit or any part thereof to, or to the order of, a specified person or persons, or to the bearer, either (1) on a specified date not less than 30 days after the date of deposit, or (2) at the expiration of a specified period of time not less than 30 days after the date of the deposit, or (3) after written notice that is required by the deposit contract to be given not less than 30 days before the date of payment.

(e) The term "unposted debit" means a cash item in the bank's possession drawn on itself that has been paid or credited and is chargeable against, but has not been charged against, deposit liabilities at the close of the reporting period. This term does not include items that

have been reflected in deposit accounts on the general ledger, although they have not been debited to individual deposit accounts. Where by statute or written agreement items payable at or through the reporting bank may at the discretion of the reporting bank be immediately charged against the deposits of the drawer, such items shall be regarded as drawn on the reporting bank and reported as unposted debits when they have been paid or credited but have not been charged against deposit liabilities at the close of the reporting period.

(f) All reciprocal balances shall be reported net.

(g) Include outstanding drafts (including advices or authorizations to charge the bank's balance in another bank) drawn in the regular course of business by the reporting bank on other banks.

(h) Do not include trust funds held in the bank's own trust department that the bank keeps segregated and apart from its general assets and does not use in the conduct of its business.

12. **Mortgages payable.** (a) State separately here, or in a note referred to herein, such information as will indicate (1) the general character of the debt including the rate of interest; (2) the date of maturity; (3) if the payment of principal or interest is contingent, an appropriate indication of such contingency; and (4) a brief indication of priority.

(b) If there are any liens on bank premises or other real estate owned by the bank which have not been assumed by the bank, report in a footnote the amount thereof together with an appropriate explanation.

13. **Other liabilities for borrowed money.**

(a) State the aggregate amount borrowed by the reporting bank on its own promissory notes, on notes and bills rediscounted (including commodity drafts rediscounted and notes, bills, and securities sold with an agreement to repurchase), or on any other instruments given for the purpose of borrowing money, and Federal funds purchased.

(b) All securities sold under repurchase transactions are to be reported as borrowings,

regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turn-arounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to repurchase identical or similar securities.

14. **Bank's acceptances outstanding.** (a) State the aggregate of unmatured drafts and bills of exchange accepted by the reporting bank, or by some other bank as agent for the reporting bank (other than those reported in "demand deposits"), less the amount of such acceptances acquired by the reporting bank through discount or purchase and held on the reporting date.

(b) Include bills of exchange accepted by the reporting bank that were drawn by banks or bankers in foreign countries, or in dependencies or insular possessions of the United States, for the purpose of creating dollar exchange as required by usage of trade in the respective countries, dependencies, or insular possessions.

15. **Accrued taxes and other expenses.** State separately, if material, (a) accrued payrolls; (b) accrued tax liability (Federal and State combined); (c) accrued interest; and (d) any other accrued expenses.

16. **Dividends payable.** State the aggregate amount of cash dividends that have been declared but not paid.

17. **Other liabilities.** State separately, if material, (1) unearned income and (2) any other liability not included in Items 11 through 16.

18. **Total liabilities.** State the sum of Items 11 through 17.

19. **Minority interests in consolidated subsidiaries.** State the aggregate amount of minority stockholders' interests in capital stock, surplus, and undivided profits of consolidated subsidiaries.

CAPITAL ACCOUNTS

20. **Capital notes and debentures.** State separately here, or in a note referred to herein, each issue or type of obligation and such information as will indicate (a) the general charac-

ter of each type of debt including the rate of interest; (b) the date of maturity (or dates if maturing serially) and call provisions; (c) the aggregate amount of maturities, and sinking fund requirements, each year for the 5 years following the date of the balance sheet; (d) if the payment of principal or interest is contingent, an appropriate indication of the nature of the contingency; (e) a brief indication of priority; and (f) if convertible, the basis.

21. Equity capital.

(a) Capital stock. State for each class of shares the title of issue, the number of shares authorized, the number of shares outstanding and the capital share liability thereof, and, if convertible, the basis of conversion. Show also the dollar amount, if any, of capital shares subscribed but unissued, and of subscriptions receivable thereon.

(b) Surplus. State the net amount formally transferred to the surplus account on or before the reporting date.

(c) Undivided profits. State the amount of undivided profits shown by the bank's books.

(d) Reserve for contingencies and other capital reserves.

(1) State separately each such reserve and its purpose.

(2) These reserves constitute amounts set aside for possible decrease in the book value of assets, or for other unforeseen or indeterminable liabilities not otherwise reflected on the bank's books and not covered by insurance.

(3) As these reserves represent a segregation of undivided profits, do not include any element of known losses, or losses the amount of which can be estimated with reasonable accuracy.

(4) Reserves for possible security losses, reserves for possible loan losses, and other contingency reserves that are established as precautionary measures only shall be included in these reserves, as they represent segregations of "undivided profits".

22. **Total capital accounts.** State the total of Items 20 and 21.

23. **Total liabilities and capital.** State the total of Items 18, 19, and 22.

B. STATEMENT OF INCOME

- 1. Operating revenue:
 - (a) Interest and other fees on loans.....
 - (b) Interest and dividends on:
 - (1) U. S. Government obligations.....
 - (2) Obligations of States and political subdivisions.....
 - (3) Other securities.....
 - (c) Trading account income.....
 - (d) Trust department income.....
 - (e) Service charges on deposit accounts.....
 - (f) Other operating revenue.....
 - (g) Total operating revenue.....
 - 2. Operating expenses
 - (a) Salaries.....
 - (b) Bonuses and profit sharing.....
 - (c) Pension, social security, and other employee benefits.....
 - (d) Interest on deposits.....
 - (e) Interest on borrowed money.....
 - (f) Interest on capital notes and debentures.....
 - (g) Net occupancy expense of bank premises.....
 - (h) Equipment expenses (including depreciation of \$_____).
 - (i) Other operating expenses.....
 - (j) Total operating expenses.....
 - 3. Operating earnings before income taxes.....
 - 4. Income taxes applicable to operating earnings.....
 - 5. NET OPERATING EARNINGS.....
- | | Gross | Less taxes |
|---|-------|--------------------|
| 6. Nonoperating additions: | | |
| (a) Net security profits..... | | |
| (b) Transfers from Allowance for Possible Loan Losses..... | | |
| (c) Loan recoveries (Not credited to Allowance for Possible Loan Losses). | | |
| (d) All other..... | | |
| (e) Total nonoperating additions..... | | |
| 7. Nonoperating deductions: | Gross | Less tax reduction |
| (a) Net security losses..... | | |
| (b) Transfers to Allowance for Possible Loan Losses..... | | |
| (c) Loan charge-offs (Not charged to Allowance for Possible Loan Losses). | | |
| (d) All other..... | | |
| (e) Total nonoperating deductions..... | | |
| 8. Net nonoperating additions (deductions)..... | | |
| 9. Transferred to undivided profits..... | | |

- 1. **Operating revenue.** State separately:
 - (a) **Interest and other fees on loans.**
 - (1) Include interest, discount, and other fees on all assets that are reported on the balance sheet as loans.
 - (2) Include interest and discount on acceptances, commercial paper purchased in the open market, day loans, drafts for which the bank has given deposit credit to customers,

- Federal funds sold to banks, etc. Also include interest and discount on such paper that has been rediscounted with Federal Reserve or other banks, sold under repurchase agreements, or pledged as collateral to secure bills payable or for any other purpose.
 - (3) Include service charges and other fees on loans.
 - (4) Include profits (or losses) resulting

from the sale of acceptances and commercial paper at discount rates other than those at which such paper was purchased.

(5) Include interest received on loans directly guaranteed and redeemable by the Commodity Credit Corporation and on certificates of interest representing ownership thereof, but do not include any portion that must be remitted to the Corporation.

(6) Current amortization of premiums on mortgages or other loans shall be deducted from interest on loans and current accumulation of discount on such items shall be added to interest on loans.

(b) Interest and dividends on securities.

(1) State separately revenue from (A) U.S. Government obligations (direct and guaranteed), (B) Obligations of States and political subdivisions, and (C) Other securities owned by the bank, including securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(2) Include accretion of discount on securities; deduct amortization of premiums on securities. If the reporting bank does not accrete discount, the amount that could have been accreted shall be set forth in a footnote.

(3) When securities are purchased, any payment for accrued interest shall not be charged to expenses, nor when collected be credited to earnings. Such interest shall be charged to a separate account that will be credited upon collection of the next interest payment. The balance in the account shall be shown as "Other assets" in the balance sheet.

(c) **Trading account income.** Report the net profits (or losses) from securities carried by the bank in a dealer trading account (or accounts) that are held principally for resale to customers. Include any incidental revenue or expenses related to the purchase and sale of such securities, but exclude salaries, commissions, and other expenses.

(d) Trust department income.

(1) Include income from commissions and fees for services performed by the bank in any authorized fiduciary capacity.

(2) This item may be reported on the cash basis in those instances where the presentation of the item on the financial statements would not be materially affected thereby. The cash basis may also be used with respect to an individual trust or estate if accrual of income therefrom is not feasible. If any portion of trust department income is not reported on the accrual basis, there shall be a footnote explaining the method of reporting and the reason for departing from reporting on the accrual basis.

(e) **Service charges on deposit accounts.** Include amounts charged depositors that fail to maintain specified minimum deposit balances; charges based on the number of checks drawn on and deposits made in deposit accounts; charges for account maintenance and for checks drawn on "no minimum balance" deposit accounts; return check charges; etc.

(f) Other operating revenue.

(1) Include all operating income not reported in Items 1(a) through 1(e).

(2) Include other service charges, commissions, fees, collection and exchange charges (except on loans and deposits and those related to the Trust Department); income on lease financing; gross rentals from "Other real estate" and safe deposit boxes; net remittable profits (or losses) of foreign branches and consolidated subsidiaries less minority interests (unless the bank consolidates each item of revenue and expense); interest on time balances with other banks; net profit (or loss) resulting from foreign exchange trading; etc.

(3) Do not include reimbursements for out-of-pocket expenditures made for the account of customers. If expense accounts were charged with the amount of such expenditures, the reimbursements should be credited to the same expense accounts.

(4) Do not include rentals from bank premises. In the event there is a net occupancy income, the amount shall be shown in parenthesis in Item 2(g).

(5) Itemize all amounts that represent 25 per cent or more of this item.

(g) **Total operating revenue.** State the sum of Items 1(a) through 1(f).

2. Operating expenses. State separately:

(a) **Salaries.**

(1) Include compensation for personal services of all officers and employees, including dining room and cafeteria employees but not building department employees.

(2) Include amounts withheld from salaries for Social Security taxes and contributions to the bank's pension fund. Do not include Social Security taxes paid by the bank for its own account and the bank's contribution to pension funds. Such amounts shall be included in Item 2(c).

(3) Do not include bonuses and profit sharing whether paid in cash or deferred or whether paid directly or through a trustee. Such amounts shall be reported in Item 2(b).

(4) Do not include compensation of officers and employees who spent the major portion of their working time on bank building and related functions. Such compensation shall be included in Item 2(g).

(5) Do not include amounts paid to legal, management, and investment counsel for professional services if such counsel are not salaried officers or employees of the bank. Such amounts shall be included in Item 2(i).

(b) **Bonuses and profit sharing.**

(1) Include supplementary compensation of all officers and employees, except building department personnel.

(2) Include amounts paid in cash and deferred amounts, whether paid directly or indirectly such as through a trustee.

(c) **Pension, social security, and other employee benefits.**

(1) Include all accrued benefits, other than compensation included in Items 2(a) and 2(b), on behalf of all officers and employees, except building department personnel.

(2) Include the bank's own contribution to its pension fund; unemployment and Social Security taxes for the bank's own account; life insurance premiums (net of dividends received) and hospitalization insurance payable by the

bank; and other material employee benefits.

(3) Do not include expenses related to testing, training, or education of officers and employees; the cost of bank newspapers and magazines; premiums on insurance policies where the bank is beneficiary; and athletic activities where the principal purpose is for publicity or public relations and employee benefits are only incidental. Such amounts shall be included in Item 2(i).

(d) **Interest on deposits.** Include interest on all deposits.

(e) **Interest on borrowed money.**

(1) Include all interest and discount on bills payable, rediscounts, securities sold under repurchase agreements, unsecured notes payable, and other instruments issued for the purpose of borrowing money, including the cost of Federal funds purchased from other banks.

(2) Do not include interest on mortgages on bank premises. Such interest shall be included in Item 2(g).

(f) **Interest on capital notes and debentures.**

(1) Include all interest on capital notes and debentures.

(2) Amortization of premium or discount shall be deducted from or included in the amount reported.

(3) Do not include premium or discount paid or realized on retirement of such securities. Such amounts shall be reported in Item 7(d) or 6(d).

(g) **Net occupancy expense of bank premises.** Include the net expense (or net income) of bank premises as shown in Schedule VIII. If a net income, the figure shall be shown in parenthesis.

(h) **Equipment expenses.**

(1) Include normal and recurring depreciation charges; rental costs of office machines and tabulating and data processing equipment; and ordinary repairs to furniture and office machines, including servicing costs. The amount applicable to depreciation charges shall be shown in parenthesis.

(2) Include taxes on equipment.

(3) Income from rents received on equipment shall be netted against this item.

(i) Other operating expenses.

(1) Include all operating expenses not reported in Items 2(a) through 2(h).

(2) Include advertising, business promotion, contributions, cost of examinations by supervisory authorities, deposit insurance assessment, fees paid to directors and members of committees, memberships, net cash shortages or overages, operating expenses (except salaries) of "Other real estate owned", postage, premium on fidelity insurance, publicity, retainer fees, stationery and office supplies, subscriptions, taxes not reported against other items, telegrams and cables, telephone, temporary agency help, travel, unreimbursed losses on counterfeits, forgeries, payments over stops, etc.

(3) Deposit insurance assessment expense shall be reported as a net figure—that is, all assessment credits during the period shall be applied against the assessment expense.

(4) Itemize all amounts that represent 25 per cent or more of this item.

(j) **Total operating expenses.** State the sum of Items 2(a) through 2(i).

3. Operating earnings before income taxes. State the difference of Item 1(g) minus Item 2(j).

4. Income taxes applicable to operating earnings.

(a) State the aggregate of Federal and State taxes applicable to operating earnings.

(b) Do not include taxes applicable to nonoperating additions and nonoperating deductions. Such taxes (or tax reductions) shall be reported in Items 6 and 7.

5. Net operating earnings. State the difference of Item 3 minus Item 4.

6. Nonoperating additions.

(a) State separately (1) Net security profits; (2) Transfers from Allowance for Possible Loan Losses; (3) Loan recoveries (not credited to Allowance for Possible Loan Losses); (4) All other nonoperating additions; and (5) Total nonoperating additions.

(b) With respect to each category described in paragraph (a), state the (1) gross amount,

(2) the applicable income taxes, and (3) the net amount.

(c) The term "Allowance for Possible Loan Losses" refers to the account established pursuant to the Treasury tax formula and any additional amount that represents management's judgment as to possible loss or value depreciation.

(d) Profits and losses on sales of securities shall be netted against each other and, if the net result for the reporting period is a profit, such amount should be reported in Item 6(a).

(e) Do not include in "Loan recoveries" recoveries on loans previously charged off to Allowance for Possible Loan Losses that should be credited directly to such allowance.

(f) Include in the item of "All other nonoperating additions" the recoveries of amounts previously reported as charge-offs on securities, net profits on real estate sold, discount realized on retirement of bank's own capital notes and debentures, and other income of a nonoperating nature. Itemize the recoveries of amounts previously reported as charge-offs on securities and any other amount that represents 25 per cent or more of the total of this item.

7. Nonoperating deductions.

(a) State separately (1) Net security losses; (2) Transfers to Allowance for Possible Loan Losses; (3) Loan charge-offs (not charged to Allowance for Possible Loan Losses); (4) All other nonoperating deductions; and (5) Total nonoperating deductions.

(b) With respect to each category described in paragraph (a), state the (1) gross amount, (2) the applicable reduction in income taxes, and (3) the net amount.

(c) The term "Allowance for Possible Loan Losses" refers solely to the account established pursuant to the Treasury tax formula or any additional amount that represents management's judgment as to possible loss or value depreciation.

(d) Profit and losses on sales of securities shall be netted against each other and, if the

net result for the reporting period is a loss, such amount shall be reported in Item 7(a).

(e) Do not include in "Loan charge-offs" losses on loans charged off to Allowance for Possible Loan Losses that should be charged directly to such allowance.

(f) Include in the item of "All other non-operating deductions" the charge-offs on securities, net losses on real estate sold, premium paid on retirement of the bank's own capital notes and debentures, any allowance for secu-

rity losses that represents management's judgment as to the possible loss or value depreciation in the current period, and other charges of a nonoperating nature. Itemize the amounts of charge-offs on securities, any allowance for security losses, and any other amount that represents 25 per cent or more of the total of this item.

8. **Net nonoperating additions (deductions).** State the net of Item 6(e) minus Item 7(e).

9. **Transferred to undivided profits.** State the sum of Items 5 and 8.

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS

Increase (decrease)	Capital notes and debentures	Preferred stock \$ par	Common stock \$ par	Surplus	Undivided profits	Reserve for contingencies and other capital reserves
1. Transferred to undivided profits (from Statement of Income)						
2. Capital notes and debentures, preferred stock, and common stock sold (par or face value)						
3. Stock issued incident to mergers and acquisitions						
4. Premium on capital stock sold						
5. Additions to, or reductions in, surplus, undivided profits, and reserves incident to mergers or acquisitions ¹						
6. Capital stock or capital notes and debentures retired or reacquired (par or face value) ¹						
7. Premium or discount on capital stock retired or reacquired						
8. Cash dividends declared on preferred stock						
9. Cash dividends declared on common stock						
10. Stock issued in payment of stock dividend, _____ shares at par value						
11. All other increases (decreases) ¹						
12. Net increase (decrease) for the year						
13. Balance at beginning of year ²						
14. Balance at end of year						

¹ State separately any material amounts, indicating clearly the nature of the transaction out of which the item arose.

² If the statement is filed as part of an annual or other periodic report and the balances at the beginning of the period differ from the closing balances as filed for the previous fiscal period, state in a footnote the difference and explain.

D. SCHEDULES

SCHEDULE I—U.S. GOVERNMENT OBLIGATIONS AND
OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS

Type and maturity grouping	Principal Amount	Book value ¹
U.S. Government obligations: ²		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total U.S. Government obligations		
Obligations of States and political subdivisions: ^{3 4}		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total obligations of States and political subdivisions		

¹ State briefly in a footnote the basis for determining the amounts in this column.

² Include obligations guaranteed by the United States.

³ Include obligations of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign states.

⁴ State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of securities that are less than "investment grade." If market value is determined on any basis other than market quotations at balance sheet date, explain.

SCHEDULE II—OTHER SECURITIES

Type	Amount	Book value ¹
Obligations of Federal agencies and corporations not guaranteed by the United States		
All other bonds, notes, and debentures ^{2 3}		
Stock of Federal Reserve Bank		
Other stocks ^{2 4}		
Totals		

¹ State briefly in a footnote the basis for determining the amounts shown in this column.

² State in a footnote the aggregate amount and book value of foreign securities included.

³ State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of bonds, notes, and debentures that are less than "investment grade". If market value is determined on any basis other than market quotations at balance sheet date, explain.

⁴ State in a footnote the aggregate market value.

SCHEDULE III—LOANS¹

Type	Book value
Real estate loans: Insured or guaranteed by the U.S. Government or its agencies Other Federal funds sold Other loans to financial institutions Loans for purchasing or carrying securities (secured or unsecured) Commercial and industrial loans Loans to individuals for household, family, and other consumer expenditures All other loans (including overdrafts)	
Total loans Deduct Allowance for Possible Loan Losses (including provision for such losses established pursuant to Treasury tax formula) Loans at amount reported in balance sheet	

¹ If impractical to classify foreign branch and foreign subsidiary loans in accordance with this schedule, a separate caption stating the total amount of such loans may be inserted. Such action should be explained in a footnote.

SCHEDULE IV—BANK PREMISES AND EQUIPMENT

Classification ¹	Gross book value ²	Accumulated depreciation and amortization ^{3 4}	Amount at which carried on balance sheet
Bank premises (including land \$ _____)			
Equipment			
Leasehold improvements			
Totals ⁵			

¹ If impractical to consolidate foreign branch and foreign subsidiary bank premises and equipment in accordance with the breakdown required by this schedule, a separate caption stating the total amount of all such property may be inserted. Such action should be explained in a footnote.

² State briefly in a footnote the basis of determining the amounts in this column.

³ If provision for depreciation and amortization is credited in the books directly to the asset accounts, the amounts for the last fiscal year shall be stated in an explanatory footnote.

⁴ The nature and amount of significant additions (other than provisions for depreciation and amortization) and deductions shall be stated in an explanatory footnote.

⁵ Show in a footnote totals (corresponding to the first two columns) representing amounts reported for Federal income tax purposes.

**SCHEDULE V—INVESTMENTS IN, DIVIDEND INCOME FROM, AND SHARE IN EARNINGS OR
LOSSES OF UNCONSOLIDATED SUBSIDIARIES**

Name of subsidiary	Per cent of voting stock owned	Total investment, including advances	Equity in underlying net assets at balance sheet date ¹	Amount of dividends ²	Bank's proportionate part of earnings or loss for the period
Totals		\$	\$	\$	\$

¹ Equity shall include advances reported in preceding column to the extent recoverable.

² In a footnote state as to any dividends other than cash, the basis on which they have been reported as income. Also, if any such dividend received has been credited to income in an amount differing from that charged to surplus and/or undivided profits by the disbursing subsidiary, state the amount of such difference and explain.

SCHEDULE VI—"OTHER" LIABILITIES FOR BORROWED MONEY

Item	Amount
Federal funds borrowed Borrowings from Federal Reserve Bank Repurchase agreements Unsecured notes payable within 1 year Unsecured notes payable after 1 year Other obligations	
Total	

SCHEDULE VII—ALLOWANCE FOR POSSIBLE LOAN LOSSES

Item	Amount set up pursuant to Treasury tax formula	Other amount ¹
Balance at beginning of period		
Recoveries credited to Allowance		
Additions due to mergers and absorptions ²		
Transfers to Allowance (Item 7(b) of Statement of Income)		
Totals		
Losses charged to Allowance		
Transfers from Allowance (Item 6(b) of Statement of Income)		
Balance at end of period ³		

¹ Do not include any provision for possible loan losses that the bank establishes as a precautionary measure. Include only any provision that (1) has been established through a charge against income, (2) represents management's judgment as to possible loss or value depreciation, and (3) is in excess of the provision taken under the Treasury tax formula.

² Describe briefly in a footnote any such addition.

³ Describe briefly in a footnote the basis used in computing the amount accumulated in the Allowance at the end of the period. State the amount that could have been deducted for Federal income tax purposes if such amount is in excess of the amount provided by the bank pursuant to the Treasury tax formula.

SCHEDULE VIII—OCCUPANCY EXPENSE OF BANK PREMISES¹

Item	Amount
Salaries and wages ²	
Bonuses and profit sharing ³	
Pension, social security, and other employee benefits ³	
Depreciation of bank premises ⁴	
Amortization of leasehold improvements ⁴	
Rent expense	
Real estate taxes	
Interest on mortgages on bank premises owned	
Other operating expenses	
Total	
Less rental and other income	
Net occupancy expense	

¹ Report all expenses incurred in the operation and maintenance of bank premises. Include income and expenses of bank premises subsidiaries consolidated less minority interests.

² Include salaries and wages of officers and employees who devote the major portion of their time to the operation of bank premises.

³ Include only amounts applicable to those officers and employees who devote the major portion of their time to the operation of bank premises.

⁴ State parenthetically amounts taken for Federal income tax purposes.