

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8346
May 15, 1978

REVISED REPORTS OF CONDITION AND INCOME

*To All State Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

Following is the text of a statement issued by the Board of Governors of the Federal Reserve System announcing changes in the Reports of Condition and Income:

The Federal bank regulatory agencies today [May 8] announced changes in their financial reporting requirements designed chiefly to provide more detailed information on the foreign operations of U.S. banks with offices abroad.

The revisions announced today affect the reports of condition and income (the "call" report) made quarterly to regulators for supervisory purposes.

The revisions become effective with the December 1978 reports.

The present changes are the latest in a major overhaul of the call report by the Federal regulators. Previous revisions became effective early in 1976.

The current revision, like those before it, is intended:

- to increase the effectiveness of bank supervision;
- to make available more information about domestic and foreign commercial bank operations while improving the quality of the information;
- and, where possible, to simplify bank reporting requirements.

All call report information is available to the public upon request.

The revisions reflect public comment on changes proposed last October. Call reports are made by national banks to the Office of the Comptroller of the Currency, by State chartered member banks to the Federal Reserve Board and by State chartered banks that are not members of the Federal Reserve System to the Federal Deposit Insurance Corporation.

The three agencies are now developing a simplified report of condition for small banks, to be implemented in 1979.

The present changes are meant chiefly to provide more information on the foreign operations of some 150 U.S. banks that have foreign offices. A number of the changes would also affect any bank with \$300 million or more in [total] assets. Banks below that size are affected by some relatively minor changes and by certain reductions in reporting requirements.

For banks with foreign offices, the principal features of the latest revisions are:

- A sharper focus on the bank as a whole, including both its domestic offices and its foreign offices;
- Provision of separate information on the foreign office and domestic office components of the fully consolidated statements;
- Provision of selected information distinguishing between domestic and foreign customers of the bank.

(Over)

Further, all banks with \$300 million or more assets will be required to provide more detailed information on short-term money market transactions.

All banks will be required to meet new standards for placing delinquent assets on a non-accrual basis, and to furnish some new information, including a daily average of their total assets and separate reporting of their holdings of commercial paper (promissory notes of corporations).

For banks with less than \$300 million assets there is a net reduction in reporting requirements, with the elimination of detailed reporting of transactions in certain money market instruments and simplified reporting of miscellaneous assets and liabilities.

A detailed description of the current call report changes is being mailed to all banks. This is available upon request.

Copies of the revised forms and instructions will be sent to all State member banks as soon as they become available. Any questions regarding this matter may be directed to our Banking Studies Department (Tel. No. 212-791-5904).

PAUL A. VOLCKER,
President.