

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 7842 ]  
March 18, 1976

LARGE BANK SUPPLEMENTS TO THE REPORTS OF CONDITION AND INCOME

To the Chief Executive Officer of All State Member Banks in the  
Second Federal Reserve District with Assets of \$300 Million or More:

Following is the text of a statement issued March 10 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today announced details of a four-part report that must be filed by large State member banks to supplement the basic quarterly financial reports required of all Federally regulated banks.

The four "large bank supplements" comprise an extension of the current overhaul of financial reporting to Federal regulators by banks, effective with reports for March 31, 1976. One principal objective of the revision is to provide the public with improved information as to the financial condition of banks. All parts of the revised reports, including the large bank supplements, will be available to the public upon request.

On December 17, 1975, the Board, together with other Federal bank regulatory agencies, announced changes to be required this year in the two basic financial reports the banks make to Federal regulators: the Report of Income and the Report of Condition.

The supplements to these two reports announced today, effective with reports for March 31, 1976, apply to all State member banks with domestic and foreign assets at the end of 1975 of \$300 million or more. The Comptroller of the Currency, supervisor of national banks, and the Federal Deposit Insurance Corporation, which supervises Federally insured State nonmember banks, are requiring identical supplementary reports from banks reporting to them with domestic and foreign assets of \$300 million or more.

Examples of the forms that will be used in filing the supplements are being sent to the chief executive officer of each State member bank affected.

The large bank supplements announced today cover the following areas of information on banks' financial condition and operations:

(a) *Remaining maturities of specified types of loans*

Information on the length of time five types of loans have yet to run before the loans are due to be paid off. This includes four types of loans at domestic offices—construction and land development loans secured primarily by real estate except 1-to-4 family residential property; commercial and industrial loans; and, other loans except loans to individuals and on 1-to-4 family residences—and loans at the bank's foreign offices and at its Edge Act and Agreement subsidiaries.<sup>1</sup> Information is also required on the amount of loans whose interest rates are linked to the prime or other money market rates and the amounts not so linked.

(b) *Maturity distribution of deposits*

This supplement requires information on time certificates of deposits of \$100,000 or more issued by domestic offices and on total interest-bearing deposits in foreign offices, showing separately for each the amounts of such deposits that will mature in three months or less; three months to six months; six months to one year; and, over one year.

(c) *Securities held in trading accounts in domestic offices*

This report requires information on the current amount as of the date of the report, and also on the daily average for the period reported on, of the large banks' holdings in their trading accounts of four groups of securities: U.S. Treasury securities; other U.S. obligations of other U.S. Government agencies and corporations; obligations of States and political subdivisions; and other bonds, notes and debentures.

<sup>1</sup> Edge Act Corporations are Federally chartered corporations authorized to engage in international or foreign banking or other international or foreign financial operations. Agreement Corporations are State chartered companies organized to conduct an international banking business, in which a national bank is permitted to invest pursuant to an agreement with the Federal Reserve Board concerning the company's activities.

(OVER)

(d) *Summary loan loss experience and reserve for possible loan losses*

Information is required on loan loss reserves at the beginning and end of the reporting period; changes during the period incident to mergers and absorptions; provisions for loan losses; and, charge-offs and recoveries during the period for specified classes of loans at domestic offices and for loans at foreign offices.

The large bank supplements announced today were developed following a proposal for supplementary large bank reporting published for comment on October 1, 1975. Some additions to the large bank supplements may be announced at a later time following further discussion with the Securities and Exchange Commission. As announced earlier, the Federal bank regulatory agencies will also introduce later this year a fully consolidated (foreign and domestic office) condition statement and also subsidiary condition and income reports to provide breakdowns between domestic and foreign operations.

A copy of the reporting forms is available upon request.

A copy of the reporting form that will be used in filing the large bank supplements has been sent to the chief executive officer of each State member bank in the Second Federal Reserve District with assets of \$300 million or more. Copies of these forms will be furnished to others upon request directed to our Banking Studies Department.

PAUL A. VOLCKER,  
*President.*