

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10289**]
March 16, 1989]

REGULATION H

— Amendment Regarding Public Access to Financial Information

— Technical Amendments Regarding Call Report Publication Requirements

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

The Board of Governors of the Federal Reserve System has issued (1) an amendment to Regulation H, effective April 1, that will facilitate public access to financial information affecting State member banks and U.S. branches and agencies of foreign banks; and (2) three technical amendments to Regulation H regarding Call Report publication requirements, effective March 1, 1989.

Following is the text of the statement issued by the Board of Governors regarding the April 1 amendment:

The Federal Reserve Board has approved an amendment to Regulation H (Membership of State Banking Institutions in the Federal Reserve System) to facilitate public access to financial information regarding State member banks and U.S. branches and agencies of foreign banks.

The amendment to Regulation H requires that banks make available to shareholders and the public, upon request, one free copy of the full year-end Reports of Condition and Income ("Call Reports") for the preceding two years or, as a substitute, other specified financial reports which are routinely prepared by banks and that contain information equivalent to that presented in Call Reports.

The amendment requires State-licensed agencies of foreign banks and State-licensed branches of foreign banks that are not insured by the Federal Deposit Insurance Company to make available, upon request, one free copy of three specified schedules from the two most recent year-end Reports of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks.

Covered institutions must provide the information as soon as is reasonably possible but not later than April 1 of the year immediately following the end of the year to which the most recently available information pertains. Covered institutions must notify shareholders and the public of the availability of the information.

The amendment takes effect April 1, 1989.

Enclosed — for depository institutions and branches and agencies of foreign banks in this District, and others who maintain sets of the Board's regulations — is the text of the amendments, which have been reprinted from the *Federal Register*. Copies of the enclosure will be furnished to others upon request directed to the Circulars Division of this Bank (Tel. No. 212-720-5215 or 5216). Questions regarding the amendments may be directed to our Supervision Support Division (Tel. No. 212-720-1377).

E. GERALD CORRIGAN,
President.

Board of Governors of the Federal Reserve System

MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

AMENDMENTS TO REGULATION H

(Revised effective March 1, 1989 and April 1, 1989)

12 CFR Part 208

[Regulation H; Docket No. R-0659]

Membership of State Banking Institutions in the Federal Reserve System; State Member Bank Call Report Publication Requirements

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is adopting three technical amendments to its Regulation H. The first change makes it clear that, if a state member bank has filed its Report of Condition and Income ("Call Report") electronically, the signatures on the published copy of the Call Report must be the same as the signatures on the hard copy retained in the bank's files. The second change replaces the current requirement that a state member bank submit a certification of publication to its Reserve Bank with a requirement that it retain a copy of its published Call Report in its files and make it available to examiners upon request. The last change deletes outdated references in Regulation H to a report form concerning state member bank affiliates.

EFFECTIVE DATE: March 1, 1989.

FOR FURTHER INFORMATION CONTACT: Rhoger H. Pugh, Manager (202/728-

5883), Division of Banking Supervision and Regulation; for users of the Telecommunications Device for the Deaf (TDD) only, Earnestine Hill or Dorothea Thompson (202/452-3544); Board of Governors of the Federal Reserve System, 20th and Constitution Avenue NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: In order to reduce processing time and expense as well as paperwork burdens, the federal banking regulations allow banks to file their Call Reports electronically provided the banks retain a signed hard copy of each Call Report submitted in electronic form. This policy has rendered certain Call Report publication requirements contained in the Board's Regulation H (12 CFR Part 208) contradictory or inappropriate. The Board is adjusting the publication requirements and related provisions in its Regulation H to account for its electronic submission of the Call Report.

Currently, § 208.10(a)(3) of Regulation H requires that all signatures in the published copy of a state member bank's Call Report be the same as those on the original Report filed with its Federal Reserve Bank although the signatures on the printed statement may be typewritten or otherwise copied. Because the electronic copy of the Call Report does not have actual signatures, a state member bank filing

electronically cannot technically satisfy this requirement. Therefore, the Board is amending § 208.10(a) to require that, in the case of a state member bank filing its Call Report electronically, the signatures in the published copy be the same as those on the hard copy of the Call Report retained by the state member bank.

Currently, § 208.10(a)(4) of Regulation H requires that each state member bank must submit to its Federal Reserve Bank a copy of the published Call Report attached to a certificate of publication. This submission is used to ensure that each state member bank publishes its Call Report as required. The published copy is in a form prescribed or endorsed by the Federal Reserve and duplicates the original copy (either in electronic copy or hard copy form) which each state member bank must submit to its Federal Reserve Bank. To reduce the burden caused by duplicative filings, both hard copy and electronic copy, the Board is deleting the requirement that banks must submit the published version of their Call Reports and to replace it with a requirement that each state member bank retain a copy of the published Call Report in its files to be made available to examiners upon request.

Currently, § 208.10(b)(2) and (3) of Regulation H specifies that published reports of affiliates should appear, when

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For this Regulation to be complete, retain:

- 1) Regulation H Pamphlet, as amended, effective January 1, 1988.
- 2) Amendment effective November 9, 1987.
- 3) Guidelines for Maintaining Compliance with the Bank Secrecy Act (*available on request*).
- 4) Risk-Based Capital Guidelines, effective March 15, 1989 (54 FR 4186; Jan. 27, 1989).
- 5) This slip sheet.

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requested by the Board, on information collection forms that have expired. The Board is removing references to the obsolete forms.

Regulatory Flexibility Act Analysis

Pursuant to section 605(b) of the Regulatory Flexibility Act (Pub. L. No. 96-354, 5 U.S.C. 601 *et seq.*), the Board certifies that the amendments would not have a significant economic impact on a substantial number of small entities. The amendments simplify or reduce certain regulatory burdens for all depository institutions and have no particular effect on other small entities.

List of Subjects in 12 CFR Part 208

Membership, Banks, Accounting, Confidential business information, Federal Reserve System, Reporting and recordkeeping requirements, Securities, Disclosures of financial information.

Pursuant to the Board's authority under section 9 of the Federal Reserve Act, 12 U.S.C. 321 *et seq.*, the Board is amending 12 CFR Part 208 as follows:

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

1. The authority citation for 12 CFR Part 208 continues to read as follows:

Authority: Sections 9, 11(a), 11(c), 19, 21, 25, and 25(a) of the Federal Reserve Act, as amended (12 U.S.C. 321-338, 248(a), 248(c), 461, 481-486, 601, and 611, respectively); sections 4 and 13(j) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1814 and 1923(j), respectively); section 7(a) of the International Banking Act of 1978 (12 U.S.C. 3105); sections 907-910 of the International Lending Supervision Act of 1983 (12 U.S.C. 3906-3909); sections 2, 12(b), 12(g), 12(i), 15B(c)(5), 17, 17A, and 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78b, 78/(b), 78/(g), 78/(i), 78o-4(c)(5), 78q, 78q-1, and 78w, respectively); and section 5155 of the Revised Statutes (12 U.S.C. 36) as amended by the McFadden Act of 1927.

2. Section 208.10(a)(3) is amended by changing the words "(Form FR 105a)" to read "(Forms FFIEC 031-034)" and by revising the last sentence to read as follows:

§ 208.10 [Amended]

- (a) * * *
- (3) * * * All signatures shall be the same in the published statement (although they may be typed or otherwise copied on the report for publication):

(i) As in the original report submitted to the Federal Reserve Bank if the bank does not submit its report of condition electronically, or

(ii) As retained in the bank's files in hard copy if the bank has filed its report of condition electronically. The hard copy retained in the bank's file must be made available to examiners upon request.

* * * * *

3. Section 208.10(a)(4) is revised to read as follows:

(a) * * *

(4) A copy of the printed report shall be retained in the bank's files and made available to examiners upon request.

* * * * *

4. Section 208.10(b) is amended by removing the first sentence in paragraph (2) and removing the words "attached to the certificate on Form FR 220a" at the end of paragraph (3).

By order of the Board of Governors of the Federal Reserve System, February 13, 1989.

William W. Wiles,

Secretary of the Board.

[FR Doc. 89-3713 Filed 2-16-89; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Part 208

[Regulation H; Docket No. R-0636]

Membership of State Banking Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System is amending Regulation H, 12 CFR Part 208. The purpose of the amendment is to make available to the public information regarding the financial condition of state member banks and U.S. branches and agencies of foreign banks. The amendment requires state member banks to make available to shareholders and any member of the public, upon request, information regarding each such bank's financial condition in the form of the bank's two most recent year-end Reports of Condition and Income ("Call Reports") (OMB No. 7100-0036). As alternatives to furnishing the Call Reports, at each bank's option, persons requesting such information may be given one of the following: (1) Specified schedules from the two most recent year-end Call Reports; (2) in the case of a bank required to file statements and reports pursuant to Regulation H, a copy of the bank's annual report to shareholders for meetings at which directors are elected; (3) copies of independently audited financial statements (accompanied by a copy of the certificate or report of the independent accountant) if they contain information comparable to that presented in the two most recent year-end Call Report schedules specified for alternative (1) above; or (4) in the case of a state member bank that is the only bank subsidiary of a bank holding company, that is majority owned by that bank holding company, and that has assets equal to 95 percent or more of the bank holding company's consolidated total assets; (A) A copy of the annual report of the one-bank holding company prepared in conformity with the regulations of the Securities and Exchange Commission ("SEC"); or (B) if the holding company has assets of \$150

million or more, copies of those portions of the bank holding company's two most recent year-end Form FR-Y-9C, "Consolidated Financial Statements for Bank Holding Companies with Total Consolidated Assets of \$150 Million or More, or With More Than One Subsidiary Bank" (OMB No. 7100-0128), that are comparable to the Call Report schedules specified for alternative (1) above.

The amendment also requires state licensed agencies of foreign banks and state licensed branches of such banks that are not insured by the Federal Deposit Insurance Corporation to make available, upon request, the following schedules from the two most recent year-end Reports of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks ("Foreign Branch and Agency Call Reports") (OMB No. 7100-0032): Schedules RAL (Assets and Liabilities), E (Deposit Liabilities and Credit Balances), and P (Other Borrowed Money).

DATE: This amendment shall be effective April 1, 1989.

FOR FURTHER INFORMATION CONTACT:

For further information, contact Stephen L. Siciliano, Special Assistant to the General Counsel for Administrative Law, Legal Division (202/452-3920), Frederick M. Struble, Associate Director, Division of Banking Supervision and Regulation (202/452-3794), Rhoger H. Pugh, Manager, Policy Development Section, Division of Banking Supervision and Regulation (202/728-5883), Peggy S. Scarborough, Financial Analyst, Division of Banking Supervision and Regulation (202/452-2538) or Elizabeth Thede, Attorney, Legal Division (202/452-3274); or for the hearing impaired *only*: Telecommunication Device for the Deaf, Earnestine Hill or Dorothea Thompson (202/452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: The amendment to Regulation H requires state member banks to make available annually, upon request, specified financial information to shareholders and members of the public.

The Federal Deposit Insurance

Corporation ("FDIC"), on December 17, 1987, adopted a final regulation requiring state-chartered banks that are not members of the Federal Reserve System to prepare annual disclosure statements that are to be made available to the public upon request. The Office of the Comptroller of the Currency adopted a final regulation similar to the FDIC's but applicable to national banks on February 10, 1988. The regulations of both agencies also apply to U.S. branches and agencies of foreign banks that are regulated by those agencies.

This amendment to Regulation H requires a state member bank to make available its most recent year-end Call Report together with its Call Report for the prior year end. Alternatively, a state member bank may fulfill the disclosure requirement of the amendment by making available: (1) Certain specified schedules from its two most recent year-end Call Reports; (2) in the case of a bank required to file statements and reports pursuant to Regulation H, a copy of the bank's annual report to shareholders for meetings at which directors are elected; (3) copies of independently audited financial statements (accompanied by a copy of the certificate or report of the independent accountant) if they contain information comparable to that presented in the two most recent year-end Call Report schedules specified for alternative (1) above; or (4) in the case of a state member bank that is the only bank subsidiary of a bank holding company, that is majority owned by that bank holding company, and that has assets equal to 95 percent or more of the bank holding company's consolidated total assets, the bank holding company's annual reports filed with the SEC or, if the holding company has assets of \$150 million or more, certain information from its two most recent year-end consolidated financial statements filed with the Board pursuant to Regulation Y.

The amendment also requires state licensed agencies of foreign banks and state licensed branches of such banks that are not insured by the FDIC to make available, upon request, Schedules RAL (Assets and Liabilities), E (Deposit Liabilities and Credit Balances), and P

(Other Borrowed Money) from their two most recent year-end Foreign Branch and Agency Call Reports.

State member banks and Board-regulated U.S. branches and agencies of foreign banks must inform persons receiving information pursuant to the amendment that the Federal Reserve System is not responsible for the accuracy or completeness of such information. The Board notes, however, that state member banks are required to prepare the Call Reports by 12 U.S.C. 324 and § 208.10 of Regulation H (12 CFR 208.10), that U.S. branches and agencies of foreign banks are subject to the reporting requirements of 12 U.S.C. 3105(b), and that the filing of false reports with an agency of the United States is a federal crime (18 U.S.C. 1001, 1005). The content and accuracy of reports to shareholders and of audited financial statements are adequately addressed by other federal and state laws.

The purpose of the amendment is to make available to the public information regarding the financial condition of state member banks and U.S. branches and agencies of foreign banks. The information made available pursuant to this amendment will most likely be of particular interest to shareholders and to persons doing business with such institutions. The amendment addresses only the disclosure to the public of the documents identified in § 208.17 (d) and (e). The amendment does not address the disclosure obligations of banks and bank holding companies under federal and state securities laws. The amendment is not intended to affect the legal rights of shareholders and other persons under state and federal laws or contractual obligations between banks and other persons. The amendment is also not intended to create a private right of action against any institution disclosing documents pursuant to this provision, and the Board has added a provision to the proposed amendment to this effect.

On May 27, 1988 (53 FR 19308), the Board issued for comment the proposed amendment to Regulation H. In response to this request for comments, the Board received 26 public comments from interested individuals and organizations. The comments the Board received on the proposed amendment were largely unfavorable. Many commentators focused on the cost of such additional regulation, especially to small banks. The commentators argued that even if the amendment is not in itself prohibitively expensive to small banks, the amendment, when coupled with those requirements already in

effect or being implemented, would create a heavy burden on small banks. Commentators stated that the cost of compliance will put affected banks at a competitive disadvantage relative to other financial institutions. One trade association contended that financial disclosures will not benefit depositors since depositors know that their deposits are FDIC-insured and that, in any case, regulators do not allow large banks to fail. Disclosure of troubled finances of small banks could, however, heighten concerns of depositors whose deposits are not completely insured.

The Board does not believe that increased public access to this information will have such ill effects. The information required to be disclosed under the amendment is information that is presently prepared by banks and that is publicly available and routinely disclosed upon request pursuant to the Freedom of Information Act (5 U.S.C. 552) and the Board's regulations implementing that Act. The amendment simply increases the ease with which the public can access the information. Instead of having to locate the relevant bank regulator and ascertain the appropriate means of filing a request for information, the public will be able to go directly to the bank for the information.

The Board also believes that commentators' concerns about the burden that this amendment will impose, particularly on small banks, are unfounded. The Board has structured the amendment to facilitate the disclosure of information that is properly in the public domain in a manner that imposes the least possible burden on state member banks and other covered institutions. Covered institutions would not be required to prepare new reports, but only to make available upon request reports or other financial information that they already prepare. State member banks presently are required to publish the balance sheet portion of their Call Reports pursuant to § 208.10 of Regulation H.

Several commentators recommended that banks be allowed to pass reproduction costs on to requestors of the information. The final rule clarifies the Board's position on whether banks may charge a copying fee by requiring banks to provide one free copy to each requestor of the document the bank has chosen to disclose. The Board believes that providing a free copy best comports with the underlying principle behind the amendment, which is to provide easy access to financial information about banks. The Board does not believe that the assumption of this cost will be too onerous a burden for banks. Limiting the

number of free copies the bank must provide to one free copy per requestor ensures that no requestor can abuse this requirement by submitting requests for multiple copies. Should the reproduction cost prove unexpectedly burdensome on banks, the Board would be amenable to reconsidering its position on copying fees.

The amendment also requires banks and other covered institutions to notify shareholders and the public of the availability of these reports. In the case of shareholders, the amendment specifies that notification be made in the form of a written announcement that may be included with the notice of the annual shareholders' meeting. In the case of the public, the amendment does not specify the means to be used to provide notification, but only requires that the means be "reasonable." Several commentators asserted that the cost of mailing notices to the general public may be very high and urged that the proposed amendment be revised to indicate that banks can comply with the requirement by making the required information available on bank premises. It is the Board's intent to be flexible on the means a bank may choose to satisfy this notification requirement. For example, if a bank views mailing notices to all members of the community as too costly, the bank may post a notification in its lobby. If a bank finds that it has too great a proliferation of lobby notifications already, it may satisfy the requirement by passing out brochures, by leaving brochures at a convenient place in the lobby, by publication in a newspaper of general circulation, or by other means. In sum, the Board will view as reasonable any means that transmits to the public, particularly the public that does business with the institution, that such information is available. The final rule has been modified to provide that the notification to the public, as well as the notification to shareholders, must state that one copy of the information is available free of charge upon request.

Several commentators also expressed concern about the proposed requirement that banks provide the information "as soon as it becomes available." One trade association indicated that this language might force banks to release information before having a chance to prepare it for public release. The trade association also stated that, by requiring banks to choose which report to release on the basis of which report was available first, this language might effectively preclude the choice the amendment provides banks about which form of information to release. Finally,

the trade association argued that banks should be permitted to mail a disclosure statement within a reasonable time period after the information is requested to enable banks to utilize central distribution centers.

The final rule has been modified to address these concerns. The final rule makes it clear that a bank need not determine which information to release on the basis of which information is available first. A bank can release any document satisfying one of the amendment's options, so long as the bank releases the document as soon as is reasonably possible but not later than April 1. The Board intends the April 1 cut-off date to strike a balance between ensuring that banks are reasonably able to select among the disclosure options provided in the amendment and ensuring that the public obtains reasonably current information regarding the bank's condition. Nothing in the final rule prevents banks from utilizing central distribution centers.

One commentator stated that banks should be able to disclose additional materials along with the materials the amendment requires. The Board notes that the amendment identifies specific information that covered institutions must disclose. The Board has no objection to disclosure of additional information so long as the information helps the public to understand the information that the bank or other covered institution is required to disclose, and does not mislead the public as to the financial condition of the institution. A bank could, for example, include a narrative statement describing the disclosed items. A bank could also provide quarterly disclosures along with the annual disclosures required by this amendment. In addition, a state licensed agency of a foreign bank could provide information on the financial condition of the foreign bank.

In response to a suggestion from a commentator, the Board's final rule exempts bankers' banks from the general public disclosure requirements on the grounds that such requirements are unnecessary in light of the unique purpose and function of bankers' banks. Congress has recognized the unique character of bankers' banks by exempting them from the Community Reinvestment Act's disclosure requirements. The final rule continues to require bankers' banks to comply with the shareholder disclosure requirements.

One trade association suggested that the amendment carry a two-year sunset provision to ensure that the Board will reevaluate the proposal. The Board regards a sunset provision as unnecessary. The Board can reexamine

the amendment at any time, and interested members of the public can petition for reexamination at any time.

List of Subjects in 12 CFR Part 208

Membership, Banks, Accounting, Confidential business information, Federal Reserve System, Reporting and recordkeeping requirements, Securities, Disclosures of financial information.

For the reasons set out in this notice, and pursuant to the Board's Authority under section 11 of the Federal Reserve Act of 1913, as amended (12 U.S.C. 248), and section 7 of the International Banking Act of 1978 (12 U.S.C. 3105(b)), the Board amends 12 CFR Part 208 as follows:

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

1. The authority citation for Part 208 continues to read as follows:

Authority: Sections 9, 11, and 21 of the Federal Reserve Act (12 U.S.C. 321–338, 248, and 486, respectively); sections 4 and 13(j) of the Federal Deposit Insurance Act (12 U.S.C. 1814 and 1823(j), respectively); section 7(a) of the International Banking Act of 1978 (12 U.S.C. 3105); sections 907–910 of the International Lending Supervision Act of 1983 (12 U.S.C. 3906–3909); sections 2, 12(b), 12(g), 12(i), 15B(c)(5), 17, 17A, and 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78b, 78/(b), 78/(g), 78/(i), 780–4(c)(5), 78q, 78q–1, and 78w, respectively); and section 5155 of the Revised Statutes (12 U.S.C. 36) as amended by the McFadden Act of 1927.

2. Section 208.17 is added to read as follows:

§ 208.17 Disclosure of financial information by state member banks.

(a) *Purpose and scope.* The purpose of this section is to facilitate the dissemination of publicly available information regarding the financial condition of state member banks, state licensed agencies of foreign banks, and state licensed branches of foreign banks that are not insured by the Federal Deposit Insurance Corporation. This section requires all state-chartered banks that are members of the Federal Reserve System and all other covered institutions:

(1) To make year-end Call Reports or Reports of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks or, in the case of state member banks, other alternative financial information, available to shareholders, customers, and the general public upon request; and

(2) To advise shareholders and the public of the availability of this information.

This section does not amend or modify the publication requirements of § 208.10, or any other section of this regulation.

(b) *Definitions.* For purposes of this section, the following definitions apply:

(1) "Call Report" means the Consolidated Reports of Condition and Income (OMB No. 7100–0036) filed pursuant to 12 U.S.C. 324 and § 208.10 of this regulation (12 CFR 208.10).

(2) "State member bank" means a bank that is chartered by a State and is a member of the Federal Reserve System.

(3) "Other covered institutions" means state licensed agencies of foreign banks, or state licensed branches of foreign banks that are not insured by the Federal Deposit Insurance Corporation.

(c) *Availability of financial information—(1) Shareholders.* Each state member bank shall advise its shareholders, by a written announcement, which may be included in the notice of the annual shareholders' meeting, that one copy of certain financial information is available free of charge upon request. The announcement shall include, at a minimum, an address or telephone number to which requests may be directed.

(2) *General public.* State member banks and other covered institutions shall use reasonable means at their disposal to advise the public of the availability of information pursuant to this section. Bankers' banks, as defined by the Federal Reserve Act, as amended by the Monetary Control Act of 1980 (Title I of Pub. L. 96–221), and 12 CFR 204.121, are exempt from this requirement. The notification to the public shall state that one copy of the information is available free of charge upon request and state an address or telephone number to which requests may be directed.

(d) *Financial information to be provided by state member banks.* The bank shall have discretion to determine which type of information, identified in this subsection, to release. The bank shall make the information it chooses to release available as soon as is reasonably possible but not later than April 1 of the year immediately following the end of the year to which the most recently available information pertains. State member banks shall fulfill the requirements of this section by providing, upon request, at least one free copy to each requestor of the following information:

(1) Copies of their entire Call Report for the most recent year end and the prior year end, excluding any information for which confidential

treatment is permitted pursuant to the Call Report instructions; or

(2) Copies of only the following schedules from their Call Reports for the most recent year end and the prior year end, excluding any information for which confidential treatment is permitted pursuant to the Call Report instructions:

- (i) Schedule RC (Balance Sheet);
- (ii) Schedule RC-N (Past Due and Nonaccrual Loans and Leases);
- (iii) Schedule RI (Income Statement);
- (iv) Schedule RI-A (Changes in Equity Capital); and
- (v) Schedule RI-B (Charge-offs and Recoveries and Changes in Allowance for Loan and Lease Losses)—Part I may be omitted; or

(3) In the case of a bank required to file statements and reports pursuant to the Board's Regulation H, a copy of the bank's annual report to shareholders for meetings at which directors are to be elected or the bank's annual report; or

(4) In the case of a bank with independently audited financial statements, copies of the audited financial statements and the certificate or report of the independent accountant if such statements contain information for the two most recent year ends comparable to that specified in subsection (d)(2); or

(5) In the case of a bank that is the only bank subsidiary of a bank holding company, that is majority owned by that bank holding company, and that has assets equal to 95 percent or more of the bank holding company's consolidated total assets, a copy of either:

(i) The annual report of the bank holding company prepared in conformity with the regulations of the Securities and Exchange Commission; or

(ii) If the holding company has consolidated assets of \$150 million or more, the sections in the bank holding company's consolidated financial statements for the most recent year end and the prior year end on Form FR-Y-9C ("Consolidated Financial Statements for Bank Holding Companies With Total Consolidated Assets of \$150 Million or More, or With More Than One Subsidiary Bank" (OMB No. 7100-0128)) prepared pursuant to the Board's Regulation Y, and comparable to the Call Report schedules enumerated in paragraph (d)(2) of this section.

(e) *Financial information to be provided by other covered institutions.* Other covered institutions shall fulfill the requirements of this section by providing, upon request, at least one free copy to each requestor of the following schedules from the Report of Assets and Liabilities of U.S. Branches and

Agencies of Foreign Banks (OMB No. 7100-0032) for the most recent year end and the prior year end:

- (1) Schedule RAL (Assets and Liabilities);
- (2) Schedule E (Deposit Liabilities and Credit Balances);
- (3) Schedule P (Other Borrowed Money).

The institution shall make the information available as soon as is reasonably possible but not later than April 1 of the year immediately following the end of the year to which the most recently available information pertains.

(f) *Disclaimer.* The following legend shall be included with any financial information provided pursuant to this section: "This financial information has not been reviewed, or confirmed for accuracy or relevancy, by the Federal Reserve System."

(g) This section is not intended to create a private right of action against any institution disclosing documents pursuant to this section.

Board of Governors of the Federal Reserve System.

February 1, 1989.

William W. Wiles,
Secretary of the Board.

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