

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARDSeptember 20, 1935  
B-1100SUBJECT: Call Reports of State Bank Members  
and their affiliates.

Dear Sir:

There have been forwarded to you today under separate cover the indicated number of copies of the six forms attached hereto, for the use of State bank members and their affiliates in submitting reports as of the next call date:

<u>Number of copies</u>	<u>Form</u>
	Form 105, Report of condition of State bank member.
	Form 105b (Schedule "0"), Loans and advances to affiliates and investments in and loans secured by obligations of affiliates.
	Form 105e, Publisher's copy of report of condition of State bank member.
	Form 220, Report of affiliate or holding company affiliate.
	Form 220a, Publisher's copy of report of affiliate or holding company affiliate.
	Form 220b, Instructions for preparation of reports of affiliates and holding company affiliates.

It will be noted that a new form, 105e, has been provided in view of the requirements of Section 9 of the Federal Reserve Act, as amended by

Section 320 of the Banking Act of 1935, that condition reports rendered by State bank members to their respective Federal Reserve banks shall be published. The instructions on the reverse side of Form 220a have been amended so as to provide that reports of affiliates shall be published under the same conditions as the reports of condition rendered by State bank members to their respective Federal Reserve banks, and Form 220b has been revised in view of the amendments to the law which modify the definition of holding company affiliates and authorize the Board of Governors of the Federal Reserve System in certain cases to waive reports of affiliates.

Please hold the forms at your bank until receipt of telegraphic advice from the Board giving the date on which the forms should reach State bank members in your district. Upon receipt of such advice please arrange to mail to each State bank member, scheduled so as to reach the bank as nearly as practicable on the date given in the Board's telegraphic advice, three copies of Form 105, two copies of Form 105e, and an appropriate number of copies of Forms 105b, 220, 220a and 220b, with the request that the forms be held pending the receipt of a call for reports thereon. Please include in your letter to State bank members the instructions pertaining to the preparation of reports contained in the accompanying inclosure.

Please furnish the Board with a copy of the letter transmitting the forms to State bank members, a copy of the letter calling for reports, and a list of the State bank members on which the call is made.

The original copies of reports on Forms 105, 105b and 220 should be retained for the files of your bank, while the duplicate copies thereof and reports on Forms 105c and 220a should be forwarded to the Board.

B-1100

The reports of condition should be examined and compared with the reports for the preceding call in accordance with past procedure and any necessary corrections obtained, if practicable, before the reports are forwarded to the Board. Schedule O (Form 105b) should be compared with reports of affiliates on Form 220 to determine whether all reports of affiliates, except those waived by the provisions printed on Form 220b, have been received. Corrections should be clearly indicated on the copies of the reports and schedules forwarded to the Board, with an indication of the authority for the corrections and the initials of the person at your bank who makes them. When necessary to make clear the nature of the correction, a copy of the member bank's letter authorizing the correction should be furnished the Board.

The printed copies of reports of State bank members and their affiliates, clipped from the newspapers and attached to the reverse side of Forms 105e and 220a, should be carefully examined to see that they agree with the face side of the official reports rendered on Forms 105 and 220, respectively. As indicated by the instructions printed on the reverse side of Form 220a, every item on the face of that form must appear in the published statement, whether or not an amount is shown therefor. In the bank's own published statement (Form 105e), however, items for which no amounts are reported need not be printed. If the published statement of a State bank member or of an affiliate is not complete or differs from the official report otherwise than as referred to above, it may be necessary to have the report republished in amended form. Until further notice, however, this should not be required until the matter is called to the Board's attention.

Under the terms of Section 301 of the Banking Act of 1935 organizations which own or control the stock of member banks, but which have been determined by the Board not to be engaged as a business in holding such stock, are not holding company affiliates, except for the purposes of Section 23A of the Federal Reserve Act. Consequently, they are not subject to the requirement of reports, but they should nevertheless be listed by the member bank on Schedule O. The action to be taken in order to have it determined whether an organization is engaged as a business in holding the stock of banks has been stated in the Board's telegram, TRANS 2305, of September 16, 1935.

If you are satisfied that additional time is needed for the preparation of the report of any affiliate, either on the next or on future calls, you are authorized on behalf of the Board of Governors of the Federal Reserve System to grant an extension of not to exceed 20 days, in addition to the original period of 10 days from the receipt by the member bank of the call for the report. Please furnish the Board with a copy of each letter granting an extension of time.

It is requested that, as soon as practicable after the issue of the call, you inform the Board, with respect to each State whose capital city lies in your district, whether or not State authorities issued a call for condition reports as of the same date as the call issued by the Board and, if not, the date of the State call nearest thereto. Please furnish the same information regularly hereafter in connection with all future calls for condition reports made upon member banks.

- 5 -

Please have compiled from the next call reports and mailed or wired in time to reach the Board within 3 weeks after the date on which the call is made, if practicable, a summary statement showing separately for central reserve city member banks, reserve city member banks, and country member banks, the amount of (1) each class of loans and discounts as shown against Items 1 to 8 of Schedule E, (2) each class of United States Government obligations, direct and/or fully guaranteed, as shown against items 1(a) to 2(c) of Schedule F, and (3) total other bonds, stocks and securities, as shown against Asset item four (total of Schedule G).

You will note that the face side of Form 105, Condition Report of State Bank Members, remains substantially unchanged from the previous call. In view of the requirement contained in the Banking Act of 1935 that reports of condition of State bank members submitted to the Federal Reserve banks must be published, the Board feels that it may be desirable, as soon as practicable, to modify the face of the condition report in order to make it somewhat more informative to the public. This matter will be given further consideration and you will be advised at a later date of any contemplated changes.

Very truly yours,



L. P. Bethea,  
Assistant Secretary.

Inclosure

TO ALL FEDERAL RESERVE AGENTS

B-1100

Paragraphs to be included in Federal Reserve Agents' letters to  
State Bank Members at time of next call

REPORTS OF CONDITION

A new form, 105e, has been provided in view of the requirements of Section 9 of the Federal Reserve Act, as amended by Section 320 of the Banking Act of 1935, that condition reports rendered by State bank members to their respective Federal Reserve banks shall be published. The regulations of the Board of Governors of the Federal Reserve System governing publication of such reports are printed on the reverse side of the form. Everything printed or reported on the face side of that form beginning with the words "Report of condition of" must be published, except that items for which no amounts are reported may be omitted. Form 105e should be prepared in duplicate; one copy should be given to the printer for publication; the other copy should be sent to this bank, with a copy of the printed statement, clipped from the newspaper, attached to the reverse side thereof.

REPORTS OF AFFILIATES

It will be noted that the forms and instructions relating to reports of affiliates and holding company affiliates have been changed. The changes are due largely to amendments to the law, which modify the definition of holding company affiliates and authorize the Board of Governors of the Federal Reserve System in certain cases to waive reports of affiliates other than holding company affiliates.

Schedule O (Form 105b) is a part of the member bank's own condition report and must be submitted by every State bank member regardless of whether or not it has any affiliate or holding company affiliate. If your bank has

no affiliate or holding company affiliate within the terms of the Banking Act of 1933, as amended, Schedule O should be submitted with the following signed statement on the face thereof:

"This bank (or trust company) has no affiliate or holding company affiliate within the terms of the Banking Act of 1933, as amended."

If your bank has one or more affiliates or holding company affiliates every such affiliate or holding company affiliate should be listed on Schedule O, including such as are inactive or in formal liquidation or receivership, and also including any organizations which under the last paragraph of Section 2(c) of the Banking Act of 1933, added by Section 301 of the Banking Act of 1935, are not holding company affiliates except for the purposes of Section 23A of the Federal Reserve Act.

In addition, reports of all holding company affiliates, as defined in Section 2(c) of the Banking Act of 1933, as amended, must without exception be submitted on Form 220 and published; but as indicated in the preceding paragraph the term holding company affiliate does not include (except for the purposes of Section 23A of the Federal Reserve Act) organizations which have been determined by the Board of Governors of the Federal Reserve System not to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies. Reports on Form 220 are, therefore, not required of such organizations.

Reports of other affiliates, as defined in Section 2(b) of the Banking Act of 1933, as amended, must also be submitted on Form 220 and published, except such as are covered by the waiver which appears on Form 220b. In general terms, this waiver will be found to cover affiliates in which the bank has no substantial financial interest.

Schedule O should be prepared in triplicate; the original and one copy are to be submitted to this bank and the remaining copy is to be retained for your files.

Form 220 should be prepared in quadruplicate; the original and one copy should be sent to this bank, and the remaining copies should be retained by your bank and the affiliate or holding company affiliate.

Henceforth reports of affiliates and holding company affiliates required to be submitted on Form 220 must be published under the same conditions as govern publication of the condition reports submitted by State bank members to the Federal Reserve banks. Instructions for publication will be found on the reverse of Form 220a. Form 220a should be prepared in duplicate; one copy should be given to the printer for publication; the other copy should be sent to this bank, with a copy of the printed statement, clipped from the newspaper, attached to the reverse side thereof. Every item appearing on the form must appear in the published statement, whether or not an amount is shown therefor.

If it is not practicable for you to obtain and transmit to this bank the reports of your affiliates and holding company affiliates, if any, at the same time you transmit the condition report of your bank, i.e., within ten days from receipt of the call for such report, prompt request should be made to the Board of Governors of the Federal Reserve System through this bank for an extension of the time within which to transmit such reports. Such request should set forth the additional time required and the specific reasons why additional time is necessary.