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FEDERAL RESERVE SYSTEM

■

SECURITIES OF MEMBER STATE BANKS

**Proposed Correlation With Regulations
Issued by the Securities and
Exchange Commission**

FEDERAL RESERVE SYSTEM

[12 CFR Part 206]

[Reg. F]

SECURITIES OF MEMBER STATE BANKS

Notice of Proposed Rulemaking

FEBRUARY 21, 1975.

Pursuant to its authority under section 12(i) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78l(i)) (the "Act"), the Board of Governors proposes to revise its regulations in order that they will be substantially similar to comparable rules and regulations issued by the Securities and Exchange Commission.

On October 8, 1974, the President signed into law the Depository Institutions Amendments of 1974 (Pub. L. 93-495). Section 105(b) of that statute amends section 12(i) of the Act with respect to securities of banks that are regulated by the various Federal bank supervisory agencies. With respect to securities of State-chartered banks that are members of the Federal Reserve System, section 12(i) of the Act, as amended, requires that the Board:

... issue substantially similar regulations to regulations and rules issued by the [Securities and Exchange] Commission under sections 12, 13, 14(a), 14(c), 14(d), 14(f), and 16, unless, [the Board] find[s] that implementation of substantially similar regulations with respect to insured banks and insured institutions are not necessary or appropriate in the public interest or for protection of investors, and publish such findings, and the detailed reasons therefor, in the FEDERAL REGISTER. Such regulations of [the Board] or the reasons for failure to publish such substantially similar regulations to those of the [Securities and Exchange] Commission, shall be published in the FEDERAL REGISTER within 120 days of the date of enactment of this subsection, and, thereafter, within 60 days of any changes made by the [Securities and Exchange] Commission in its relevant regulations and rules.

The proposed revisions of the Board's Regulation F are being published for comment by interested persons. The revisions would, among other things, require the inclusion of bank stock market data in annual reports to the Board; require the furnishing to a stockholder or investor, upon request, of a copy of the annual report filed with the Board; require the disclosure of additional financial data in the annual report to stockholders; revise stockholder proposal procedures; add certain requirements with respect to tender offers for registered bank stock; and expand and revise the instructions to "insider" ownership report forms to require the reporting of stock option ownership. In addition, numerous minor changes are included to clarify existing regulations. The proposed amendments to the Board's Regulation F are substantially similar to the comparable regulations and rules issued by the Securities and Exchange Commission, with two notable exceptions: "line of business reporting" and certification of financial statements.

The Securities and Exchange Commission's disclosure requirements as to each

"line of business" in which a registrant is engaged are basically premised upon the wide diversity of activities engaged in by registrants subject to the Commission's jurisdiction. However, commercial banking constitutes a single line of commerce and detailed regulations in this area would in the Board's opinion, be of marginal value for the protection of investors and not in the public interest.

The Commission requires that all financial statements filed by its registrants be certified by an independent public accountant. Since the adoption of Regulation F in 1964, the Board, although accepting certified financial statements, has also accepted a verification statement by a bank's principal accounting officer and internal auditor. The Board proposes to permit the certification of financial statements of members State banks to remain optional. State-chartered member banks are subject to examination by both State banking authorities and the Federal Reserve System. In addition, many banks maintain an internal audit control system at considerable cost and many also employ independent public accountants for "director's audits". Accordingly, in order to avoid both duplication of supervisory effort and the added cost of independent audits, certification of financial statements does not appear to be necessary or appropriate in the public interest or for the protection of investors in the case of State member banks.

To aid in the consideration of this matter by the Board, interested persons are invited to submit relevant data, comments, views or arguments. Any requests for a hearing on this matter should be accompanied by a statement summarizing the evidence the person requesting the hearing proposes to submit or to elicit at the hearing and a statement of the reasons why this matter should not be resolved without a hearing.

Any views or requests for a hearing should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, to be received not later than April 27, 1975. All views expressed in written comments on the proposal and received by that date will be considered by the Board. Such material will be made available for inspection and copying upon request, except as provided in the Board's rules regarding availability of information (12 CFR Part 261).

The proposed amendments to Regulation F (12 CFR Part 206) read as follows, all new matter being bracketed:

Sections 206.1 through 206.71 are revised as set forth below:

PART 206—SECURITIES OF MEMBER STATE BANK REGULATIONS

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206.7 Form and content of financial statements.

FORMS

- 206.41 Form for registration of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F-1).
- 206.42 Form for annual report of bank (Form F-2).
- 206.43 Form for current report of a bank (Form F-3).
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- 206.45 Form for amendment to registration statement or periodic report of bank (Form F-20).
- 206.46 Form for registration of additional class of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F-10).
- 206.47 Form for statement to be filed pursuant to § 206.4(g)(2) or § 206.5(l) of Regulation F (Form F-11).
- 206.51 Form for proxy statement; statement where management does not solicit proxies (Form F-5).
- 206.52 Form for statement in election contests (Form F-6).
- 206.53 Form for statement to be filed pursuant to § 206.5(m) of Regulation F (Form F-12).
- 206.61 Form for initial statement of beneficial ownership of equity securities (Form F-7).
- 206.62 Form for statement of changes in beneficial ownership of equity securities (Form F-8).
- 206.65 Form for registration of certain successor issues pursuant to section 12(b) or (g) of the Securities Exchange Act of 1934.
- 206.71 Forms for financial statements (Forms F-9, A, B, C, and D).

REGULATIONS

§ 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").

§ 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:

(a) The terms "exchange", "director", "person", "security", and "equity security" have the meanings given them in section 3(a) of the Act.²

(b) The term "affiliate" (whether referred to as an "affiliate" of, or a person "affiliated" with, a specified person)

¹This 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.

²See Appendix of Regulation F published by the Board of Governors of the Federal Reserve System.

means a person that directly, or indirectly through one of 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:

(1) 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.

(ii) 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.

(iii) 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.

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

(v) 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.

(vi) 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):

(i) 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 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.

(ii) 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 ancestor of either; (4) stepson and stepdaughter; and (4) 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.

[(1) The term "information statement" means the statement required by § 206.5(a), whether or not contained in a single document.]

[(m) The term "last fiscal year" of bank means the last fiscal year of bank ending prior to the date of the meeting with respect to which an information statement is required to be distributed.]

(n) 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.

(o) 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.

(p) 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.

(q) 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.

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

(s) The term "parent" of a specified person is a person controlling such person directly, or indirectly through one or more intermediaries.

(t) The term "plan" includes all plans, contracts, authorizations, or arrangements, whether or not set forth in any formal document.

(u) 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.

(v) 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.

(w) The term "principal underwriter" means an underwriter in privity of contract with the bank of the securities as to which he is underwriter.

(x) 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 per-

son does not otherwise take part in founding and organizing the bank.

(y) 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.

[(z) The term "proxy statement" means the statement required by § 206.5 (a), whether or not contained in a single document.]

(aa) 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, [as amended. For the purposes of this regulation, an option which meets all of the conditions of section 424(b) of the Internal Revenue Code of 1954, as amended, other than the date of issuance shall be deemed to be a "restricted stock option".]

[(bb) The term "registration statement" or "statement", when used with reference to registration pursuant to § 206.4 of this Part, includes both an application for registration of securities on a national securities exchange pursuant to section 12(b) of the Act and a registration statement filed pursuant to section 12(g) of the Act.]

(cc) The term "share" means a share of stock in a corporation or unit of interest in an unincorporated person.

(dd) The term "significant subsidiary" means a subsidiary meeting any 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. "Investments" refers to the amount carried on the books of the parent and other subsidiaries or the amount equivalent to the parent's proportionate share in the equity capital accounts of the subsidiary, whichever is greater; or

(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; or

[(3) The parent's proportion of income of the subsidiary before income taxes exceeds 5 per cent or more of the income before taxes of parent.

[NOTE: The subsidiary may be the parent of one or more subsidiaries and, together with such subsidiaries may, if considered in the aggregate, constitute a significant subsidiary.]

(ee) The terms "solicit" and "solicitation" means (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 § 206.5(g), or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

(ff) 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 (i) exists by reason of ownership or control of voting securities by the bank in a fiduciary capacity, or (ii) 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.

(gg) The term "succession" means the direct acquisition of the [shares or] 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 [shares or] assets. The term "succeed" and "successor" have meanings correlative to the foregoing.

(hh) 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 § 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.

(ii) The term "voting securities" means securities the holders of which are presently entitled to vote for the election of directors.

(jj) The terms "beneficial ownership", "beneficially owned", and the like, when used with respect to the reporting of ownership of the bank's equity securities in any statement or report required by this Part, shall include, in addition to direct and indirect beneficial ownership by the reporting person, ownership of such securities (1) by the spouse (except where legally separated) and minor children of such reporting person, and (2) by any other relative of the reporting person who has the same home as such person.

§ 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) of this section, [all information filed, other than ownership reports required to be filed pursuant to

§ 206.6(a),] 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 § 206.4 (exclusive of exhibits), the statements required by § 206.5(a), and the annual reports to security holders required by § 206.5(c), will be available for inspection at the New York, Chicago, and San Francisco Federal Reserve Banks and at the Reserve Bank of the district in which the bank filing the statements or reports is located. [The ownership reports required to be filed pursuant to § 206.6(a) will be available for public inspection at the Board's office in Washington, D.C.]

(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:

(1) 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.

(ii) 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 (A) an identification of the portion of the statement, report, or document that has been omitted, (B) a statement of the grounds of objection, and (C) 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 paragraph (c) (2) of this

section, 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:

(i) 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 paragraph (e) (5) of this section, 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;

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

(iii) 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.

§ 206.4 Registration statements and reports.

(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, (Form F-1B (in the case of registration of securities of a successor bank),) or Form F-10 (in the case of registration of an additional class of securities). 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.

(1) Where in connection with a succession by merger, consolidation, exchange of securities or acquisition of assets, equity securities of a bank, not previously registered pursuant to section 12 of the Act, are issued to the holders of any class of equity securities of another bank which is registered pursuant to section 12(g), the class of securities so issued shall be deemed to be registered pursuant to section 12(g) of the Act unless upon consummation of the succession such class is exempt from such registration or all securities of such class

are held of record by less than 300 persons.]

(2) Where in connection with a succession by merger, consolidation, exchange of securities or acquisition of assets, equity securities of a bank, which are not registered pursuant to section 12 of the Act, are issued to the holders of any class of equity securities of another bank which is required to file a registration statement pursuant to section 12(g) but has not yet done so, the duty to file such statement shall be deemed to have been assumed by the bank whose class of securities is so issued and such bank shall file a registration statement pursuant to section 12(g) of the Act with respect to such class within the period of time the predecessor bank would have been required to file such a statement, or within such extended period of time as the Board may authorize upon application pursuant to § 206.4(r), unless upon consummation of the succession such class is exempt from such registration or all securities of the class are held of record by less than 300 persons.]

(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 (i) the approval of the exchange for listing and registration; (ii) the title of the security so approved; (iii) the date of filing with the exchange of the registration statement and of any amendments thereto; and (iv) 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.

(7) An exchange may suspend from trading a bank security listed and registered thereon in accordance with its rules. Suspension of trading shall not terminate the registration of any bank security.]

(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, which shall conform to the requirements of Form F-2, shall be filed within 90 days after the close of the fiscal year or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first.

(f) *Annual reports of predecessors.* Every bank having securities registered pursuant to section 12 of the Act on Form F-1 (or Form F-10, in the case of registration of an additional class of securities) shall file an annual report pursuant to paragraph (e) of this section for each of its predecessors which had securities registered pursuant to section 12 covering the last full fiscal year of the predecessor prior to the registrant's succession, unless such report has been filed by the predecessor. Such annual report shall contain the information that would be required if filed by the predecessor.]

(g) *Exception from requirement for annual report.* Notwithstanding paragraph (e) of this section, 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.

(h) *Current reports.* (1) 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.

(2) Each bank having securities registered pursuant to section 12(g) of the Act, upon being notified by a national securities association registered pursuant to section 15A of the Act, that a class of the bank's securities is to be quoted on an

interdealer quotation system which is sponsored and governed by the rules of such association, shall thereafter notify such association promptly of (i) any increase or decrease in the amount of securities of such class outstanding which exceeds 5 percent of the amount of such class last reported to the association and (ii) any change in the name of the bank. The obligation to report pursuant to this paragraph (2) shall continue until notification is received from the association that all classes of securities are no longer quoted on such interdealer quotation system.]

(3) (i) Any person who, after acquiring, directly or indirectly, the beneficial ownership of any equity security of a member State bank, of a class which is registered pursuant to section 12 of the Act, is directly or indirectly the beneficial owner of more than 5 percent of such class shall, within ten days after such acquisition, send to the bank at its principal executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Board a statement containing the information required by Form F-11. Eight copies of the statement shall be filed with the Board.

(ii) Acquisitions of securities by a security holder who, prior to such acquisition, was the beneficial owner of more than 5 percent of the outstanding securities of the same class as those acquired shall be exempt from the reporting requirements of (h)(3)(i) of this section if the following conditions are met: (A) the acquisition is made pursuant to preemptive subscription rights in an offering made to all holders of securities of the class to which the preemptive subscription rights pertain; (B) the purchaser does not, through the exercise of such preemptive subscription rights, acquire more than his or its pro-rata share of the securities offered; and (C) the acquisition is duly reported pursuant to section 16(a) of the Act and the provisions of § 206.6 promulgated thereunder.

(4) If any material change occurs in the facts set forth in the statement required by paragraph (h)(3) of this section, the person who filed such statement shall promptly file with the Board and send to the bank and the exchange an amendment disclosing such change.

(5) Determination of ownership of specified percentages of a class of equity securities. In determining, for the purposes of § 206.4(h) or § 206.5(l), whether a person is directly or indirectly the beneficial owner of securities of any class, such person shall be deemed to be the beneficial owner of securities of such class which such person has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities, or otherwise. The securities subject to such options, warrants, rights or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned

by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person.]

(i) *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 30 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 30 days after the effective date of such registration.

(j) *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.

(k) *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 without 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.

(1) *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.

(m) *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 [same] statement or report. Matter contained in an exhibit may be so incorporated to the extent permitted in paragraph (n) of this section. 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.

(n) *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 (n).

(o) *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 date 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.

(p) *Additional exhibits.* The bank may file such exhibits as it may desire, in addition to those required by the appropriate form. Such exhibits shall be so marked as to indicate clearly the subject matters to which they refer.]

(q) *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 (q) 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.

(r) *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 15 days after receipt thereof, shall enter an order denying the application.

[(i) If the extension requested pursuant to this paragraph is necessitated by the inability of any person other than the registrant to furnish any required opinion, information, report or verification, the application shall have attached as an exhibit, a statement signed by such person stating the specific reasons why such person is unable to furnish the required opinion, information, report or verification.]

[(ii) If the application pursuant to this paragraph, or the extension of time granted, relates only to a portion of the required information, document or report, the registrant shall file the remaining portion, and the portion filed shall prominently indicate the nature of the omitted portion.]

(s) *Number of copies; signatures; binding.* (1) Except where otherwise provided in a particular form, 8 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.

(t) *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, photocopied, 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.

(u) *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, such information 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.

(v) *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.

(w) *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 state-

ment may be filed either before or after registration becomes effective.

(x) *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.

(y) *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.

(z) *When securities are deemed to be registered.* A class of securities with respect to which 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 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 registration statement has become effective as provided in section 12.

§ 206.5 Proxy statements and other solicitations under section 14 of the Act.

(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, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F-5. The "information statement" required by the preceding sentence shall be transmitted (1) at least 20 calendar days prior to any

annual or other meeting of the holders of such security at which such holders are entitled to vote, or (2) in the case of corporate action taken with the written authorization or consent of security holders, at least 20 days prior to the earliest date on which the corporate action may be taken. A proxy statement or an "information statement" required by this paragraph is hereinafter sometimes referred to as a "Statement".

(b) *Exceptions.* The requirements of the first sentence of paragraph (a) of this section 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

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

(ii) 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

(iii) in addition, does no more than (A) 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 (B) 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 (i) name the bank; (ii) state the reason for the advertisement; and (iii) 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 2 fiscal years as will, in the opinion of the management, adequately reflect the financial position of the bank at the end of each such year and the results of its operations for each such year. 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 and the information required by paragraphs (c) (1) (i) to (iii) of this paragraph may be presented in an appendix or other separate section of the report, provided that the attention of security holders is called to such presentation.]

[(1) The report shall contain a brief description of the operations done by the bank and its subsidiaries during the most recent fiscal year.]

[(ii) The report shall identify each of the bank's directors and officers, and shall indicate the principal occupation or employment of each such person and the name and principal business of any organization by which such person is so employed.]

[(iii) The report shall identify the principal market, if any, in which securities of any class entitled to vote at the meeting are traded, and shall state the high and low sales prices for such securities (or, in the absence of such information, the range of bid and asked quotation) and the dividends paid on such securities for each quarterly period during the bank's two most recent fiscal years. If bank securities are inactively traded, the report shall so state and shall indicate the range of sales prices known to management for the periods specified above and the source(s) of such information.]

[(2) Management's Statement, or the report, shall contain an undertaking in bold face or otherwise reasonably prominent type to provide without charge to each person solicited, on the written request of any such person, a copy of the bank's annual report on Form F-2 including the financial statements and the schedules thereto, required to be filed with the Board pursuant to § 206.4 of this Part for the bank's most recent fiscal year, and shall indicate the name and address of the person to whom such a written request is to be directed. In the discretion of management, a bank need not undertake to furnish without charge copies of all exhibits to its Form F-2 provided that the copy of the annual report on Form F-2 furnished without charge to requesting security holders is accompanied by a list briefly describing all the exhibits not contained therein and indicating that the bank will furnish any exhibit upon the payment of a specified reasonable fee which fee shall be limited to the bank's reasonable expenses in furnishing such exhibit.]

[*NOTE:* Pursuant to the undertaking required by the paragraph (c) (2) of this section, a bank shall furnish a copy of its annual report on Form F-2 to a beneficial owner of its securities upon receipt of a written request from such person. Each request must set forth a good faith representation that, as of the record date for the

annual meeting of the bank's security holders, the person making the request was a beneficial owner of securities entitled to vote at such meeting.]

[(3) Providing copies of material for certain beneficial owners. If the bank knows that securities of any class entitled to vote at a meeting are held of record by a broker, dealer, nonmember or member bank or voting trustee, or their nominees, the bank shall inquire of such record holder whether other persons are the beneficial owners of such securities and, if so, the number of copies of the Statement and other soliciting material, if applicable, and in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply such material to such beneficial owners. The bank shall supply such record holder with additional copies in such quantities, assembled in such form and at such a place, as the record holder may reasonably request in order to address and send one copy of each to each beneficial owner of securities so held and shall, upon the request of such record holder, pay its reasonable expenses for completing the mailing of such material to security holders to whom the material is sent.]

[(4) If bank's list of security holders indicates that some of its securities are registered in the name of "Cede & Co.", a nominee for the Depository Trust Company, or in the name of a nominee for any central certificate depository system, bank shall make appropriate inquiry of the central depository system and thereafter of the participants in such a system who may hold on behalf of a beneficial owner, and shall comply with the above paragraph with respect to any such participant.]

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-face type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

NOTES: 1. To reflect adequately the financial position and results of operations of a bank in its annual report to security holders, the financial presentation shall include, but not necessarily be limited to, the following:

[(a) Comparative statements of condition at the end of each of the last 2 fiscal years.]

[(b) Comparative statements of income in a form providing for the determination of "net income" for each fiscal year and per share earnings and dividend data.]

[(c) Comparative statements of changes in capital accounts for each fiscal year similar in form to Form F-9C.]

[(d) Comparative statements of changes in financial position for each fiscal year for which a statement of income is furnished.]

[(e) A comparative reconciliation of the "Allowance for Possible Loan Losses" account similar in form to Schedule VII, Form F-9D, and a comparative loan classification summary similar in form to Schedule III, of Form F-9D.]

[(f) Supplemental notes to financial statements to the extent necessary to furnish a fair

financial presentation. Such notes should include the aggregate market value as at the balance sheet date for each category of investment securities reported on the balance sheet, and other information required to be furnished in notes to financial statements included in the bank's Form F-2 Annual Report.]

(2) The financial statements should be prepared on a consolidated basis to the extent required by § 206.7(d). Any difference from the principles of consolidation or other accounting principles or practices, or methods of applying accounting principles or practices, applicable to the financial statements of the bank filed or to be filed with the Board, which have a material effect on the financial position or results of operations of the bank, shall be noted and the effect thereof reconciled or explained in the [financial statements or the notes thereto in the] annual report to security holders.]

(3) When financial statements included in the annual report (Form F-2) filed, or proposed to be filed, with the Board are accompanied by an opinion of an independent public accountant, the financial statements in the annual report to security holders should also be accompanied by an opinion of such independent public accountant.]

(4) The requirement for sending an annual report to each person being solicited will be satisfied with respect to persons having the same address by sending at least one report to a holder of record at that address provided (i) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 206.2(j)) of securities registered in the name of such person in other capacities or in the name of other persons at such address, or (ii) the security holders at such address consent thereto in writing. Nothing herein shall be deemed to relieve any person so consenting of any obligation to obtain or send such annual report to any other person.]

(5) Eight copies of each annual report sent to security holders pursuant to this paragraph (c) of this section shall be sent to the Board not later than (i) the date on which such report is first sent or given to security holders, or (ii) the date on which preliminary copies of the management Statement are filed with the Board pursuant to paragraph (f) of this section, 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 § 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 (i) shall indicate in bold-face type whether or not the proxy is solicited on behalf of the management of the bank, (ii) shall provide a specifically designated blank space for dating the proxy, and (iii) shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to proposals as to which discretionary authority is conferred pursuant to paragraph (d) (4) of this section.

(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 form of proxy which provides both for the election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for the election of directors. Any such form of proxy which is executed by the security holder in such manner as not to withhold authority to vote for the election of directors shall be deemed to grant such authority, provided the form of proxy so states in bold-face type. This paragraph (3) does not apply (i) in the case of a merger, consolidation, or other plan if the election of directors is an integral part of the plan and is not to be separately voted upon or (ii) if the only matters to be acted upon are the election of directors and the election, selection, or approval of other persons such as clerks or auditors.

(4) A proxy may confer discretionary authority to vote with respect to any of the following matters:

(i) Matters that the persons making the solicitation do not know, within a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;

(ii) Approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at that meeting;

(iii) The election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is unable to serve or for good cause refuses to serve;

(iv) Any proposal omitted from the proxy statement and form of proxy pursuant to § 206.5(k);

(v) Matters incident to the conduct of the meeting.

(5) No proxy shall confer authority (i) 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 (ii) 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. A person shall not be deemed to be a bona fide nominee and he shall not be named as such unless he has consented to being named in the proxy statement and to serve if elected.

(6) 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 paragraph (d) (2) of this section 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.

(5) All proxy statements shall disclose on the first page thereof the complete mailing address, including ZIP code, of the principal executive offices of bank and the approximate date on which the proxy statement and form of proxy are first sent or given to security holders.]

(f) *Material required to be filed.* (1) Three preliminary copies of each Statement, form of proxy, and other items 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 § 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 may be authorized. For the purposes of this paragraph (f) (1) of this section, a routine meeting means a meet-

ing with respect to which no one is soliciting proxies subject to this § 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 may be authorized upon a showing of good cause therefor.

(3) Eight copies of each Statement, form of proxy, and other items 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.

[NOTE: The definitive material filed with the Board should be accompanied by a letter over the signature of an officer of bank or its counsel indicating any material changes which have been made therein, other than those made in response to the staff's comments.]

(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 may be authorized upon a showing of good cause therefor.

(5) All copies of material filed pursuant to paragraphs (f) (1) and (2) of this section 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 paragraphs

(f) (1), (2), or (3) of this section 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 paragraph (f) (4) of this section 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 for 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) of this section, 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) of this section not later than the date such material is used or published. The provisions of paragraphs (f) (1), (f) (2), and (i) (5) of this section 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) of this section 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.

(9) The date that proxy material is "filed" with the Board for purposes of paragraphs (f) (1), (2), and (4) of this section is the date of receipt of the material by the Board, not the date of mailing to the Board. In computing the advance filing period for preliminary copies of proxy soliciting material referred to in such paragraphs, the filing date of the preliminary material is to be counted as the first day of the period and definitive material should not be planned to be mailed or distributed to security holders until after the expiration of such period. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

(10) Where preliminary copies of material are filed with the Board pursuant to this subsection, the printing of definitive copies for distribution to security holders should be deferred until comments of the Board's staff have been received and considered.

(g) *Mailing communications for security holders.* If the management of the bank has made or intends to make any proxy solicitation subject to this § 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:

(i) 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;

(ii) 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;

(iii) 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 (g) (1) (ii) of this section.

(2) (i) 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 (g) (1) (i) of this section as the security holder shall designate. The bank shall also mail to each banker, broker, or other persons specified in (g) (1) (ii) of this section, 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;

(ii) 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) of this section. 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 (a) 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 (b) 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.

(iii) 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 (g) (1) (i) of this section as the security holder shall designate, and a list of the names and addresses of the bankers, brokers, or other persons specified in (g) (1) (ii) of this section 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.*

(1) 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 to so identify a Statement, form of proxy, and other soliciting material as to clearly 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.

(2) The fact that a proxy statement, form of proxy, or other soliciting material has been filed with or reviewed by the Board or its staff shall not be deemed a finding by the Board that such material is accurate or complete or not false or misleading, or that the Board has passed upon the merits of or approved any statement therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

(i) *Special provisions applicable to election contests.*—(1) *Solicitations to which this paragraph applies.* This paragraph (1) applies to any solicitation subject to this § 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.* (i) For purposes of this paragraph (1) the terms "participant" and "participant in a solicitation" include the following:

(A) The bank;

(B) Any director of the bank, and any nominee for whose election as a director proxies are solicited;

(C) 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;

(D) 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;

(E) 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 [member or nonmember] 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;

(F) Any other person who solicits proxies.

(ii) Such terms do not include:

(A) 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;

(B) 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;

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

(D) 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.* (i) No solicitation subject to this paragraph (1) 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.

(ii) Within five business days after a solicitation subject to this paragraph (1) is made by the management of the

bank, of 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.

(iii) 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 paragraph (1) (3) (i) of this section 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.

(iv) If, subsequent to the filing of the statements required by paragraphs (1) (3) (i), (ii), and (iii) of this section, additional persons become participants in a solicitation subject to paragraph (1) (3) (i) of this section, 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.

(v) 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.

(vi) Each statement and amendment thereto filed pursuant to this paragraph (1) 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.

(4) *Solicitations prior to furnishing required Statement.* Notwithstanding the provisions of § 206.5(a), a solicitation subject to paragraph (1) (4) (i) of this section 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 (i) the statements required by paragraph (h) (3) of this section of this paragraph (1) are filed by or on behalf of each participant in such solicitation; (ii) no form of proxy is furnished to security holders prior to the time the Statement is furnished to security holders, except that paragraph (1) (4) (ii) of this section shall not apply where a Statement then meeting the requirements of Form F-5 has been furnished to security holders; (iii) at least the information specified in Items 2(a) and 3(a) of the statement required by paragraph (1) (3) of this section 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 (iv) 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 § 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 § 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. 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 paragraphs (f) (3), (4), (5), (6), and (7) of this section 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 solicitations subject to paragraph (i) of this section, soliciting material that includes, in whole or in part, any reprints or reproductions of any previously published material shall:

(i) 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.

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

(iii) 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 proposed to make any payments or given 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 § 206.5 shall solicit (1) any undated or postdated 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.

(k) *Proposals of security holders.* (1) If any security holder entitled to vote at a meeting of security holders of the bank shall submit to the management of the

bank, within the time hereinafter specified, a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, the management shall set forth the proposal in [its Statement.] If management issues a proxy statement, it shall identify the proposal in its form of proxy and provide means by which security holders can either approve or disapprove the proposal. [If management issues an information statement, it shall identify the proposal and indicate the disposition proposed to be made of the proposal by the management at the meeting.] The management of the [bank] shall not be required by this paragraph to include the proposal in its [Statement or form of proxy] for an annual meeting unless the proposal is received by the management at the bank's principal executive offices not less than [70] days in advance of a date corresponding to the date set forth on the management's Statement released to security holders in connection with the last annual meeting of security holders. A proposal to be presented at any other meeting shall be received by the management of the bank a reasonable time before the solicitation is made. This paragraph (k) of this section shall not apply, [however, to elections of office or to counter proposals to matters to be submitted by the management.]

NOTE.—In order to curtail controversy as to the date that a security holder's proposal was received by the management, it is suggested that security holders submit their proposals by Certified Mail—Return Receipt Requested.

(2) If the management opposes the proposal, it shall also, at the written request of the security holder, include in its Statement (i) the name and address of the security holder, or a statement that such name and address will be furnished upon request, and (ii) a statement of the security holder (which shall not include such name and address) of not more than 200 words in support of the proposal. [Any statements in the text of a proposal, such as a preamble or "whereas" clauses, which are in effect arguments in support of the proposal, shall be deemed part of the supporting statement and subject to the 200-word limitation thereon.] The statement and request of the security holder shall be furnished to the management at the same time that the proposal is furnished. Neither the management nor the bank shall be responsible for such statement.

(3) Notwithstanding paragraphs (k) (1) and (2) of this section, the management may omit a proposal and any statement in support thereof from its [Statement] or form proxy under any of the following circumstances:

(i) if the proposal is impossible to accomplish or, under applicable law, is not a proper subject for action by security holders; or

(ii) if the proposal consists of a recommendation or request that the management take action with respect to a matter relating to the conduct of the ordinary business operations of the bank; or

(iii) if it appears that the proposal is submitted by the security holder principally for the purpose of enforcing a personal claim or redressing a personal grievance against the bank or its management, or consists of a recommendation, request or mandate that action be taken with respect to any matter, including a general economic, political, racial, religious, social, or similar cause [that is neither significantly related to the business of the bank nor within the control of the bank;] or

(iv) if the management has at the security holder's request included a proposal in its proxy statement and form of proxy relating to either of the two preceding annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings, and such security holder has failed without good cause to present the proposal, in person or by proxy, for action at the meeting; or

(v) if substantially the same proposal has previously been submitted to security holders in the management's proxy statement and form of proxy relating to any meeting of security holders held within the preceding five calendar years, it may be omitted from the proxy statement relating to any meeting of security holders held within the three calendar years after the latest such previous submission; provided, that (a) if the proposal had been submitted at only one meeting during such preceding period, it received less than [3] percent of the total number of votes cast in regard thereto, or (b) if the proposal had been submitted at only two meetings during such preceding period, it received at the time of its second submission less than [6] per cent of the total number of votes cast in regard thereto, or (c) if the proposal had been submitted at three or more meetings during such period, it received at the time of its latest submission less than [10] per cent of the total number of votes cast in regard thereto; or

(vi) if, prior to the receipt of such proposal, substantially the same proposal has been received by the management from another security holder and is to be included in the bank's proxy soliciting material.

[NOTE. Proposals not within the bank's control are those which are beyond its power to effectuate.]

(4) Whenever the management asserts that a proposal and any statement in support thereof may properly be omitted from [its Statement] and form of proxy, it shall file with the Board, not later than [30] days prior to the date the preliminary copies of the [Statement] or form of proxy are filed pursuant to § 206.5(f) (1) or such shorter period prior to such date as the Board may permit, a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case, and, where such reasons are based on matters of law, a supporting opinion of counsel. The

management shall at the same time, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its [Statement] and shall forward to him a copy of the statement of the reasons why the management deems the omission of the proposal to be proper and a copy of such supporting opinion of counsel.

(1) *Invitation for tenders.* (1) No person, directly or indirectly, by use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, shall make a tender offer for, or a request or invitation for tenders of, any class of any equity security, which is registered pursuant to section 12 of the Act, of a member State bank if, after consummation thereof, such person would, directly or indirectly, be the beneficial owner of more than 5 per cent of such class, unless, at the time copies of the offer or request or invitation are first published or sent or given to security holders, such person has filed with the Board a statement containing the information and exhibits required by Form F-11.

(2) If any material change occurs in the facts set forth in the statement required by paragraph (1) of this section, the person who filed such statement shall promptly file with the Board an amendment disclosing such change.

(3) All tender offers for, or requests or invitations for tenders of, securities published or sent or given to the holders of such securities shall include the following information:]

[(i) The name of the person making the tender offer, request or invitation;]

[(ii) The exact dates prior to which, and after which, security holders who deposit their securities will have the right to withdraw their securities pursuant to section 14(d)(5) of the Act, or otherwise;]

[(iii) If the tender offer or request or invitation for tenders is for less than all of the outstanding securities of the class and the person making the offer, request or invitation is not obligated to purchase all of the securities tendered, the date of expiration of the period during which the securities will be taken up pro rata pursuant to section 14(d)(6) of the Act, or otherwise; and]

[(iv) The information required by Items 2 (a) and (c), 3, 4, 5 and 6 of Form F-11, or a fair and adequate summary thereof, and shall be filed with the Board as part of the statement required by paragraph (1) of this section.]

(4) Any additional material soliciting or requesting such tender offers subsequent to the initial solicitation or request shall contain the name of the persons making such solicitation or request and the information required by Items 2 (a) and (c), 3, 4, 5 and 6 of Form F-11, or a fair and adequate summary thereof; provided, however, that such material may omit any of such information previously furnished to the persons solicited or requested for tender offers. Copies of such additional material soliciting or re-

questing such tender offers shall be filed with the Board not later than the time copies of such material are first published or sent or given to security holders.

(5) If any securities to be offered in connection with the tender offer for, or request or invitation for tenders of, securities with respect to which a statement is required to be filed pursuant to paragraph (1) of this section, have been or are to be registered under the Securities Act of 1933, a copy of the prospectus containing the information required to be included therein under that Act shall be filed as an exhibit to such statement. Any information contained in the prospectus may be incorporated by reference in such statement.

[(6) When a person makes a tender offer for, or request or invitation for tenders of, any class of equity securities of a bank registered pursuant to section 12 of the Act, and such person has filed a statement with the Board pursuant to this section, any other person controlling, controlled by, or under common control ("control person") with the issuing bank [which bank is prohibited by R.S. 5201 (12 U.S.C. 83) from purchasing, with certain exceptions, shares of its own capital stock] shall not thereafter, during the period such tender offer, request or invitation continues, purchase any class of equity securities of the issuing bank unless:]

[(i) The control person has filed with the Board a statement containing the information specified below with respect to proposed purchases:]

[(A) The title and amount of equity securities to be purchased, the names of the persons or classes of persons from whom, and the market in which, the securities are to be purchased, including the name of any exchange on which the purchase is to be made;]

[(B) The purpose for which the purchase is to be made and any plan or proposal for the disposition of such securities; and]

[(C) The source and amount of funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading the securities, a description of the transaction and the names of the parties thereto.]

[(ii) The control person has at any time within the past six months sent or given to the equity security holders of the issuing bank the substance of the information contained in the statement required by subparagraph (1)(6)(i) of this section; provided, however, that any control person making such purchases which commenced prior to -----, 1975, shall, if such purchases continue after such date, comply with the provisions of this subparagraph on or before -----, 1975.]

(7) Eight copies of the statement required by subparagraph (1) of this paragraph, every amendment to such statement, and all other material required by this section shall be filed with the Board.

[(8) Certain communications. The following communications shall not be deemed to be requests or invitations for tenders:]

[(i) Offers to purchase securities made in connection with a distribution of securities permitted by Rules 10b-6, 10b-7 and 10b-8 under the Act as promulgated by the Securities and Exchange Commission (17 CFR §§ 240.10b-6, 10b-7 and 10b-8).]

[(ii) The call or redemption of any security in accordance with the terms and conditions of the governing instruments.]

[(iii) Offers to purchase securities evidenced by a script certificate, order form or similar document which represents a fractional interest in a share of stock or similar security.]

[(iv) Offers to purchase securities pursuant to a statutory procedure for the purchase of dissenting shareholders' securities.]

[(v) The furnishing of information and advice regarding a tender offer to customers or clients by attorneys, member or nonmember banks, brokers, fiduciaries or investment advisers, who are not otherwise participating in the tender offer or solicitation, on the unsolicited request of a person or pursuant to a general contract for advice to the person to whom the information or advice is given.]

[(vi) A communication from a bank to its security holders which does no more than (1) identify a tender offer or request or invitation for tenders made by another person, (2) state that the management of the bank is studying the matter and will, on or before a specified date (which shall be not later than 10 days prior to the date specified in the offer, request or invitation, as the last date on which tenders will be accepted, or such shorter periods as the Board may authorize) advise security holders as to the management's recommendation to accept or reject the offer, request or invitation, and (3) request security holders to defer making a determination as to whether or not they should accept or reject the offer, request or invitation until they have received the management's recommendation with respect thereto.

(m) *Recommendations as to tender offers.* (1) No solicitation or recommendation to the holders of a security to accept or reject a tender offer or request or invitation for tenders subject to section 14 (d) of the Act shall be made unless, at the time copies of the solicitation or recommendation are first published or sent or given to holders of the security, the person making such solicitation or recommendation has filed with the Board a statement containing the information specified by Form F-12; provided, however, that this paragraph shall not apply to (1) a person required by § 206.5(1) to file a statement, or (ii) a person, other than the bank or the management of the bank, who makes no written solicitations or recommendations other than solicitations or recommendations copies of which have otherwise been filed with the Board.

(2) If any material change occurs in the facts set forth in the statement required by paragraph (m) (1) of this section, the person who filed such statement shall promptly file with the Board an amendment disclosing such change.

(3) Any written solicitation or recommendation to the holders of a security to accept or reject a tender offer or request or invitation for tenders subject to section 14(d) of the Act shall include the name of the person making such solicitation or recommendation and the information required by Items 1(b) and 2(b) of Form F-12, or a fair and adequate summary thereof; provided, however, that such written solicitation or recommendation may omit any of such information previously furnished to the persons to whom the solicitation or recommendation is made.

(n) *Change in majority of directors.* If, pursuant to any arrangement or understanding with the person or persons acquiring securities in a transaction subject to section 13(d) or 14(d) of the Act, any persons are to be elected or designated as directors of the bank, otherwise than at a meeting of security holders, and the persons so elected or designated will constitute a majority of the directors of the bank, then, not less than 10 days prior to the date any such person takes office as a director, or such shorter period prior to that date as the Board may authorize upon a showing of good cause therefor, the bank shall file with the Board and transmit to all holders of record of securities of the bank who would be entitled to vote at a meeting for election of directors, information substantially equivalent to the information which would be required by Items 5 (a), (d), (e) and (f), 6 and 7 of Form F-5 to be transmitted if such person or persons were nominees for election as directors at a meeting of such security holders.

(o) *Solicitation prior to furnishing required proxy statement.* (1) Notwithstanding the provisions of § 206.5(a), a solicitation (other than one subject to § 206.5(l)) may be made prior to furnishing security holders a written proxy statement containing the information specified in Form F-5 with respect to such solicitation if—

(i) The solicitation is made in opposition to a prior solicitation or an invitation for tenders or other publicized activity, which if successful, could reasonably have the effect of defeating the action proposed to be taken at the meeting.

(ii) No form of proxy is furnished to security holders prior to the time the written proxy statement required by § 206.5(a) is furnished to security holders; provided, however, that this paragraph (o) (ii) of this section shall not apply where a proxy statement then meeting the requirements of Form F-5 has been furnished to security holders by or on behalf of the person making the solicitation;

(iii) The identity of the person or persons by or on whose behalf the solicitation is made and a description of

their interests, direct or indirect, by security holdings or otherwise, are set forth in each communication sent or given to security holders in connection with the solicitation; and

(iv) A written proxy statement meeting the requirements of this section is sent or given to security holders at the earliest practicable date.

(2) Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required by § 206.5(a) shall be filed with the Board in preliminary form at least 5 business days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period as may be authorized.

§ 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) of the Act need 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) of the Act 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 exempt with respect to the filing of statements pursuant to section 16(a) of the Act with any exchange other than the designated exchange.

(4) Any director or officer who is required to file a statement on Form F-8 with respect to any change in his beneficial ownership of equity securities which occurs within six months after he became a director or officer of the bank issuing such securities, or within six months after equity securities of such bank first became registered pursuant to section 12 of the Act, shall include in the first such statement the information called for by Form F-8 with respect to all changes in his beneficial ownership of equity securities of such bank which occurred within 6 months prior to the date of the changes which require the filing of such statement.

(5) Any person who has ceased to be a director or officer of a bank which has equity securities registered pursuant to section 123 of the Act, or who is a direc-

tor or officer of a bank at the time it ceased to have any equity securities so registered, shall file a statement on Form F-8 with respect to any change in his beneficial ownership of equity securities of such bank which shall occur on or after the date on which he ceased to be such director or officer, or the date on which bank ceased to have any equity securities so registered, as the case may be, if such change shall occur within 6 months after any change in his beneficial ownership of such securities prior to such date. The statement on Form F-8 shall be filed within 10 days after the end of the month in which the reported change in beneficial ownership occurs.]

(b) *Ownership of more than 10 percent of a class of equity securities.* [(1) In determining for the purpose of section 16(a) of the Act whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of equity securities, such person shall be deemed to be the beneficial owner of securities of such class which such person has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities. The securities subject to such options, warrants, rights or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by such person but shall be not be deemed outstanding for the purpose of computing the percentage of the class owned by any other person. This subparagraph shall not be construed to relieve any person of any duty to comply with section 16(a) of the Act with respect to any equity securities consisting of options, warrants, rights or convertible securities which are otherwise subject as a class to section 16(a) of the Act.]

(2) For the purpose of this paragraph a person acting in good faith may rely on the information contained in the latest Form F-1, F-1B or F-2 filed with the Board under § 206.4 with respect to the amount of securities of the class outstanding or in the case of voting trust certificates or certificates of deposit the amount thereof issuable.]

(3) For the purpose of determining percentage ownership of voting trust certificates or certificates of deposit for equity securities, the class of voting trust certificates or certificates of deposit shall be deemed to consist of the amount of voting trust certificates or certificates of deposits issuable with respect to the total amount of outstanding equity securities of the class which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of such outstanding securities have been so deposited.]

(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 of the Act, 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) of the Act shall include:

(i) 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,

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

(iii) 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 paragraph (d) (3) of this section, 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) of the Act 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) of the Act 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) of the Act 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) of the Act.

(3) In the event that 10 percent 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) of the Act.

(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 percent stockholders who are either trustees, settlors, or beneficiaries of a trust if the report filed discloses the names of all trustees, settlors, or beneficiaries who are officers, directors, or 10 percent stockholders. 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, whether a person is the beneficial owner, directly

or indirectly, of more than 10 percent 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) of the Act, with respect to his indirect interest in portfolio securities held by

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

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

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

(iv) a business trust with over 25 beneficiaries.

(e) *Certain transactions subject to section 16(a) of the Act.* (1) The [granting,] acquisition or disposition of any [presently exercisable] put, call, option, [or other right or obligation to buy securities from, or to sell securities to, another person, or any expiration or cancellation thereof] shall be deemed to effect such a change in the beneficial ownership of the bank's security to which [the right or obligation] relates as to require the filing of a statement reflecting the [granting,] acquisition or disposition of such [right or obligation.] Nothing in paragraph (e) of this section, however, shall exempt any person from filing the statements required upon the exercise of such put, call, [option or other right or obligation to buy or sell securities.]

[(1) If any such right or obligation is not initially exercisable, the granting and acquisition thereof shall be reported in a statement filed for the month in which it became exercisable, unless the filing of such statement is otherwise not required.]

[(ii) The right of a pledgee or borrower of securities to sell the pledge or borrowed securities is not an option or right to sell securities within the meaning of this paragraph. However, the sale of the pledged or borrowed securities by the pledgee or borrower shall be reported by the pledgor or lender.]

[(iii) The right to acquire securities, or the obligation to dispose of securities, in connection with a merger or consolidation involving the bank issuing the securities is not a right or obligation to buy or sell securities within the meaning of this paragraph.]

[(2) For the purpose of section 16(a) of the Act both the grantor and the holder of any presently exercisable put, call, option or other right or obligation to buy or sell securities shall be deemed to be beneficial owners of the securities subject to such right or obligation until it is exercised or cancelled or expires.]

[(3) Notwithstanding the foregoing, a statement need not be filed pursuant to section 16(a) of the Act (i) by any person with respect to the acquisition, expiration or cancellation of any non-transferable qualified, restricted or other stock option granted by the bank with respect to securities to which the option

relates pursuant to a plan provided for the benefit of the bank's employees or the employees of the bank's affiliates if such plan meets the condition specified in § 206.6(1), or (ii) by any bank with respect to any put, call, option or other right or obligation to buy or sell securities of which it is the issuer.]

[NOTE. An option, otherwise non-transferable, is deemed to be non-transferable even though it may be disposed of by will or by descent and distribution upon the death of the holder.]

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

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

(i) 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

(ii) 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) of the Act and may be excluded from the computations prescribed in paragraph (g) (1) (ii) of this section.

(3) Any person exempted by paragraphs (g) (1) or (2) of this section 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) of the Act.* 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) of the Act:

(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 the 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 paragraph (k) of this section, as not comprehended within the purpose of said section, upon the following conditions:

(i) 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;

(ii) The security involved in the transaction is (a) 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 (b) 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

(iii) 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 paragraph (k) of this section. 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.

(l) *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,

(i) 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

(ii) 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. [Provided, however, That if such vote or written consent was not solicited substantially in accordance with the requirements, if any, in effect under § 206.5 of this Part at the time of such vote or written consent, the bank shall furnish in writing to the holders of record of the securities entitled to vote for the plan substantially the same information concerning the plan which would be required by the provisions in effect under § 206.5 of this Part at the time such information is furnished, if proxies to be voted with respect to the approval or disapproval of the plan were then being solicited, on or prior to the date of the first annual meeting of security holders held subsequent to the later of (A) the first registration of an equity security under section 12 of the Act, or (B) the acquisition of an equity security for which exemption is claimed. Such written information may be furnished by mail to the last known address of the security holders of record within 30 days prior to the date of mailing. Eight copies of such written information shall be filed with, or mailed for filing to, the Board not later than the date on which it is first sent or given to security holders of the bank.]

(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:

(1) With respect to the participation of directors (A) 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; (B) 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 (C) 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.

(ii) With respect to the participation of officers who are not directors (A) by the board of directors of the bank or a committee of three or more directors; or (B) 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 paragraph (1) (2) of this section, 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.

(4) The term "exercise of an option, warrant or right" contained in the parenthetical clause of the first sentence of § 206.6(1) shall not include (i) the making of any election to receive under any plan compensation in the form of stock or credits therefore; provided That such election is made either prior to the making of the award or prior to the fulfillment of all conditions to the receipt of the compensation and; provided further, that such election is irrevocable until at least six months after termination of employment; (ii) the subsequent crediting of such stock; (iii) the making of any election as to the time for delivery of such stock after termination of employment; provided, that such election is made at least six months prior to any such delivery; (iv) the fulfillment of any condition to the absolute right to receive such stock; or (v) the acceptance of certificates for shares of such stock.]

(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 paragraph (m) (2) of this section, 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—

(i) Acquired more than six months before its exercise, or

(ii) 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 paragraph (m) (1) of this section, 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 paragraph (m) of this section 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 paragraph (m) of this section 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 paragraph (m) of this section 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 paragraph (m) of this section shall rest upon the person claiming the exemption.

(n) *Exemption from section 16(b) of dispositions of equity securities pursuant to certain mergers or consolidations incident to formation of a bank holding company.* (1) There shall be exempt from the provisions of section 16(b), as not comprehended within the purpose of that section, the disposition of any equity security, pursuant to a merger or consolidation, of a bank which, prior to said merger or consolidation, held over 85 percent of the combined assets of all the companies undergoing merger or consolidation, as determined by reference to their most recent available financial statements for a 12-month period prior to the merger or consolidation, if, in such merger or consolidation, there are issued, in exchange for such equity securities of such bank equity securities of a bank holding company as defined in the Bank Holding Company Act of 1956, as amended, 12 U.S.C. 1841.]

(2) Notwithstanding the foregoing, if an officer, director, or stockholder shall make any purchase (other than a purchase exempted by this paragraph or any rule under section 16(b) of the Act) of an equity security of any company involved in the merger or consolidation and any sale (other than a sale exempted by this paragraph or any rule under section 16(b) of the Act) of an equity security in any other company involved in the merger or consolidation within any period of less than six months during which the merger or consolidation took place, the exemption provided by this rule shall be unavailable to such officer, director, or stockholder to the extent of such purchase and sale.]

(o) *Exemption from section 16(b) of transactions involving the deposit or withdrawal of equity securities under a voting trust or deposit agreement.* Any acquisition or disposition of an equity security involved in the deposit of such security under, or the withdrawal of such security from, a voting trust or deposit agreement, and the acquisition or disposition in connection therewith of the certificate representing such security, shall be exempt from the operation of

section 16(b) of the Act if substantially all of the assets held under the voting trust or deposit agreement immediately after the deposit or immediately prior to the withdrawal, as the case may be, consisted of equity securities of the same class as the security deposited or withdrawn; provided, however, that this rule shall not apply to the extent that there shall have been either (i) a purchase of an equity security of the class deposited and a sale of any certificate representing an equity security of such class, or (ii) a sale of an equity security of the class deposited and a purchase of any certificate representing an equity security of such class (otherwise than in a transaction involved in such deposit or withdrawal or in a transaction exempted by any rule under section 16(b) within a period of less than six months which includes the date of the deposit or withdrawal.)

(p) *Exemption from section 16(b) of transactions involving the conversion of equity securities.* (1) Any acquisition or disposition of an equity security involved in the conversion of an equity security which, by its terms or pursuant to the terms of the bank's corporate charter or other governing instruments, is convertible immediately or after a stated period of time into another equity security of the same bank, shall be exempt from the operation of section 16(b) of the Act; provided, however, that this paragraph shall not apply to the extent that there shall have been either (i) a purchase of any equity security of the class convertible (including any acquisition of or change in a conversion privilege) and a sale of any equity security of the class issuable upon conversion, or (ii) a sale of any equity security of the class convertible and any purchase of any equity security issuable upon conversion (otherwise than in a transaction involved in such conversion or in a transaction exempted by any paragraph under section 16(b)) within a period of less than six months which includes the date of conversion.]

(2) For the purpose of this paragraph, an equity security shall not be deemed to be acquired or disposed of upon conversion of an equity security if the terms of the equity security converted require the payment or entail the receipt, in connection with such conversion, of cash or other property (other than equity securities involved in the conversion) equal in value at the time of conversion to more than 15 percent of the value of the equity security issued upon conversion.]

(3) For the purpose of this paragraph, an equity security shall be deemed convertible if it is convertible at the option of the holder or of some other person or by operation of the terms of the security or of the governing instruments.]

(q) *Exemption from section 16(b) of certain transactions involving the sale of subscription rights.* (1) Any sale of a subscription right to acquire any subject security of the same bank shall be exempt from the provision of section 16(b).

of the Act, to the extent prescribed in this paragraph, as not comprehended within the purpose of said section, if:]

[(i) Such subscription right is acquired, directly or indirectly, from the bank without the payment of consideration;]

[(ii) Such subscription right by its terms expires within 45 days after the issuance thereof; and]

[(iii) Such subscription right by its terms is issued on a pro rata basis to all holders of the beneficiary security of the bank.]

[(2) When used within this paragraph the following terms shall have the meaning indicated:]

[(i) The term "subscription right" means any warrant or certificate evidencing a right to subscribe to or otherwise acquire an equity security.]

[(ii) The term "beneficiary security" means a security registered pursuant to section 12 of the Act to the holders of which a subscription right is granted.]

[(iii) The term "subject security" means a security which is the subject of a subscription right.]

[(3) Notwithstanding anything contained herein to the contrary, if a person purchases subscription rights for cash or other consideration, then a sale by such person of subscription rights otherwise exempted by this paragraph will not be so exempted to the extent of such purchases within the 6-month period preceding or following such sale.]

(r) *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.

(s) *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 and 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 paragraph (s) of this

section. 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.

(t) *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

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

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

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

(2) This paragraph (t) 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.

(u) *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 § 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 § 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.

§ 206.7 Form and content of financial statements.

(a) *Principles of financing 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*. (i) Every verification with respect to financial statements filed pursuant to this Part shall be dated, shall be signed manually, [shall indicate the city and state where issue], and shall identify without detailed enumeration the financial statements covered by the verification.

(ii) If the person or persons making the 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:

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

(ii) 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.]

(3) *Certification by independent public accountants*. (i) Qualifications of independent public accountants—

(A) 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.

(B) 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.

(C) Indetermining 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.

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

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

(B) 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 (iii) below shall be omitted.

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

(A) The opinion of the accountant with respect to the financial statements covered by the certificate and the accounting principles and practices reflected therein;

(B) 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; and

(C) 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.

(iv) Exceptions. If the accountant making the report 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.]

(v) 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 (a) if no reference is made directly or indirectly to such other accountant's examination in the principal accountant's certificate, or (b) 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 9 A, 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 statement 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 [the following shall be set forth in a note to the appropriate financial statement:]

(i) Total rental expense (reduced by rentals from subleases, with disclosure of such amounts) entering into the determination of results of operations for each period for which an income statement is presented shall be disclosed. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based upon usage or sales, shall be reported separately from the basic or

minimum rentals. Rentals on noncapitalized financing leases shall be shown separately for both categories or rentals reported.]

(ii) The minimum rental commitments under all noncancelable leases shall be disclosed, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (A) each of the five succeeding fiscal years; (B) each of the next five-year periods; and (C) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancelable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancelable lease is defined as one that has an initial or remaining term of more than one year and is noncancelable, or is cancelable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.]

(iii) Additional disclosures shall be made to report in general terms: (A) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (B) existence and terms of renewal or purchase options, escalation clauses, etc.; (C) the nature and amount of related guarantees made or obligations assumed; (D) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and (E) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and charges in financial position of the lessee.

(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 referenced notes thereto:

(i) Assets subject to lien or security interest shall be designated and the obligation secured thereby, if any, shall be identified briefly.

(ii) 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.

(iii) *Preferred shares.* [(A) If convertible, the terms of the conversion shall be described briefly;] (B) If callable, the date or dates and the amount per share at which such shares are callable shall be stated; (C) Arrears in cumulative dividends per share and in total for each class of shares shall be stated; (D) [Aggregate] preferences on involuntary liquidation, if other than the par or stated value, shall be shown [parenthetically in the equity section of the balance sheet.] 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.

(iv) *Pension and retirement plans.* (A) A brief description of the essential provisions of any employee pension or retirement plan shall be given; (B) The estimated annual cost of the plan shall be stated; (C) 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; (D) The excess, if any of the actually computed value of vested benefits over the total of the pension fund and any balance sheet pension accruals, less any pension prepayments or deferred charges, shall be given as the most recent practicable date; (E) A statement shall be given of the nature and effect of significant matters affecting comparability of pension cost for any periods for which income statements are presented.]

(v) *Capital stock optioned to officers and employees.* (A) 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;

(B) 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) and 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 (b);

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

(vi) *Restrictions that limit the availability of surplus and/or undivided profits for dividend purposes.* Any such restriction, other than as reported in paragraph (c) (9) (iii) of this section 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.

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

(viii) *Standby letters of credit.* State the amount of outstanding "standby letters of credit." For the purpose of this

paragraph, "standby letters of credit" include every letter of credit (or similar arrangement however named or designated) which represents an obligation to the beneficiary on the part of the issuer (A) to repay money borrowed by or advanced to or for the account of the account party or (B) to make payment on account of any evidence of indebtedness undertaken by the account party, or (C) to make payment on account of any default by the account party in the performance of an obligation,⁹ except that, if prior to or at the time of issuance of a standby letter of credit, the issuing bank (D) is paid an amount equal to the bank's maximum liability under the standby letter of credit, or (E) has set aside sufficient funds in a segregated, clearly earmarked deposit account to cover the bank's maximum liability under the standby letter of credit, then the amount of that standby letter of credit need not be stated.

(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 referenced notes thereto:

(i) *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.

(ii) *Depreciation and amortization.* For the period of which statements of income are filed, there shall be stated the policy followed with respect to: (A) 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; (B) 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; (C) The accounting treatment for maintenance, repairs, renewals, and improvements; and (D) 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.

(iii) *Bonus, profit sharing, and other similar plans.* (A) Describe (1) the essential provisions of any plans in which only directors, officers, or key employees may participate, and state, for each of the fiscal periods for which income statements are required to be filed, the aggregate amount provided for all plans by charges to expense. (Types of timing

⁹ As defined, "standby letter of credit" would not include (1) commercial letters of credit and similar instruments where the issuing bank expects the beneficiary to draw upon the issuer and which do not "guaranty" payment of a money obligation or (2) a guaranty or similar obligation issued by a foreign branch in accordance with and subject to the limitations of Regulation M.

differences that are individually less than 15 percent of the deferred tax amount in the income statement may be combined. If no individual type of difference is more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate and the aggregate amount of timing difference is less than five percent of such computed amount, disclosure of each of the separate types of timing differences may be omitted.) and (2) operating losses; and (3) the net deferred investment tax credits. Amounts applicable to United States Federal income taxes, to foreign income taxes and to other income taxes shall be stated separately for each major component, unless the amounts applicable to foreign and other income taxes do not exceed five percent of the total for the component. (B) Provide a reconciliation between the amount of reported total income tax expense and the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, showing the estimated dollar amount of each of the underlying causes for the difference. If no individual reconciling item amounts to more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, and the total difference to be reconciled is less than five percent of such computed amount, no reconciliation need be provided unless it would be significant in appraising the trend of earnings. Reconciling items that are individually less than five percent of the computed amount may be aggregated in the reconciliation. The reconciliation may be presented in percentages rather than in dollar amounts.]

(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 Corporation" 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) *Statement of changes in financial position.* A statement of changes in financial position shall be filed with each statement of income.]

(g) Schedules to be filed. (1) The following schedules shall be filed with each balance sheet filed pursuant to this Part: Schedule I—U.S. Treasury Securities, Securities of other U.S. Government Agencies and Corporations, and Obligations of States and Political Subdivisions; Schedule II—Other securities; Schedule III—Other 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 schedule shall be filed with each statement of income filed pursuant to this Part: Schedule VII—Allowance for Possible Loan Losses.

(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.

FORMS

§ 206.41 Form for registration of securities of a bank pursuant to section 12 (b) or section 12(g) of the Securities Exchange Act of 1934 (Form F-1).

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)

(I.R.S. Employer Identification No.)

(Bank's telephone number, including area code)

Title of each class of securities being registered pursuant to section 12(g) of the Act:¹

Title of class
Name of each exchange on which class is being registered

Title of each class of securities being registered pursuant to section 12(g) of the Act:¹

GENERAL INSTRUCTIONS

[Form F-1 shall be used for registration pursuant to section 12 (b) or (g) of the Securities Exchange Act of 1934 of classes of securities of issuers that are State-chartered banks that are members of the Federal Reserve System]. 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 § 206.2 and the general requirements in § 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 § 206.4(u). [Attention is directed to § 206.4(j) which states: "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 light of the circumstances under which they are made, not misleading."]

[Section 206.4(s) requires that four complete copies of the registration statement, including financial statements, exhibits and all other papers and documents filed as a part thereof, and four additional copies which need not include exhibits, shall be filed with the Board. At least one complete copy of the registration statement, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities is to be registered. At least one complete copy of the registration statement filed with the Board and one such copy filed with each exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.]

[Information required by any item or other requirement of this form with respect to any foreign subsidiary may be omitted to the extent that the required disclosure would be detrimental to the registrant. However, financial statements, otherwise required, shall not be omitted pursuant to this instruction. Where information is omitted pursuant to this instruction, a statement shall be made that such information has been omitted and the names of the subsidiaries involved shall be separately furnished to the Board. The Board may, in its discretion, call for justification that the required disclosure would be detrimental.]

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.

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.

¹ If none, so state.

(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; [(iii) subsidiaries included in group financial statements filed for unconsolidated subsidiaries; and (iv)] subsidiaries for which no financial statements are filed, indicating briefly why statements of such subsidiaries are not filed.

Instructions. 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, or if the bank takes up the equity in undistributed earnings of any other unconsolidated person, such person shall be deemed to be a subsidiary for the purpose of this item.]

[NOTE: If any person is controlled by means of the direct ownership of its securities by two or more persons listed in response to this item, so indicate by appropriate cross reference.]

[(c) Describe any contractual arrangement, known to the bank, including any pledge of securities of the bank or any of its parents the operation of the terms of which may at a subsequent date result in a change of control of the bank.]

[Instruction. This paragraph does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the registrant.]

Item 3. Description of Business.

Describe briefly the business done [or intended to be 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.

(a) [The description shall include, without limitation, information as to matters such as the following:]

(1) [Competitive conditions in the market areas involved and the competitive position of the bank, if known or reasonably available to the bank. If several services are involved, separate consideration shall be given to the principal services or classes of services.]

(2) [The principal services rendered by the bank, including any significant changes in the kinds of services rendered, during the past three fiscal years.]

(3) [The estimated dollar amount, if material, spent during each of the last two fiscal years for the development of new services or the improvement of existing services.]

(4) [The number of persons employed by the bank.]

PROPOSED RULES

(5) [The extent to which the business of the bank or a material portion thereof is or may be seasonal.]

(6) [Present in tabular form, for each of the three years for which a statement of income is being furnished, ratios of the bank's net income to the following items: (a) Average equity capital accounts, and (b) average daily total deposits. Ratios for such periods of average daily loans to average daily deposits should also be included.]

(7) [If more than 25 percent of the bank's loans are concentrated in any one of the categories specified in Schedule III of Form F-9D, or if more than 10 percent of the bank's loans in any particular category specified in Schedule III of Form F-9D represent the indebtedness of persons or firms in a particular industry (for example, electronics or real estate investment trusts), the category of loans, the particular industry or industries involved, and the percentages that the amounts of such loans bear to the total amount of the bank's loans and to the total amount of the bank's loans in the pertinent category in Schedule III.]

(8) [The dollar amounts of loan and other commitments as of the end of the last fiscal year and previous fiscal year, indicating also the portions thereof reasonably expected to be exercised within the current fiscal year.]

Instructions. [1. If the bank proposes to enter, or has recently entered or introduced a new service requiring the investment of a material amount of its total assets, provide as supplemental information at the time of filing of the registration statement, but not as a part thereof, a copy of any studies conducted or performed by or for the bank relating to such business, and a statement as to the actual or proposed use of such study. Where material, disclosure of the absence of such a study is required.]

[2. The principal methods of competition (e.g., rate service) should be identified and positive and negative factors pertaining to the competitive position of the bank, to the extent that they exist, should be explained, if known or reasonably available to the bank. An estimate of the number of competitors should be included, and where material, the particular market areas in which the bank competes should be identified. Where one or a small number of competitors are dominant, they should be identified.]

[3. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries of the bank insofar as is necessary to understand the character and development of the business conducted by the total enterprise.]

[4. In describing developments, information shall be given as to matters such as the following: the nature and results of any other material reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and any material changes in the mode of conducting the business.]

[5. Appropriate disclosure shall also be made as to the material effects that compliance with Federal, State and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, may have upon the capital expenditures, earnings and competitive position of the bank and its subsidiaries.]

[6. The business of a predecessor or predecessors shall be deemed to be the business of the bank for the purpose of this item.]

[7. Appropriate disclosure shall be made with respect to any material portion of the business, e.g. deposits which may be subject

to termination at the election of state, local, or federal governments, or any other depositor.]

[(b) If the bank and its subsidiaries engage in material operations in foreign countries, or if a material portion of revenues is derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the bank and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and profitability of such operations.]

[(c) The Board may, upon written request of the bank, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution thereof of appropriate information of comparable character. The Board may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done.]

[*Item 4. Summary of Operations.*]

[Furnish in comparative columnar form a summary of operations for the bank or for the bank and its subsidiaries consolidated, as appropriate, for—]

[(a) each of the last five fiscal years of the bank (or for the life of the bank and its predecessors, if less), and]

[(b) any additional fiscal years necessary to keep the summary from being misleading.]

[Where necessary, include information or explanation of material significance to investors in appraising the results shown, or refer to such information or explanation set forth elsewhere in the registration statement.]

[*Instruction. 1.* As a minimum, operating income, operating expenses, income before income taxes and security gains (losses), applicable income taxes, income before security gains (losses), security gains (losses), and net income should be presented. The summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.]

[2. Per share earnings and dividends declared for each period of the summary shall be also shown. The basis of the computation of per share earnings shall be stated, together with the number of shares used in the computation. The bank shall file as an exhibit a statement setting forth in reasonable detail the computation of per share earnings, unless the computation can be clearly determined from the answer to this item.]

[3. (a) If debt securities are being registered, the bank may, at its option, show in tabular form for each fiscal year the ratio of earnings to fixed charges. Such ratio shall be calculated both on the basis of excluding interest on deposits and including interest on deposits as part of "fixed charges."]

[(b) Earnings shall be computed after all operating and income deductions except fixed charges and taxes based on income or profits and after eliminating undistributed income or unconsolidated subsidiaries and 50 per cent or less owned persons.]

[(c) The term "fixed charges" shall mean (i) interest and amortization of debt discount and expense and premium on all indebtedness; (ii) such portion of rentals as can be demonstrated to be representative of the interest factor in the particular case.]

[(d) Any bank electing to show the ratio of earnings to fixed charges, in accordance with this instruction, shall file as an exhibit a statement setting forth in reasonable detail the computations of the ratios shown.]

[*Item 5. 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, the average term of the leases pursuant to which such rentals were paid, [and the expiration dates of any material leases should be indicated.]

[*Item 6. 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 [or to be 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 2 years prior to their transfer to the bank, state the cost thereof to the promoter.

[*Item 7. 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, the principal parties thereto, [a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.]

Instructions. [1. No collection action or other claim need be described unless it departs from the normal kind of such actions.]

2. No information need be given with respect to proceedings that involve principally claims for damages if the aggregate amount involved does not exceed 10 percent 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.

3. Any material proceedings to which any director, officer, or affiliate of the bank, any security holder named in answer to Item 12(a), or any association of any such director, officer, or security holder, is a party, or has a material interest, adverse to the bank or any of its subsidiaries shall also be described.

4. [Notwithstanding the foregoing, administrative or judicial proceedings arising under any Federal, State or local provisions which have been enacted or adopted relating to the protection of the environment, shall not be deemed "ordinary routine litigation incidental to the business" and shall be described if such proceeding is material to the business or financial condition of the bank or if it involves primarily a claim for damages and the amount involved exclusive of interest and costs, exceeds 10 percent of the equity capital accounts of the bank and its subsidiaries on a consolidated basis. Any such proceedings by governmental authori-

ties shall be deemed material and shall be described whether or not the amount of any claim for damages involved exceeds 10 percent of equity capital accounts on a consolidated basis and whether or not such proceedings are considered "ordinary routine litigation incidental to the business"; provided however, that such proceedings which are similar in nature may be grouped and described generically stating: the number of such proceedings in each group; a generic description of such proceedings; the issues generally involved; and, if such proceedings in the aggregate are material to the business or financial condition of the bank, the effect of such proceedings on the business or financial condition of the bank.]

Item 8. Directors and Officers.

[(a)] 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. [State the age of the persons named, their terms of office, and the periods during which each such person has served. Briefly describe any arrangement or understanding between each director or officer and any other person pursuant to which such director or officer was selected to serve in that capacity.] The term "officer" is defined in § 206.2(q).

Instruction. [Do not include arrangements or understandings with directors or officers of the bank acting solely in their capacities as such.]

[(b)] State the nature of any family relationship between any director or officer and any other director or officer.]

Instruction. [The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.]

[(c)] Give a brief account of the business experience during the past five years of each director and each officer, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. Where an executive officer has been employed by the bank or a subsidiary of the registrant for less than five years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions to provide adequate disclosure of his prior business experience.]

[(d)] Describe any of the following events which occurred during the past ten years and which are material to an evaluation of ability and integrity of any director or officer of the bank.]

[(1)] A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of, such person, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an officer at or within 2 years before the time of such filing.]

[(2)] Such person was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is the subject of a criminal proceeding which is presently pending; or]

[(3)] Such person was the subject of any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was the subject of any order of a Federal

or State authority barring or suspending, for more than 60 days, the right of such person to be engaged in any such activity or to be associated with persons engaged in any such activity, which order has not been reversed or suspended.]

Instruction. [If any event specified in paragraph (d) has occurred but information in regard thereto is omitted on the ground that it is not material, the bank shall furnish, as supplemental information and not as a part of the registration statement, a description of the event and a statement of the reasons for the omission of information in regard thereto.]

Item 9. 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 10. 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 [three] highest paid officers, of the bank whose annual total direct remuneration exceeded [\$40,000], 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.

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

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. [See Instruction 4 to paragraph (b) for the meaning of the term "plan".]

(b) Furnish the following information, in substantially the tabular form indicated below, as to all [annuity,] 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 [(1)] each director of officer named in an-

swer to paragraph (a) (1) [and (2) all directors and officers of the bank who are eligible for such benefits, as a group, stating the number of persons in the group without naming them:]

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

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. [In such case, Columns (A) and (C) need not be answered with respect to directors and officers as a group.]

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 01) 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.

4. The term "plan" in this paragraph and in paragraph (c) includes all plans, contracts, authorizations or arrangements, whether or not set forth in any formal document.]

(c) Describe briefly all remuneration payments (other than [accrued] 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 (1) each director or officer named in answer to paragraph (a) (1), naming each such person, and (2) 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 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 should be stated, together with an explanation of the basis for future payments.

Item 11. Management Options to Purchase Securities. Furnish the following information as to all options to purchase securities from the bank held by any of the following persons: (1) each director or officer named in answer to paragraph (a) (1) of Item 7, naming each such person; and (2) all directors and officers of the registrant as a group, without naming them.]

[(a)] The title and amount of securities called for;]

[(b)] The option prices, expiration dates, and other material provisions;]

[(c)] Any consideration received for the granting thereof;]

[(d)] The market value of the security on the date of grant.]

Instructions. 1. The term "options" as used in this term includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis.]

2. The extension, regrating or material amendment of options shall be deemed the

granting of options within the meaning of this item.]

[3. Where the total market value of securities called for by all outstanding options does not exceed \$10,000 for any person required to be named, or \$40,000 for all directors and officers as a group, this term need not be answered with respect to such person or group.]

[4. 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 prices.]

Item 12. 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:

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

(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.

Title of class	Amount beneficially owned	Percent of class
(A)	(B)	(C)

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.

[3. For the purpose of this item a person shall be deemed to be the beneficial owner of securities which he has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities. In computing the percentage of the class owned, securities which such person has a right to acquire shall be deemed to be outstanding.]

Item 13. Interest of management and others in certain transactions. [(a)] 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 10(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 [as well as the nature of his interest in the transaction]. 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 response to this Item 13(a) as to any remuneration or other transaction reported in response to Items 10 or 11, or as to any transaction with respect to which information may be omitted pursuant to Instruction 1 to Item 10(b) or the instruction to Item 10(c).]

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 pursuant 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 governmental authority] 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 13(a) 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 percent inter-

est 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 percent 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 [\$40,000.]

(vii) [The transaction consists of extensions of credit by the bank in the ordinary course of its business that (A) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than specified persons, (B) at no time exceed 10 per cent of the equity capital accounts of the bank, or \$10 million, whichever is less, and (C) do not involve more than the normal risk of collectibility or present other unfavorable features. Notwithstanding the foregoing, if aggregate extensions of credit to the specified persons, as a group, exceeded 20 per cent of the equity capital accounts of the bank at any time during the preceding year, (1) the aggregate amount of such extensions of credit shall be disclosed, and (2) a statement shall be included, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders, and their associates, on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. For the purpose of determining "aggregate extensions of credit" in this instruction, transactions which are exempted from disclosure pursuant to other instructions to this item 13(a) may be excluded.]

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.

8. [The amount of the interest of any specified person shall be computed without regard to the amount of the profit or loss involved in the transaction.]

(b) [Describe briefly any transactions during the last three years or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the bank, or any of its parents or subsidiaries, was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming such person and stating his relationship to the bank, the nature of his interest in the transaction and, where practicable, the amount of such interest:]

- [(1) Any director or officer of the bank;]
- [(2) Any security holder named in answer to Item 12(a);]

[(3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the bank; or]

[(4) The bank or any of its subsidiaries.]

[Instructions. 1. Instructions 1, 2, 3, 4, 6, 7 and 8 to Item 13(a) shall apply to this Item (13(b)).]

[2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this item any remunera-

tion received or any loans received or outstanding during the period, or proposed to be received.]

[3. No information need be given in answer to paragraph (c) with respect to—]

(a) Payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;]

(b) Payment of remuneration for services, not in excess of 5 percent of the aggregate remuneration received by the specified person during the bank's last fiscal year from the bank and its subsidiaries; or]

(c) Any interest of the bank or any of its subsidiaries which arises solely from its general interest in the success of the plan.

Item 14. 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 [or by the provisions of any contract or other document], include such information regarding such other 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 5. 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 requiring the maintenance of any ratio of assets] or the creation or maintenance of reserves [or the maintenance of properties.]

(c) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, [the release or substitution of assets securing the issue], 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.

(e) [Provisions with respect to the kind and priority of any lien, securing the issue,

together with a brief identification of the principal properties subject to each lien.]

Instruction. 1. The instructions to Item 4 shall apply to this item.

2. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described in answer to paragraph (c).

Item 6. 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 4 shall also apply to this item.

Item 17. 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, [and new securities resulting from the modification of outstanding 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.

(d) [Give 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 to be used for each purpose.]

Instructions. (1) Information need not be set forth as to notes, drafts, bills of exchange, or bank acceptances that mature not later than [12 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 18. Nature of Trading Market.]

[As to each class of securities to be registered pursuant to Section 12(g) of the Act, state briefly the nature of the trading market, if any, in such securities, including the names of the principal market makers and the reported high and low bid prices for each quarterly period during the past three years. If bank securities are actively traded, so state and indicate the range of sales prices known to management for each such period and the source of such information.]

[Item 19. Applicability of State Laws.]

[Describe briefly the manner in which the laws of the State under the laws of which the bank is chartered may materially affect:

- (a) [De novo branching;]
- (b) [Mergers;]-----
- (c) [Interest rates on loans; or]
- (d) [Bank holding companies.]

Item 20. 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 [, statement of changes in financial position,] 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 sections 25 or 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 sections 25 or 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidi-

aries, 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. [For purposes of this item, "other persons" includes 50 percent owned persons and unconsolidated persons in which the bank takes up equity in undistributed earnings.]

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 pro-

tection of investors, permit the omission of one or more of the statements herein required or the filing in substitution thereof 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 accounts, 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 20.

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 [17].

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 [12].

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 [10] 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.

§ 206.42 Form for annual report of bank (Form F-2).

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 registrant as specified in its charter)

(State or other jurisdiction of incorporation or organization)

[(I.R.S. Employer Identification No.)]

(Address of principal) (Zip Code)
Bank's telephone number, including area code -----

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Securities registered pursuant to Section 12 (g) of the Act:

(Title of class)

(Title of class)

[GENERAL INSTRUCTIONS]

A. [Rule as to Use of Form F-2.] (a) [Form F-2 shall be used for annual reports pursuant to section 13 of the Securities Exchange Act of 1934.]

(b) [Reports on this form shall be filed within 90 days after the end of the fiscal year covered by the report, or within 30 days of the mailing of the bank's annual report to stockholders, whichever ever occurs first.]

B. [Application of Regulation F.] [(a) The Board's Regulation F contains certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on this form.]

[(b) Particular attention is directed to § 206.4 which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Section 206.2 should be especially noted.]

C. [Preparation of Report.] [(a) 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 on paper meeting the requirements of § 206.4(t). The report shall contain the item numbers and captions of all items but the text of such items may be omitted. The answers to the items shall be prepared in the manner specified in § 206.4(u).]

[(b) Except where information is required to be given for the fiscal year or as of a specified date, it shall be given as of the latest practicable date.]

(c) Attention is directed to § 206.4(j) which states: "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."

D. [Signature and Filing of Report.] [Four complete copies of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, and four additional copies which need not include exhibits, shall be filed with the Board. At least one complete copy of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities of the bank is registered. At least one complete copy of the report filed with the Board and one such copy filed with each exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.]

E. [Disclosure with Respect to Foreign Subsidiaries.] [Information required by any item or other requirement of this form with respect to any foreign subsidiary may be omitted to the extent that the required disclosure would be detrimental to the bank. However, financial statements, otherwise required, shall not be omitted pursuant to this instruction. Where information is omitted pursuant to this instruction, a statement

shall be made that such information has been omitted and the names of the subsidiaries involved shall be separately furnished to the Board. The Board may, in its discretion, call for justification that the required disclosure would be detrimental.]

F. [Incorporation of Certain Information by Reference.] [Attention is directed to § 206.4(e) which provides for the incorporation by reference of information contained in certain documents in answer or partial answer to any item of a report.]

G. [Omission of Information Previously Filed.] [(a) Except as provided in paragraph (b) below, the information called for by items 1, 2, 3, 4, 8, 9, 10, 11, 12 and 15 is to be furnished by all banks required to file a report on this form. Items 5, 6, 7, 13 and 14 may be omitted from the report by any bank which, since the close of the fiscal year, has filed with the Board a definitive proxy statement or a definitive information statement pursuant to § 206.5, which involved the election of directors.]

[(b) If the information called for by Item 2, 9, or 12 would be unchanged from that given in a previous report, a reference to the previous report which includes the required information will be sufficient. Copies of such previous report need not be filed with the report currently being filed on this form.]

[Item 1. Approximate Number of Equity Security Holders.]

[State in the tabular form indicated below the approximate number of holders of record of each class of equity securities of the bank as of the end of the fiscal year:]

(1)
[Title of Class]
(2)
[Number of record holders]

[Instructions. 1. Attention is directed to the definition of the term "equity security" in section 3(a)(11) of the Act and the definition of the term "held of record" in § 206.2(j).]

[2. The information shall be given as of the end of the last fiscal year or as of any subsequent date, except that if the latest determination of the number of record holders of any class of equity securities was made for some other purpose within 90 days prior to the end of the last fiscal year, the information may be given as of the date of such determination.]

[3. Information need not be given with respect to the number of holders of outstanding nontransferable options to purchase securities of the bank.]

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. [See General Instruction G.]

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, [(c) subsidiaries included in

PROPOSED RULES

group financial statements filed for unconsolidated subsidiaries], and (d) other subsidiaries, indicating briefly why statements of such subsidiaries are not filed.

4. Indicate the name of the [state or other jurisdiction] in which each subsidiary was organized [or incorporated.]

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, [or if the bank takes up the equity in undistributed earnings of any other unconsolidated person] shall be considered a subsidiary for the purpose of this item.

Item 3. Business. [(a) Describe any material changes and developments since the beginning of the fiscal year in the business done and intended to be done by the bank and its subsidiaries. The description shall include information as to changes in matters as to which information is required to be furnished in response to Item 3 of Form F-1.]

[(b) If the bank and its subsidiaries engage in material operations in foreign countries, or if a material portion of revenues is derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the bank and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such operations.]

[(c) The Board may, upon written request of the bank and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Board may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done.]

Item 4. Summary of operations. [Furnish in comparative columnar form a summary of operations for the bank or for the bank and its subsidiaries consolidated, as appropriate, for—]

[(a) each of the last five fiscal years of the bank (or for the life of the bank and its predecessors, if less), and]

[(b) any additional fiscal years necessary to keep the summary from being misleading.]

[Where necessary, include information or explanation of material significance to investors in appraising the results shown, or refer to such information or explanation set forth elsewhere in the registration statement.]

[Instruction. 1. As a minimum, operating income, operating expenses, income before income taxes and security gains (losses), applicable income taxes, income before security gains (losses), security gains (losses), and net income should be presented. The summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.]

[2. Per share earnings and dividends declared for each period of the summary shall be also shown. The basis of the computation of per share earnings shall be stated, together with the number of shares used in the computation. The bank shall file as an exhibit a statement setting forth in reasonable detail the computation of per share earnings, unless the computation can be clearly determined from the answer to this item.]

[3. (a) If debt securities are being registered, the bank may, at its option, show in tabular form for each fiscal year the ratio of earnings to fixed charges. Such ratio shall be calculated both on the basis of excluding interest on deposits and including interest on deposits as part of "fixed charges."]

[(b) Earnings shall be computed after all operating and income deductions except fixed charges and taxes based on income or profits and after eliminating undistributed income or unconsolidated subsidiaries and 50 per cent or less owned persons.]

[(c) The term "fixed charges" shall mean (i) interest and amortization of debt discount and expense and premium on all indebtedness; (ii) such portion of rentals as can be demonstrated to be representative of the interest factor in the particular case.]

[(d) Any bank electing to show the ratio of earnings to fixed charges, in accordance with this instruction, shall file as an exhibit a statement setting forth in reasonable detail the computations of the ratios shown.]

Item 5. Principal holders of voting securities and security holdings of management. Set forth the same information as to principal holders of voting securities and security holdings of management as is required to be furnished by Item 5 of Form F-5. See General Instruction G.]

Item 6. Directors of bank. Set forth the same information as to directors of bank as is required to be furnished by Item 6 of Form F-5. See General Instruction G.]

Item 7. 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 (a), (b), and (c) of Form F-5. See General Instruction G.]

Item 8. Bank Premises and Other Real Estate. Describe material changes in the location and general character of premises and real property of the bank and its subsidiaries, whether held in fee or leased, and if leased, the expiration dates of material leases.]

Item 9. [Legal Proceedings.] Briefly describe any material pending legal proceedings, other than ordinary routine litigation 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 are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities. See General Instruction G.]

[Instructions. 1. No collection action or other claim need be described unless it departs from the normal kind of such actions.]

[2. 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 of the bank and its subsidiaries on a consolidated basis. 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.]

[3. Notwithstanding Instructions 1 and 2, any material proceedings to which any director, officer or affiliate of the bank, any security holder named in answer to Item 4(a), or any associate of any such director, officer or security holder, is a party, or has a material interest, adverse to the bank or any of its subsidiaries shall also be described.]

[4. Notwithstanding the foregoing, administrative or judicial proceedings arising under any Federal, State or local provisions

regulating the discharge of materials into the environment or otherwise relating to the protection of the environment, shall not be deemed "ordinary routine litigation incidental to the business" and shall be described if such proceeding is material to the business or financial condition of the bank or if it involves primarily a claim for damages and the amount involved, exclusive of interest and costs, exceeds 10 per cent of the equity capital of the bank and its subsidiaries on a consolidated basis. Any such proceedings by governmental authorities shall be deemed material and shall be described whether or not the amount of any claim for damages involved exceeds 10 percent of equity capital on a consolidated basis and whether or not such proceedings are considered "ordinary routine litigation incidental to the business"; provided however, that such proceedings which are similar in nature may be grouped and described generically stating: the number of such proceedings in each group; a generic description of such proceedings; the issues generally involved; and, if such proceedings in the aggregate are material to the business or financial condition of the registrant, the effect of such proceedings on the business or financial condition of the bank.]

Item 10. Increases and Decreases in Outstanding Securities. Give the following information as to all increases and decreases during the fiscal year in the amount of equity securities of the bank outstanding:]

[(1) The title of the class of securities involved;]

[(2) The date of the transaction;]

[(3) The amount of securities involved and whether an increase or a decrease;]

[(4) A brief description of the transaction in which the increase or decrease occurred. If previously reported, the description may be incorporated by a specific reference to the previous filing.]

[Instruction. The information shall be prepared in the form of a reconciliation between the amounts shown to be outstanding on the balance sheet to be filed with this report and the amounts shown on the bank's balance sheet for the previous year. The exercise of outstanding options or warrants (separately by class or type of option warrant), conversions of previously issued convertible securities (separately by class of security) and the issuance of options may be grouped together showing the dates between which all such transactions occurred.]

Item 11. Officers of the bank. [(a) List the names and ages of all officers of the bank and all persons chosen to become officers; state the nature of any family relationship between them; indicate all positions and offices with the bank held by each such person; state his term of office as officer and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as an officer.]

[Instructions. 1. Do not include arrangements or understandings with directors or officers of the bank acting solely in their capacities as such.]

[2. The term "officer" is defined in section 206.2(q).]

[3. The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.]

[(b) Give a brief account of the business experience during the past five years of each officer, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. Where an officer has been employed by the bank or a subsidiary of the bank for less than five years, a brief explanation should be in-

cluded as to the nature of the responsibilities undertaken by the individual in prior positions to provide adequate disclosure of his prior business experience.)

[Item 12. *Indemnification of directors and officers.*] [State the general effect of any charter provision, bylaw, contract, arrangement or statute under which any director or officer of the bank is insured or indemnified in any manner against any liability which he may incur in his capacity as such. See Section G of General Instructions.]

[Item 13. *Options granted to management to purchase securities.*] [Set forth the same information as to options granted to management to purchase securities as is required to be furnished by Item 7(d) of Form F-5. See Section G of General Instructions.]

[Item 14. *Interest of management and others in certain transactions.*] [Set forth the same information as to the interest of management and others in certain transactions as is required to be furnished by Item 7 (e), (f), and (g) of Form F-5. See Section G of General Instructions.]

Item 15. *Financial statements and exhibits.* List below all financial statements and exhibits filed as a part of the annual report:

- (a) Financial statements.
- (b) Exhibits, [including those incorporated by reference.]

[Instruction. Where any financial statement or exhibit is incorporated by reference, the incorporation by reference shall be set forth in the list required by this item. See § 206.4(g).]

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.

Date _____ By _____
 (Name of bank) (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, [statement of changes in financial position,] and the schedules to be filed in support thereof.

1. *Financial statements of the bank.* (a) There shall be filed for the bank, in comparative columnar form, verified balance sheets as of the close of the last two fiscal years and verified statements of income for such fiscal years.

(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 sections 25 or 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, in comparative columnar form, verified consolidated balance sheets as of the close of the last two fiscal years of the bank and verified consolidated statements of income for such fiscal years.

3. *Separate statements of unconsolidated subsidiaries and other persons.* There shall be filed such other verified financial statements with respect to unconsolidated sub-

idiaries and other persons as are material to a proper understanding of the financial position and results of operations of the total enterprise. [For purposes of this item, "other persons" includes 50 percent owned persons and unconsolidated persons in which the bank takes up equity in undistributed earnings.]

4. *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 thereof 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.

INSTRUCTIONS AS TO EXHIBITS

Subject to provisions regarding incorporation by reference, the following exhibits shall be filed as 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.

§ 206.43 Form for current report of a bank (Form F-3).

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 § 206.4(u) 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 § 206.2 and the general requirements in § 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 § 206.5(a) of this Part or

in an annual report to security holders furnished to the Board pursuant to § 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 unless 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 percent] 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 percent 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, [a description of the factual basis, the relief sought,] 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.

Instruction. 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.

3. Any proceeding to which any director, officer or affiliates of the registrant, any principal holder of equity securities of the registrant or any associate of any such director, officer or security holder, is a party adverse to the registrant or any of its subsidiaries shall also be described.]

4. Notwithstanding the foregoing administrative or judicial proceedings arising under any Federal, State or local provisions regulating the discharge of materials into the environment or otherwise relating to the protection of the environment, shall not be deemed "ordinary routine litigation incidental to the business" and shall be de-

scribed if such proceeding is material to the business or financial condition of the registrant or if it involves primarily a claim for damages and the amount involved, exclusive of interest and costs, exceeds 10 per cent of the equity capital of the registrant and its subsidiaries on a consolidated basis. Any such proceedings by governmental authorities shall be deemed material and shall be described whether or not the amount of any claim for damages involved exceeds 10 per cent of equity capital on a consolidated basis and whether or not such proceedings are considered "ordinary routine litigation incidental to the business"; provided however, that such proceedings which are similar in nature may be grouped and described generically stating: the number of such proceedings in each group; a generic description of such proceedings; the issues generally involved; and, if such proceedings in the aggregate are material to the business or financial condition of the registrant, the effect of such proceedings on the business or financial condition of the registrant.]

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 percent 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 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 percent of the previously 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.

[(e) If the securities were capital shares, a statement of the amount of the proceeds credited or to be credited to any account other than the appropriate capital share account.]

Instructions. 1. This item does not apply to notes, drafts, bills of exchange, or bank acceptances which mature not later than 12 months from the date of issuance. No report need be made where the amount not previously reported, although in excess of 5 percent of the amount previously outstanding, does not exceed [\$50,000] 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 percent 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 consideration paid or to be paid by the bank in connection with such transaction or transactions.

Instruction. Instruction 1 to 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 percent 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.

[Instructions. 1. The term "option" as used herein means any option, warrant or right to purchase securities. This item does not, however, refer to an issue of securities such as an issue of warrants or rights or an issue of convertible securities.]

(2) This item need not be answered where the amount not previously reported, although in excess of 5 percent of the amount previously outstanding, does not exceed [\$50,000] 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. Extraordinary Item Charges and Credits, Other Material Charges and Credits to Income of an Unusual Nature, Material Provisions for Loss.

[(a) If there have been any extraordinary item charges or credits, any other material charges or credits to income of an unusual nature, or any material provisions for loss, the following shall be furnished for each such charge, credit, or provision:]

[(1) The date of the bank's determination to make the charge, credit, or provision:]

[(2) A statement of the reasons for making the charge, credit, or provision:]

[(3) An analysis of the components (in dollar amounts) of the charge, credit, or provision, which includes]

[(i) A description of the various categories of loans written down or off;]

[(ii) A description of any provision for losses on liquidation of assets or for other losses including a detailed schedule showing the components of any losses provided for, which schedule shows the amount of administrative and fixed costs, if any, allocated to the loss;]

[(iii) A description of any estimated recoveries or costs netted against the charge or credit;]

[(4) A statement setting forth the years in which costs being reflected in the charge (or net credit) being described were or are expected to be incurred and the amount of cost for each year by major category (e.g., fixed assets, research and development costs, operating losses);]

[(5) A statement setting forth the estimated amount of net cash outlays (or inflows) associated with the charge (or credit) in the year the charge (or credit) is made and in each subsequent year in which such estimate of the cash amount differs from the amount of total costs stated in part (4) for that year;]

[(6) A description of the accounting principles or practices followed and any changes therein or in the methods of applying such principles or practices which was made in connection with the transaction; and]

[(7) A report from the bank's independent accountants, if any, in which they state that they have read the description in the Form F-3 of the facts set forth therein and of the accounting principles applied and whether they believe that on the basis of the facts so set forth that such accounting principles are fairly applied in conformity with generally accepted accounting principles or, if not, the respects in which they believe the principles do not conform to generally accepted accounting principles.]

Item 11. 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 208.5(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 12. Changes in bank's certifying accountant. If an independent accountant has been engaged as the principal accountant to audit the registrant's financial statements who was not the principal accountant for the registrant's most recently filed certified financial statements, state the date when such independent accountant was engaged. The bank shall also furnish the Board with a separate letter stating whether in the eighteen months preceding such engagement there were any disagreements with the former principal accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing procedure, which disagreements if not resolved to the satisfaction of the former accountant would have caused him to make reference in connection with his opinion to the sub-

ject matter of the disagreement. The bank shall also request the former principal accountant to furnish the registrant with a letter addressed to the Board stating whether he agrees with the statements contained in the letter of the registrant and, if not, stating the respects in which he does not agree; and the registrant shall furnish such letter to the Board together with its own.]

Item 13. Other materially important events.

The bank should, 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 14. 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

FINANCIAL STATEMENTS OF BUSINESS 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.

(e) [Except as otherwise provided in this instruction, the principles applicable to a registrant and its subsidiaries with respect to the filing of individual, consolidated and group statements in an original application or annual report shall be applicable to the statements required by this instructions.]

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 thereof 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 per-

PROPOSED RULES

son 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 constit-

uent 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 4.
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.
7. Letters from the registrant and the independent accountants furnished pursuant to Item 12.
8. Copies of any letters furnished pursuant to Item 10.

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)

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FORM F-4

GENERAL INSTRUCTIONS

(a) Use of Form F-4. (1) Form F-4 is a guide for use in preparation of quarterly reports to be filed with the Board. (2) The interim report shall be filed not later than 30 days after the end of each of the first three fiscal quarters of each fiscal year. No report need be filed for the fourth quarter of any fiscal year.

(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 audited (see §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.

(e) Extraordinary items. If present with respect to any interim period reported herein, extraordinary items less applicable income tax effect shall be appropriately segregated and included in the determination of net income. (See Form F-9B, Statement of Income.)

(f) Acquisitions. (1) If the bank has entered into a business combination with another bank or other related business treated for accounting purposes as a pooling of interests, the results of operations reported in this report—for both the current year and the preceding year—should reflect the combined results of the pooled entities. Disclosure of the separate results of the combined entities for periods prior to the combination should be given in a footnote with appropriate explanation. (2) In case the bank has acquired a significant amount of assets in a transaction treated for accounting purposes as a purchase, during any of the periods covered by the report, the effect thereof on revenue and net income, in total and per share, should be disclosed in a footnote.

(g) The financial information to be included in this report should be prepared in conformity with the accounting principles and practices, reflected in the financial statements included in the annual report filed with the Board for the preceding fiscal year, except for any changes required to be reported by §206.7(c)(5) of this Part.

§ 206.44 Form for quarterly report of bank (Form F-4).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-4

QUARTERLY REPORT

PART A—SUMMARIZED FINANCIAL INFORMATION

(Name of bank) _____
(City and state) _____

	3 months ending _____	Fiscal year to date
		months ending _____
	19--	19--
	(current year)	(prior year)

1. Operating income:
 - (a) Interest fees on loans
 - (b) Interest and dividends on securities
 - U.S. Treasury securities
 - Securities of other U.S. Government agencies and corporations
 - Obligations of States and political subdivisions
 - Other securities
 - (c) Other operating income
 - (d) Total operating income
2. Operating expenses:
 - (a) Salaries and other compensation
 - (b) Interest expenses
 - (c) Provision for loan losses
 - (d) Other operating expenses
 - (e) Total operating expenses
3. Income before income taxes and securities gains (losses)
4. Applicable income taxes
5. Income before securities gains (losses)
6. Net securities gains (losses), less related tax effect
7. Net income
 - Earnings per common share:
 - Income before securities gains (losses)
 - Net income
 - Cash dividends declared per common share

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SYSTEM

FORM F-4

QUARTERLY REPORT

PART B—BORROWINGS AND EQUITY CAPITAL

(Date)

Furnish, insofar as practicable in the manner presented below, data as at the end of the latest fiscal quarter.

Borrowings

1. Federal funds purchased and securities sold under agreement to repurchase \$-----
2. Mortgages payable \$-----
3. Other liabilities for borrowed money \$-----
4. Subordinated notes and debentures (if more than one issue, list separately) \$-----

Equity Capital

5. Preferred stock:
 - Convertible (---- shares outstanding) \$-----
 - Non-convertible (---- shares outstanding) \$-----
6. Common stock (---- shares outstanding) \$-----
7. Surplus \$-----
8. Undivided profits:
 - (a) Balance at beginning of current fiscal year \$-----
 - (b) Net income to date \$-----
 - (c) Dividends declared:
 - Common stock:
 - Cash \$-----
 - Stock (percent) \$-----
 - Preferred stock:
 - Cash (\$--- per share) \$-----
 - (d) Prior period adjustments (list credits and (charges) separately) \$-----
 - (e) Other credits and (charges) \$-----
 - (f) Balance at end of interim period \$-----
9. Reserves for contingencies \$-----
- Total equity capital \$-----

§ 206.45 Form for amendment to registration statement or periodic report of bank (Form F-20).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-20

AMENDMENT TO REGISTRATION STATEMENT OR PERIODIC REPORT OF BANK

GENERAL INSTRUCTIONS

The form set forth hereinafter is not to be used as a blank form to be filled in but is intended solely as a guide in the preparation of an amendment to a previously filed registration statement or report. Attention should be given to the general requirements government amendments, which are prescribed in section 206.4(w) of Regulation F.

The amendment shall contain the number and caption of each item being amended and each such item shall be restated, as amended, in its entirety. Where a financial statement, or a note or schedule related thereto, is being amended, such statement, note, or schedule likewise shall be restated in its entirety.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Washington, D.C. 20551

AMENDMENT NUMBER _____

To

_____ 1

On

FORM F-_____ 2

Pursuant to Section 12 or 13 of the Securities Exchange Act of 1934

(Exact name of bank as specified in charter)

(Address of principal office)

The undersigned bank hereby amends the following items, financial statements or exhibits, constituting part of the aforesaid statement report, as set forth in the pages attached hereto:

(List all such items, financial statements, exhibits, or other portions amended).

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

Date _____

By _____
(Print name and title of signing office under signature)

¹ Indicate appropriate designation of statement or report being amended, such as "Registration Statement" or "Annual Report for year ended December 31, 19____."

² Indicate the number of the form on which the statement or report was filed, such as "Form F-1."

§ 206.46 Form for registration of additional class of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F-10).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Washington, D.C. 20551

FORM F-10

Registration Statement for Additional Classes of 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)

(State of incorporation or organization)

(I.R.S. Employer Identification No.)

Securities being registered pursuant to section 12(b) of the Act:

Title of class.

Name of each exchange on which class is being registered.

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

GENERAL INSTRUCTIONS

1. *Applicability of this form.*

This form may be used for registration of the following securities pursuant to the Securities Exchange Act of 1934:

(a) For registration pursuant to section 12(g) of the Act of any class of equity securities of a bank which has one or more other classes of securities registered pursuant to either section 12 (b) or (g) of the Act.

(b) For registration on a national securities exchange pursuant to section 12(b) of the Act of any class of securities of a bank which has one or more other classes of securities so registered on the same or another securities exchange.

2. *Preparation of registration statement.*

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 general requirements in § 206.4 of Federal Reserve Regulation F. 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 § 206.4(u).

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Stock to be registered.

If stock is being registered, state the title of the class and furnish the following information (See Instruction 1):

(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.

(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 instalments. If there is no such restriction, so state.

Instructions. 1. If a description of the securities comparable to that required here is contained in any other document filed with the Board, such description may be incorporated by reference to such other filing in answer to this item. If the securities are to be registered on a national securities exchange and the description has not previously been filed with such exchange, copies of the description shall be filed with copies of the registration statement filed with the exchange.

2. This item requires only a brief summary of the provisions which 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 resumé is required.

3. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

Item 2. Debt securities to be registered.

If the securities to be registered hereunder are bonds, debentures or other evidences of indebtedness, outline briefly such of the following as are relevant (see Instruction 2 below):

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

(b) Provisions with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

Instruction 1. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described.

(e) 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.

(f) The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture.

Instruction 2. In most cases, debt securities issued by banks need not be registered pursuant to section 12(g) of the Securities Exchange Act; the registration requirements of that section apply only to an "equity se-

curity". The term "equity security" is defined by section 3(a)(11) of the Act to mean "any stock or similar security; or any security convertible, with or without consideration, into such a security; or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the [Board] shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security."

Instruction 3. The instructions to Item 1 also apply to this item.

Item 3. Other securities to be registered.

If securities other than those referred to in Items 1 and 2 are to be registered hereunder, outline briefly the rights evidenced thereby. If subscription warrants or rights are to be registered, state the title and amount of securities called for, and the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to Item 1 also apply to this item.

Item 4. Exhibits.

List all exhibits filed as a part of the registration statement.

SIGNATURE

Pursuant to the requirements to 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 EXHIBITS

[I. If the securities to be registered hereunder are to be registered on an exchange on which other securities of the bank are registered, or are to be registered pursuant to Section 12(g) of the Act, the following exhibits shall, subject to § 206.4(q) regarding incorporation of exhibits by reference, be filed with each copy of the registration statement filed with the Board or with an exchange:]

[1. Specimens or copies of each security to be registered hereunder.]

[2. Copies of all constituent instruments defining the rights of the holders of each class of such securities, including any contracts or other documents which limit or qualify the rights of such holders.]

[II. If the securities to be registered are to be registered on an exchange on which no other securities of the bank are registered, the following exhibits shall be filed with each copy of the registration statement filed with each such exchange, but need not be filed with, or incorporated by reference in, copies of the registration statement filed with the Board:]

[3. Copies of the last annual report filed pursuant to section 13 of the Act or, if no such report has yet been filed, copies of the latest registration statement filed pursuant to section 12(b) or (g) of the Act.]

[4. Copies of all current or quarterly reports filed pursuant to section 13 of the Act since the end of the fiscal year covered by the annual report filed pursuant to Instruction 3 above, or if none, since the effective date of the latest registration statement so filed.]

[5. Copies of the latest definitive proxy statement or information statement, if any, filed with the Board pursuant to section 14 of the Act.]

[6. Copies of the charter and bylaws, or instruments corresponding thereto, and copies

of any other documents defining the rights of holders of the securities to be registered.]

[7. Specimens or copies of each security to be registered hereunder.]

[8. Copies of the last annual report submitted to stockholders by the bank or its predecessors. Such annual report shall not be deemed to be "filed" with the exchange or otherwise subject to the liabilities of section 18 of the Act, except to the extent it may already be subject thereto.]

§ 206.47 Form for statement to be filed pursuant to § 206.4(g)(2) or § 206.5(1) of Regulation F (Form F-11).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-11

[Statement filed Pursuant to §§ 206.4(h)(3) or 206.5(1) of Regulation F Relating to Securities of:] _____

(Name of Bank)

GENERAL INSTRUCTIONS

The item numbers and captions of the items shall be included but the text of the items may be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

If the statement is filed by a partnership, limited partnership, syndicate, or other group, the information called for by Items 2 to 6, inclusive, shall be given with respect to (1) each partner or any partnership or limited partnership, (2) each member of such syndicate or group and (3) each person controlling such partner or member. If a person referred to in (1), (2), or (3) is a corporation or the statement is filed by a corporation, the information called for by the above-mentioned items shall be given with respect to each principal officer and director of such corporation and each person controlling such partner or member.

Item 1. Security and bank.

State the title of the class of equity securities to which this statement relates and the name and address of the bank which issued such securities.

Item 2. Identify and background.

State the following with respect to the person filing this statement:

(a) Name and business address;

(b) Residence address;

(c) 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;

(d) Material occupations, positions, offices or employments during the last 10 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; and

(e) Whether or not, during the last 10 years, such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give the dates, nature of conviction, name and location of court, and penalty imposed, or other disposition of the case.

Item 3. Source and amount of funds or other consideration.

State the source and amount of funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented or is to be represented by funds

or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading the securities, a description of the transaction and the names of the parties thereto.

Instruction: If the source of funds is a loan made in the ordinary course of business by a bank, the person filing the statement may, at his option, omit the name of the bank, provided it is furnished to the Board in a letter requesting confidential treatment as to such information. Pursuant to section 13(d)(1)(B) of the Act, such information shall not be made available to the public.

Item 4. Purpose of transaction.

[State the purpose or purposes of the purchase or proposed purchase of securities of the issuer.] If the purpose of the purchases or prospective purchases is to acquire control of the bank, describe any plans or proposals which such persons may have to liquidate such bank, to sell its assets to or merge it with any other persons, or to make any other major change in its business or corporate structure.

Item 5. Interest in securities in the bank.

State the number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly, by (1) such person, and (2) each associate of such person giving the name and address of each such associate. [Furnish information as to all transactions in the class of securities to which this statement relates which were effected during the past 60 days by the person filing this statement and by its subsidiaries and their officers, directors, and affiliated persons.]

Item 6. Contracts, arrangements, or understandings with respect to securities of the bank.

Furnish information as to any contracts, arrangements, or understandings with any person with respect to any securities of the bank, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or guaranties of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom such contracts, arrangements, or understandings have been entered into, and giving the details thereof.

Item 7. Persons retained, employed, or to be compensated.

Where this statement relates to a tender offer, or request or invitation for tenders, identify all persons and classes of persons employed, retained, or to be compensated by the person filing this statement, or by any person on his behalf, to make solicitations or recommendations to security holders and describe briefly the terms of such employment, retainer, or arrangement for compensation.

Item 8. Material to be filed as exhibits.

Copies of all requests or invitations for tenders or advertisements making a tender offer or requesting or inviting tenders, additional material soliciting or requesting such tender offers, solicitations or recommendations to the holders of the security to accept or reject a tender offer or request or invitation for tenders shall be filed as an exhibit.

SIGNATURE

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete, and correct.

(Date) _____ (Signature) _____

If the statement is signed on behalf of a person by an authorized representative, evi-

dence of the representative's authority to sign on behalf of such person shall be filed with the statement.

§ 206.51 Form for proxy statement; statement where management does not solicit proxies (Form F-5).

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

[Except as otherwise specifically provided, where any item calls for information for a specified period in regard to directors, officers or other persons holding specified positions or relationships, the information shall be given in regard to any person who held any of the specified positions or relationships at any time during the period. However, information need not be included for any portion of the period during which such person did not hold any such position or relationship provided a statement to that effect is made.]

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 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.

Instructions. Indicate whether a security holder's failure to vote against a proposal will constitute a waiver of his appraisal or similar rights and whether a vote against a proposal will be deemed to satisfy any notice requirements under State law with respect to appraisal rights. If the State law is unclear, state what position will be taken in regard to those matters.

Item 3. Persons making the solicitation.

(a) Solicitations not subject to § 206.5(1).

(1) If the solicitation is made by the management 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 solici-

tion is to be made by specially engaged employees or paid solicitors, state (1) 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 § 206.5(4)

(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 person (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 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 § 206.5(1), costs and expenditures within the meaning of this Item 3 shall include fees for attorneys, accountants, public relations or financial advisors, 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 § 206.5(1). 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 § 206.5(1), as defined in subparagraph 2(1)(c), (d), (e), and (f) 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 § 206.5 of this Part made in opposition to another solicitation subject to § 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 § 206.5(1).

(1) Describe briefly any substantial interest, direct or indirect, by securing holdings or otherwise, of each participant, as defined in § 206.5(1)(2)(i), (b), (c), (d), and (e), 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.

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, individually, or together with his associates, owns or records or beneficially more than 10 per cent of the outstanding voting securities of the bank, name such person or persons, state the approximate amount of such securities owned of record but not owned beneficially, and the approximate amount owned beneficially, and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

(e) If to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the bank has occurred since the beginning of its last fiscal year, state the name of the person or persons who acquired such control, the basis of such control, the date and a description of the transaction or transactions in which control was acquired and the percentage of voting securities of the bank owned by such person or persons.

(f) Describe any contractual arrangements, including any pledge of securities of the bank or any of its parents, known to the persons on whose behalf the solicitation is made, the operation of the terms of which may at a subsequent date result in a change in control of the bank.

Instruction. Paragraph (f) does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the bank.

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 prin-

PROPOSED RULES

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 § 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, "beneficially owned" (as defined in § 206.2(jj)) directly or indirectly by him. If he disclaims beneficial ownership of any such securities, make a statement to that effect.

(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.

(c) If fewer nominees are named than the number fixed by or pursuant to the governing instruments, state (1) the reasons for this procedure, and (2) that the proxies cannot be voted for a greater number of persons than the number of nominees named.

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 of the bank whose aggregate direct remuneration exceeded \$40,000, and each of the three highest paid officers of the bank whose aggregate direct remuneration exceeded that amount, naming each such director and officer.]

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

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

Instructions. 1. The information is to be given on accrual basis, if practicable. The tables required by this paragraph and paragraph (b) may be combined if the bank so desires.

2. 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 annuities, 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 (1) each director or officer named in answer to paragraph (a)(1) and, [(2) All directors and officers of the issuer who are eligible for such benefits, as a group, stating the number of persons in the group without naming them.]

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

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. [In such case, Columns (A) and (C) need not be answered with respect to directors and officers as a group.]

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) 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 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. In addition, furnish a brief description of the material terms of the plan, including the method used in computing the bank's contribution, and the amount set aside or accrued during the bank's last fiscal year for all officers and directors as a group, indicating the number of persons in such group without naming them.

(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 (1) 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 and as to all options held by such persons as of the latest practicable

date: (i) each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) to 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; and (iii) 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 aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date, regardless of when such options were granted, state (i) the title and aggregate amount of securities called for; (ii) the range of option prices; and (iii) the per share market prices of the securities subject to option, as of the latest practicable date.

Instructions. The term "options" as used in this paragraph (d) includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option price per share is called for, the weighted average price per share shall be given.

Instructions. 2. The extension, regranting, or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

3. This item need not be answered with respect to options granted, exercised, or outstanding, as may be specified therein, where the total market value (i) on the granting date of the securities called for by all options granted during the period specified, (ii) on the dates of purchase of all securities purchased through the exercise of options during the period specified, or (iii) as of the latest practicable date of the securities called for by all options held at such time, does not exceed \$10,000 for any officer or director named in answer to paragraph (a)(1), or \$40,000 for all officers and directors as a group.

4. 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 at any time since the beginning of the bank's last fiscal year: (i) the maximum amount of the indebtedness outstanding at any time during such period; (ii) the maturity of such indebtedness; (iii) the amount thereof outstanding as of the latest practicable date; and (iv) the rate of interest paid or charged thereon, if the loan was made at other than prevailing interest rates for comparable transactions with unaffiliated persons:

(1) Any director or officer of the bank;
(ii) Any nominee for election as a director;
(iii) Any security holder named in answer to 5(d); or (iv) any associate of any of the foregoing persons.

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 which the information is required to be given.

2. No information need be given under this paragraph as to any indebtedness where: (i) the specified person is subject to this Item 7(e) solely as an officer of the bank and his interest in the transaction is solely that of a director of another corporation which is a party to the transaction; (ii) the specified person is subject to this Item 7(e) solely as a director of the bank (or associate of a

director) and his interest in the transaction is solely that of a director, officer of, and/or owner of less than a 10 percent interest in, another person that is a party to the transaction; or (iii) the transaction consists of extensions of credit by the bank in the ordinary course of its business that (A) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than specified persons, (B) at no time exceed 10 per cent of the equity capital accounts of the bank, or \$10 million, whichever is less, and (C) do not involve more than the normal risk of collectibility or present other unfavorable features. Notwithstanding the foregoing, if aggregate extensions of credit to the specified persons, as a group, exceeded 20 per cent of the equity capital accounts of the bank at any time during the preceding year, (1) the aggregate amount of such extensions of credit shall be disclosed, and (2) a statement shall be included, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders, and their associates, on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. For the purpose of determining "aggregate extensions of credit" in this instruction, transactions which are exempted from disclosure pursuant to other instructions to this Item 7(e) may be excluded.

3. If to the knowledge of management any indebtedness to the bank has arisen since the beginning of the bank's last fiscal year under section 16(b) of the Securities Exchange Act of 1934, as a result of transactions in the bank's stock (or other equity securities) by any director, officer, or security holder named in answer to Item 5(d), which indebtedness has not been discharged by payment, state the amount of any profit realized and whether suit will be brought or other steps taken to recover such profit. If, in the opinion of counsel, a question reasonably exists as to the recoverability of such profit, only facts necessary to describe the transactions, including the prices and number of shares involved, need be stated.

(f) In addition to indebtedness required to be described in Item 7(e), describe briefly, and where practicable, state the approximate amount of, any material interest, direct or indirect, of any of the persons described in Item 7(e), in any other material transactions since the beginning of the bank's last fiscal year, or in any other material proposed transactions, to which the bank or any of its subsidiaries was or is to be a party.

Instructions. 1. No information need be given in response to this Item 7(f) as to any remuneration or other transaction reported in response to Item 7(a), (b), (c), (d), or (e), or as to any transaction with respect to which information may be omitted pursuant to Instruction (2) to Item 7(b), the Instruction to Item 7(c), Instruction (3) to Item 7(d), or Instruction (2) or the Instructions to Item 7(e).

2. No information need be given in answer to this Item 7(f) as to any transaction or any interest therein were: (i) the rates or charges involved in the transaction are fixed by law or determined by competitive bids; (ii) the transactions involve services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services; (iii) the amount involved in the transaction or a series of similar transactions, including all periodic installments in the case of any lease or other agreement, providing the periodic installment does not exceed \$40,000; (iv) the inter-

est of the specified person in the transaction is (a) solely that of a director of another corporation which is a party to the transaction or (b) from the direct or indirect ownership by such person and his associates of less than a 10 per cent equity interest in such corporation or organization, or (c) from both such position and ownership.

3. The amount of the interest of any specified person shall be computed without regard to the amount of the profit or loss involved in the transaction. Where it is not practicable to state the approximate amount of interest, the approximate amount involved in the transaction shall be indicated.

4. In describing any transaction involving the purchase or sale of assets by or to the bank or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser or, if acquired by the seller within two years prior to the transaction, the cost thereof to the seller.

(g) Describe briefly any transactions since the beginning of the issuer's last fiscal year or any presently proposed transactions to which any pension retirement savings or similar plan provided by the issuer, or any of its parents or subsidiaries, was or is to be a party in which any of the following persons had or is to have a direct or indirect material interest, naming such person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of such interest:

(1) Any director or officer of the issuer;
(2) Any nominee for election as a director;
(3) Any security holder named in answer to Item 5(d);

(4) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the issuer; or

(5) The issuer or any of its subsidiaries.

Instructions. 1. Instructions 2, 3, 4, and 5 to Item 7(f) shall apply to this Item 7(g).
2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this Item any remuneration received or any loans received or outstanding during the period, or proposed to be received.

3. No information need be given in answer to paragraph (g) with respect to—

(a) payments to the plan or payments to beneficiaries, pursuant to the terms of the plan;

(b) payment of remuneration for services not in excess of 5 per cent of the aggregate remuneration received by the specified person during the issuer's last fiscal year from the issuer and its subsidiaries; or

(c) any interest of the issuer or any of its subsidiaries which arises solely from its general interest in the success of the plan.

Item 8. Selection of auditors.

If action is to be taken with respect to the section 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. [If the auditors to be selected are other than those which were engaged as the principal auditors for the bank's most recently filed certified financial statements, briefly summarize the circumstances and conditions surrounding the proposed change of such auditors.]

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, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 5 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

(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 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.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, this item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan. 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 thereof shall be filed with the Board at the time preliminary copies of the Statement are filed pursuant to § 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, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 5 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all [present] directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

(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.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, this item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

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, extension or amendment 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 any other material conditions upon which the options, warrants, or rights may be exercised; [(iii) the consideration received or to be received by the issuer or subsidiary for the granting extension of the options, warrants or rights; (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;] and (v) in the case of options, the Federal income tax consequences of the issuance and exercise of such options to the recipient and to the bank.

(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 percent 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, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 5 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

Instruction 1. Paragraphs (b) and (c) do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

2. The instruction to Item 9 shall apply to paragraph (c) of this item.

3. Include in the answer to paragraph (c) as to each director or officer named in answer to Item 7(a) and as to all directors and officers as a group (i) the amount of securities acquired during the past two years through the exercise of such options, and (iii) the amount of securities subject to all unexercised options held as of the latest practicable date.

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 terms of the securities cannot be stated or estimated with respect to any or all of the securities to be authorized, because no offering thereof is contemplated in the proximate future, and if no further authorization by security holders for the issuance thereof is to be obtained, it should be stated that the terms of the securities to be authorized, including dividend or interest rates, conversion prices, voting rights, redemption prices, maturity dates, and similar matters will be determined by the board of directors of the bank. If the securities are additional shares of common stock of a class outstanding, the description may be omitted [except for a statement of the preemptive rights, if any. Where the statutory provisions with respect to preemptive rights are so indefinite or complex that they cannot be stated in summarized form, it will suffice to make a statement in the form of an opinion of counsel as to the existence and extent of such rights.]

(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. If it is impracticable to describe the transaction in which the securities are to be issued, indicate the purpose of the authorization of the securities, and state (i) whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to such issuance, and (ii) [whether present security holders will have preemptive rights to purchase such securities.]

[(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 and the general effect thereof upon the rights of existing security holders.]

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 outstanding securities, state the title and amount of securities to be so issued, the title and amount of outstanding securities

to be exchanged therefore, and the basis of the exchange.

(b) Describe any material differences between the outstanding securities and the modified or new securities with respect to 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 and the general effect thereof upon the rights of existing security holders.

(d) Furnish a brief statement as to arrears in dividends or as to defaults in principal or interest with 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.

[**Instruction.** If the existing security is presently listed and registered on a national securities exchange, state whether it is intended to apply for listing and registration of the new or reclassified security on such exchange or any other exchange. If it is not intended to make such application, state the effect of the termination of such listing and registration.]

Item 14. Mergers, consolidations, acquisitions, and similar matters. 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 therefore and the general effect thereof upon the interests of existing security holders. 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 the bank and each person (other than subsidiaries substantially all of the stock of which is 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 [be acquired by security holders of the or to bank.]

(1) A brief description of the business and property of each such person in substantially the manner required by Items 3 and 5.

(2) A brief statement as to defaults in principal or interest with respect to 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.

(3) Such information with respect to the proposed management of the surviving bank as would be required by Items 6 and 7 of this Form F-5. Information concerning remuneration of management may be projected for the current year based on remuneration actually paid or accrued by each of the constituent persons during the last calendar year. If significantly different, proposed compensation arrangements should be described.

(4) A tabular presentation of the existing and pro forma capitalization.

(5) In columnar form, for each of the last five fiscal years, a historical summary of earnings. Such summary is to be concluded by indicating per share amounts of income before securities gains (losses), net income, and dividends declared for each period reported. (Extraordinary items, if any, should be appropriately reported and per share amounts of securities gains (losses) should be included.)

(6) In columnar form, for each of the last five fiscal years, a combined pro forma summary of earnings, as appropriate in the circumstances, similar in structure to the historical summary of earnings. If the transaction established a new basis of accounting for assets of any of the persons included therein, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from such new basis of accounting.

(7) A tabular presentation of comparative per share data of the constituent banks or other persons pertaining to:

(A) (i) Income before securities gains (losses), (ii) net income, and (iii) dividends declared, for each of the last three fiscal years; and

(B) book value per share, at the date of the balance sheets included in the Statement.

The comparative per share data shall be presented on a historical and pro forma basis (except dividends which are to be furnished on historical basis only) and equated to a common basis in exchange transactions.

(8) To the extent material for the exercise of prudent judgment, the historical and pro forma earnings data specified in (5), (6), and (7) above for the latest available interim period of the current and prior fiscal years.

Instructions. 1. Historical statements of income in their entirety, as required by Item 15, may be furnished in lieu of the summary of earnings specified in paragraph (5). If summary earnings information is presented, include, as a minimum, operating revenues, operating expenses, income before income taxes and security gains (losses), and net income. This summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.

2. In connection with any interim period or periods between the end of the last fiscal year and the balance sheet date, and any comparable prior period, a statement shall be made that all adjustments necessary to a fair statement of the results for such interim period or periods between the end of the last fiscal year and the balance sheet date, and any comparable prior period, a statement shall be made that all adjustments necessary to a fair statement of the results for such interim period or periods have been included, and results of the interim period for the current year are not necessarily indicative of results for the entire year. In addition, there shall be furnished in such cases, as supplemental information but not as a part of the proxy statement, a letter describing in detail the nature and amount of any adjustments, other than normal recurring accruals, entering into the determination of the results shown.

3. The information required by this Item 14(b) is required in a Statement of the "acquiring" or "surviving" bank only where a "significant" merger or acquisition is to be voted upon. For purposes of this Item, the term "significant" merger or acquisition shall mean a transaction where either (1) the net book value of assets to be acquired or the amount to be paid therefor exceed 5 percent of the equity capital accounts of the acquiring bank, or (2) in an exchange transaction,

the number of shares to be issued exceeds 5 percent of the outstanding shares of the acquiring bank, or (3) gross operating revenues for the last fiscal year of the person to be acquired exceeded 5 percent of the gross operating revenues for the last fiscal year of the acquiring bank, or (4) "income (loss) before income taxes and securities gains or losses" amounts to 5 percent or more of the "income (loss) before income taxes and securities gains or losses" of the acquiring bank. If less than a "significant" merger acquisition is to be voted upon, such information need only be included to the extent necessary for the exercise of prudent judgment with respect thereto.

(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. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. All schedules, except Schedules I, II, and VII may be omitted.

(b) If action is to be taken with respect to any matter specified in Item 14(b), furnish for each person specified therein, other than the bank, financial statements such as would be required in a registration statement filed pursuant to this Part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. However, the following may be omitted: (1) all schedules, except Schedules I, II, and VII; and (2) statements for 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. Such statements shall be verified, if practicable.

(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. 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 an exchange, merger, consolidation, acquisition, or similar transaction.

(d) The Statement may incorporate by reference any financial statements contained in an annual report sent to security holders pursuant to §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. Acquisition or disposition of property.

[If action is to be taken with respect to the acquisition or disposition of any property furnish the following information:]

[(a) Describe briefly the general character and location of the property.]

[(b) State the nature and amount of consideration to be paid or received by the issuer or any subsidiary. To the extent practicable, outline briefly the facts bearing upon the question of the fairness of the consideration.]

[(c) State the name and address of the transferor or transferee, as the case may be, and the nature of any material relationship of such person to the issuer or any affiliate of the issuer.]

[(d) Outline briefly any other material features of the contract or transaction.]

Item 17. Restatement of accounts. If action is to be taken with respect to the restatement of any asset, capital, or surplus account of the issuer, furnish the following information:]

[(a) State the nature of the restatement and the date as of which it is to be effective.]

[(b) Outline briefly the reasons for the restatement and for the selection of the particular effective date.]

[(c) State the nature and amount of each account (including any reserve accounts) affected by the restatement and the effect of the restatement thereof. Tabular presentation of the amounts shall be made when appropriate, particularly in the case of recapitalizations.]

[(d) To the extent practicable, state whether and the extent, if any, to which, the restatement will, as of the date thereof, alter the amount available for distribution to the holders of equity securities.]

Item 18. 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 a 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 of 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 19. 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 20. 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.

Instruction. Where the matter to be acted upon is the classification of directors, state whether vacancies which occur during the year may be filled by the board of directors to serve only until this next annual meeting or may be so filled for the remainder of the full term.

Item 21. 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.

Item 22. Vote required for approval.

As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

PROPOSED RULES

§ 206.52 Form for statement in election contests (Form F-6).

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 § 206.5(1) 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 pur-

pose 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 transactions, 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 your self and your associates the information required by Item 7(f) of Form F05.

(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.

[(d) State the total amount contributed and proposed to be contributed by you in furtherance of the solicitation, directly or indirectly, if such amount exceeds or will exceed \$500 in the aggregate.]

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.

§ 206.53 Form for statement to be filed pursuant to § 206.5(m) of Regulation F (Form F-12).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-12

STATEMENT RELATING TO SOLICITATIONS OR RECOMMENDATIONS AS TO TENDER OFFER BY ----- FOR SECURITIES OF -----

GENERAL INSTRUCTIONS

The item numbers and captions of the items shall be included but the text of the items may be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

Item 1. Security and bank.

(a) State the title of the class of equity securities to which this statement relates and the name and address of the bank which issued such securities.

(b) Identify the tender offer or request or invitation for tenders to which this statement relates and state the reasons for the solicitation or recommendation to security holders to accept or reject such tender offer, request, or invitation for tenders.

Item 2. Identity and background.

(a) State the name and business address of the person filing this statement.

(b) Describe any arrangement or understanding in regard to the solicitation with (i) the bank or the management of the bank or (ii) the maker of the tender offer or request or invitation for tender of securities of the class to which this statement relates.

Item 3. Persons retained, employed or to be compensated.

Identify any person or class of persons employed, retained or to be compensated, by the person filing this Form F-12, or by any person on his behalf, to make solicitations or recommendations to security holders and describe briefly the terms of such employment, retainer or arrangement for compensation.

Item 4. Material to be filed as exhibits.

Copies of all solicitations or recommendations to accept or to reject a tender offer or request or invitation for tenders of the securities specified in Item 1 shall be filed as an exhibit.

Item 5. Additional information to be furnished.

Furnish information as to all transactions in the class of securities to which this statement relates which were effected during the past 60 days by the bank and its subsidiaries and their officers, directors, and associates.

SIGNATURE

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete and correct.

(Date) (Signature)

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

§ 206.61 Form for initial statement of beneficial ownership of equity securities (Form F-7).

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)

(1) Name of bank -----

(2) Name and Business Address of Reporting Person -----

(3) Relationship of Reporting Person to Company ----- (see Instruction 5)

(4) Nature of event necessitating this statement:

- Assumption of Directorship
- Appointed policy making officer
- Became 10 percent owner
- Newly Registered Bank

TABLE II. Puts, calls, options and other rights on obligations

Furnish the information required by the following table as to all puts, calls, options and other rights or obligations (all hereinafter referred to as "options") pursuant to which the reporting person may buy or sell, or be required to buy or sell, securities of the company. However, transferable warrants issued by the company which give the right to buy other securities of the company are to be reported in Table I. (see Instruction 7)

Title of securities subject to option (Instruction 9)	Nature of option held (Instruction 12)	Amount of securities subject to option (Instruction 11)	Purchase or sale price of securities subject to option (Instruction 13)	Date of expiration of option
(1)	(2)	(3)	(4)	(5)

Explanation of items in tables:

Date of Statement

Signature of person reporting

NOTE: If the space provided in either table is insufficient, use a continuation sheet which identifies the table and columns to which it relates.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-7

INSTRUCTIONS

1. Person 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 percent 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 speci-

(5) Date of Event Requiring Filing of this statement ----- (see Instruction 6)

(6) If an Amendment give date of statement amended -----

TABLE I. Securities beneficially owned

Furnish the information required by the following table as to securities of the company beneficially owned directly or indirectly by the reporting person, including transferable warrants but excluding puts, calls, options and other rights or obligations required to be reported in Table II. (see Instruction 7)

Title of securities owned (Instruction 9)	Amount owned directly or indirectly (Instruction 10)	Nature of beneficial ownership (Instruction 11)
(1)	(2)	(3)

fied 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 § 206.5(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. Indicate clearly the relationship of the reporting person to the bank; for example, "Director", "Director and Vice President", "Beneficial owner of more than 10 percent 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, [including those subject to puts, calls, options and warrants, etc.,] 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

PROPOSED RULES

owner of more than 10 percent 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. [If any person required to file a statement on this form does not own any securities required to be reported, a statement on this form shall be filed to report that fact.]

8. *Reporting of Ownership in Certain Cases.* (a) When two or more securities are owned as a unit, such as debentures and transferable warrants to purchase common stock, report each security separately and describe the unit relationship in the space provided for explanation on page 2 of the form. If one or more of the securities comprising the unit is not required to be reported, the other security or securities shall be reported separately and the unit relationship described as indicated above.]

[(b) In reporting the ownership of a convertible security or a transferable warrant, the number of shares or units subject to the conversion privilege and the conversion or exercise price per share or unit shall be set forth in the explanation space on page 2. Transferable warrants issued by the issuer of the security subject to the warrants shall be reported in Table I (in which case the exercise price and date of expiration of the] warrant shall be reported in the explanation space on page 2).

[(c) 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.]

9. *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.

10. *Nature of ownership of securities—Table I.* [(a) In reporting the nature of beneficial ownership of securities in Column 3 of Table I, if the securities are owned directly, so state. If they are owned indirectly, state the nature of such indirect ownership: for example, "By self as trustee for sons", "By wife", "By X Trust", "By Y Corporation", etc. If the securities are owned directly and other securities are owned indirectly, the required information shall be furnished separately for each type of ownership; see In-

struction 8(c) above. Securities held as joint tenants, tenants in common, tenants by the entirety or as community property are to be reported as held directly.]

[(b) Beneficially owned securities held in the name of the reporting person or in the name of a bank, broker or nominee for the account of the reporting person shall be reported as directly owned by him. A person is regarded as the indirect beneficial owner of securities held in the name of another person if by reason of any contract, understanding, relationship, including a family relationship, or arrangement, such person obtains therefrom benefits substantially equivalent to those of ownership. For example, a person may be the indirect beneficial owner of securities held in the name of a spouse, relative or other person if such person may obtain therefrom benefits substantially equivalent to those of ownership. A person may also be the indirect beneficial owner of securities held in the name of a partnership, corporation, trust or other entity if such person or a spouse or relative of such person, individually or collectively, may exercise a controlling influence over the purchase, sale or voting of such securities.]

11. *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.

12. *Puts, Calls, Options and Other Rights—Table II.* The terms "puts" and "calls" in Table II include, in addition to separate puts and calls, any combination of the two, such as spreads, straddles, strips and straps. In reporting the nature of the option in Column 3 of Table II, state whether it represents a right to buy, a right to sell, an obligation to buy or an obligation to sell, the securities subject to the option.]

13. *Price at which options may be exercised.* If a warrant is not presently exercisable, state the price at which it will first become exercisable. If a warrant, put, call or option is exercisable at various increasing

prices, state the price at which it is presently exercisable.]

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

15. *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. [If signed on his behalf by another person, the authority of such person to sign the statement shall be confirmed to the Board in writing as soon as practicable by the individual for whom the statement is filed, unless such a confirmation which is still in effect is on file with the Board.]

§ 206.62 Form for statement of changes in beneficial ownership of equity securities (Form F-8).

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)

- (1) Name of Bank.....
- (2) Name and Business Address of Reporting Person
.....
..... (Zip)
- (3) Relationships of Report Person to Company (Inst. 4).....
- (4) Date of Last Previous Statement..... (mo.)
..... (day) (year)
- (5) If an Amendment, Give Date of Statement Amended..... (mo.) (day)
..... (year)
- (6) Statement for Calendar Month of..... (mo.)
..... (year)

TABLE I. Securities bought, sold or otherwise acquired or disposed of.

Furnish the information required by the following table as to securities of the company brought or sold or otherwise acquired or disposed of by the reporting person during the month for which this statement is filed (See Instruction 6) and as to securities of the company beneficially owned, directly or indirectly, at the end of the month. However, transactions involving the acquisition of disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II:

Title of securities	3. Date of transaction	4. Amount of securities acquired or disposed of	5. Nature of ownership of securities acquired or disposed of	6. Character of transaction reported	7. Purchase or sale price per share or other unit	8. Amount owned at end of month	9. Nature of ownership of securities owned at end of month
(Instruction 8)	(Instruction 9)	(Instruction 10)	(Instruction 11)	(Instruction 12)	(Instruction 13)	(Instruction 10)	(Instruction 11)

PROPOSED RULES

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TABLE II. Puts, calls, options and other rights or obligations

If during the month for which this statement is filed the reporting person acquired or disposed of any put, call, option or other right or obligation (all hereinafter referred to as "options") to buy or sell, or be required to buy or sell, securities of the company, furnish the information required by the following table. (See Instruction 5.) However, the acquisition or disposition of transferable warrants issued by the company which give the right to buy securities of the company are to be reported in Table I. Options exempted by Rule 10c-6 need not be reported.

Title of securities subject to option	3. Date of transaction	4. Nature of option	5. Amount of securities subject to option	6. Character of transaction, if any, reported	7. Purchase or sale price of securities subject to option	8. Date of expiration of option
(Instruction 4)	(Instruction 9)	(Instruction 14)	(Instruction 10)	(Instruction 12)	(Instruction 13)	

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FORM F-8

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 percent 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. 20561. 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 § 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 ex-

ample, "Director", "Director and Vice President", "Beneficial owner of more than 10 percent 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 indirect ownership to another). Beneficial ownership at the end of the month of 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. *Reporting of Transactions.* (a) When a transaction related to the acquisition or disposition of two or more securities as a unit; such as debentures and transferable warrants to purchase common stock report each security separately and describe the unit relationship in the space provided for explanation of page 2 of the form. If one or more of the securities comprising the unit is not required to be reported, the other security or securities shall be reported separately and the unit relationship described as indicated above.

(b) In reporting the acquisition or disposition of a convertible security or a transferable warrant, the number of shares or units subject to the conversion privilege or warrant and the conversion or exercise price per share or unit shall be set forth in the explanation space on page 2. When a convertible security is converted or a warrant is exercised, the amount of securities acquired as a result of such conversion or exercise shall be reported and, in addition, the disposition of the convertible security or warrant shall be reported as a separate transaction.

(c) 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.

(d) The acquisition, disposition, exercise, or expiration or cancellation of a put, call, option or other right or obligation to buy or sell securities (all hereinafter referred to as "options") is deemed to effect a change in beneficial ownership of the security to which

the option relates and shall be reported in Table II. If the option is exercised, the transaction shall be reported in Table II and the acquisition or disposition of the security subject to the option shall be reported in Table I. Transferable warrants issued by the issuer of the security subject to the warrants shall be reported in Table I (in which case the exercise price and date of expiration of the warrant shall be reported in the explanation space on page 2).

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. *Date of transaction.* The exact date (month, date, and year) of each transaction shall be stated opposite the amount involved in the transaction. [In the case of market transactions, the trade date shall be given and in the case of stock splits, stock dividends, etc., the record date shall be given.]

10. *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 interests in the transaction or holdings of the partnership, corporation, trust or other entity.

11. *Nature of ownership of securities—Table I.* [(a) In reporting the nature of ownership of securities on Columns 5 and 9 of Table I, if the securities are owned directly, so state. If they are owned indirectly, state the nature of such indirect ownership; for example, "By self as trustee for sons", "By wife", "By X Trust", "By Y Corporation" etc. If the securities are owned directly and other securities are owned indirectly, the required information shall be furnished separately for each type of ownership, see Instruction 7(c) above. Securities held as joint tenants, tenants in common, tenants by the entirety or as community property are to be reported as held directly.]

[(b) Beneficially owned securities held in the name of the reporting person or in the name of a bank, broker or nominee for the account of the reporting person shall be reported as directly owned by him. A person is regarded as the indirect beneficial owner of securities held in the name of another person if by reason of any contract, understand-

PROPOSED RULES

ing, relationship, including a family relationship, or arrangement, such person obtains therefrom benefits substantially equivalent to those of ownership. For example, a person may be the indirect beneficial owner of securities held in the name of a spouse, a relative or other person if such person may obtain therefrom benefits substantially equivalent to those of ownership.]

[A person may also be the indirect beneficial owner of securities held in the name of a partnership, corporation, trust or other entity if such person or a spouse or relative of such person, individually or collectively, may exercise a controlling influence over the purchase, sale or voting of such securities.]

12. *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.

13. *Purchase or sale price of securities.* [(a) If any transaction reported in Table I involved a purchase or sale of securities for cash or obligation to pay cash, including the exercise of an option, state in Column 7 the purchase price per share or other unit, exclusive of brokerage commissions or other costs of execution. If the transaction was only partly for cash and partly for other consideration, state the amount of cash per share or other unit and the nature of the additional consideration. Column 7 need not be answered for transactions not involving cash.]

[(b) When two or more securities are purchased or sold as a unit (see Instruction 8(a) above), the purchase or sale, price of the unit shall be stated opposite one of the securities and cross-referred to opposite the other security or securities.]

[(c) If an option reported in Table II is exercisable at varying increasing prices, state in Column 7 of that table the price at which it is presently exercisable.]

14. *Puts, calls, options and other Rights—Table II.*

[The terms "put" and "call" on Table II include, in addition to separate puts and calls, any combination of the two, such as spreads, straddles, strips and straps. In reporting the nature of the option in Column 4 of Table II, state whether it represents a right to buy, a right to sell, an obligation to buy or an obligation to sell, the securities subject to the option.]

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

16. *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. [If signed on his behalf by another person, the authority of such person to sign the statement shall be confirmed to the Commission in writing as soon as practicable by the individual for whom the statement is filed, unless such a confirmation which is still in effect is on file with the Commission.]

§ 206.65 Form for registration of certain successor issuers pursuant to section 12 (b) or (g) of the Securities Exchange Act of 1934.¹

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Washington, D.C. 20511
FORM F-1B

FOR REGISTRATION OF SECURITIES OF CERTAIN SUCCESSOR ISSUERS PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

GENERAL INSTRUCTIONS

A. Rule as to Use of Form F-1B.
This form may be used for registration pursuant to section 12(b) or (g) of the Securities Exchange Act of 1934 ("Act") of securities of an issuer which has no securities so registered but which has succeeded to an issuer which at the time of the succession had securities so registered, or to such an issuer and one or more other persons, subject to the following conditions:

(a) The capital structure and balance sheet of the successor issuer immediately after the succession were substantially the same as those of the single predecessor or, if more than one predecessor, the combined capital structures and balance sheets of all of the predecessors; or

(b) Proxies were solicited pursuant to regulations promulgated by the Board, Federal Deposit Insurance Corporation or Comptroller of the Currency, or other government agency, under section 14 of the Act with respect to the succession from the security holders of the predecessor or, if more than one predecessor, from the security holders of at least one of such predecessors and copies of the proxy statement used in such solicitation are filed as an exhibit to the registration statement on this form;

Provided, however, (1) That this form may be used only if the registration statement is filed within 120 days after the date of the succession, and (2) that this form shall not be used for the registration on a national securities exchange pursuant to section 12 (b) of the Act of securities of a successor issuer unless its predecessor or, if more than one predecessor, at least one of its predecessors, had securities listed and registered on the same exchange at the time of the succession.

B. Application of Regulation F.

(a) The Board's Regulation F contains certain general requirements which are applicable to registration on any form. These general requirements should be carefully read and observed in the preparation and filing of registration statements on this form.

(b) Particular attention is directed to § 206.4 which contains general requirements regarding matters such as the kind and size of paper to be used, legibility, information to be given whenever the title of securities is required to be stated, incorporation by reference and the filing of the registration statement. The definitions contained in § 206.2 should be especially noted.

C. Preparation of Registration Statement.

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 registration statement on paper meeting the requirements of § 206.4(t). The registration statement shall contain the item numbers and captions, but the text of the items may be omitted provided the

¹ Section 206.65 is proposed to be added in its entirety.

answers thereto are prepared in the manner specified in § 206.4(u).

D. Signature and Filing of Registration Statement.

Eight complete copies of the registration statement, including exhibits and all papers and documents filed as a part thereof, shall be filed with the Board. At least one complete copy shall be filed with each exchange on which registration is applied for. At least one of the copies filed with the Board and one filed with each such exchange shall be manually signed. Unsigned copies shall be conformed.

E. Incorporation by Reference.

If the information called for by any item or items of this form is contained in a proxy statement filed as an exhibit pursuant to General Instruction A(b), such information may be incorporated by reference to such document in answer or partial answer to such item or items.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Washington, D.C. 20551

FORM F-1B

FOR REGISTRATION OF SECURITIES OF CERTAIN SUCCESSOR ISSUERS PURSUANT TO SECTION 12 (B) OR (G) OF THE SECURITIES EXCHANGE ACT OF 1934

(Exact name of bank as specified in its charter)

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

(Address of principal executive offices) (Zip offices)

Securities to be registered pursuant to section 12(b) of the Act:

Title of each class to be registered

Name of each exchange on which each class is to be registered

Securities to be registered pursuant to section 12(g) of the Act:

(Title of class)

(Title of class)

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. General information.

(a) State the date on which the bank was organized, its form of organization, and the State or other jurisdiction under the laws of which it was organized.

(b) State the date on which the bank's fiscal year ends.

Item 2. Transaction of succession.

(a) Name each predecessor which had securities registered pursuant to Section 12(b) or (g) of the Act at the time of the succession.

(b) Describe briefly the transaction of succession and state the basis upon which se-

curities of the bank have been or are to be issued in exchange for or otherwise in respect of securities of any predecessor.

Item 3. Securities to be registered.

As to each class of securities to be registered, state the number of shares or the amounts of bonds (1) presently authorized, (2) presently issued and (3) presently issued which are held by bank for the account of others.

Item 4. Capital stock to be registered.

If capital stock is to be registered hereunder, state the title of the class and furnish the following information (See Instruction 1):

(a) Outline briefly (1) dividend rights; (2) voting rights; (3) liquidation rights; (4) pre-emptive rights; (5) conversion rights; (6) redemption provisions; (7) sinking fund provisions, and (8) liability to further calls or to assessment.

(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. If a description of the securities comparable to that required here is contained in any other filing with the Board, such description may, subject to § 206.4(q) be incorporated by reference to such other filing in answer to this item. If the securities are to be registered on a national securities exchange and the description has not previously been filed with such exchange, copies of the description shall be filed with copies of the application filed with the exchange.

2. This item requires only a brief summary of the provisions which 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.

3. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

Item 5. Debt securities to be registered.

If the securities to be registered hereunder are bonds, debentures or other evidences of indebtedness, 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 with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

Instruction. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property

taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described.

(e) 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.

(f) The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture.

Instruction: The instructions to Item 4 shall also apply to this Item.

Item 6. Other securities to be registered.

If securities other than those referred to in Items 4 and 5 are to be registered hereunder, outline briefly the rights, evidenced thereby. If subscription warrants or rights are to be 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 4 shall also apply to this Item.

Item 7. Financial statements and exhibits.

List below all financial statements and exhibits, if any, required to be filed as a part of the application or statement:

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

SIGNATURE

Pursuant to the requirements of Section 12 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.

 (Bank)
 Date: _____ By _____
 (Signature)*

*Print the name and title of the signing officer under his signature.

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

(a) No financial statements need be filed if the capital structure and balance sheet of the bank immediately after the succession were substantially the same as those of the predecessor or, if more than one predecessor, the combined capital structures and balance sheets of all of the predecessors.

(b) If paragraph (a) above does not apply, the registration statement shall include any financial statements or schedules, not included in the proxy statement filed as an exhibit, which would be called for by Form F-1 if the securities were to be registered on that form.

INSTRUCTIONS AS TO EXHIBITS

Subject to section 206.4(q) regarding the incorporation of exhibits by reference, the following exhibits shall be filed as a part of the registration statement. Such exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may be referred to by the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits called for under Item 7.

1. Copies of the plan or agreement, if any pursuant to which the bank's succession has taken place or is to take place, unless the terms of such plan or agreement are substantially contained in a proxy statement filed as an exhibit pursuant to Instruction 2, below.

2. Copies of any proxy statement required to be filed pursuant to General Instruction A(b).

3. Copies of all other exhibits which would be called for by Form F-1 if the securities

to be registered hereunder were to be registered on that form.

§ 206.71 Forms for financial statements (Forms F-9, A, B, C, and D).

(Revised Dec. 31, 1969)

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 § 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) where the results would be only insignificantly different on a cash basis, or (b) where accrual is not feasible. 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. Treasury securities.....
 - (b) Securities of other U.S. Government agencies and corporations.....
 - (c) Obligations of States and political subdivisions.....
 - (d) Other securities.....
- 3. Trading account securities.....
- 4. Federal funds sold and securities purchased under agreements to resell.....
- 5. Other loans.....
- 6. Bank premises and equipment.....
- 7. Other real estate owned.....
- 8. Investments in subsidiaries not consolidated.....
- 9. Customers' acceptance liability.....
- 10. Other assets.....
- 11. Total assets.....

Liabilities

- 12. Deposits:
 - (a) Demand deposits in domestic offices.....
 - (b) Savings deposits in domestic offices.....
 - (c) Time deposits in domestic offices.....
 - (d) Deposits in foreign offices..

13. Federal funds purchased and securities sold under agreements to repurchase -----
 14. Other liabilities for borrowed money -----
 15. Bank's acceptances outstanding ----
 16. Mortgages payable -----
 17. Other liabilities -----
 18. Total liabilities -----
 19. Minority interests in consolidated subsidiaries -----

Reserves

20. Allowance for possible loan losses.

Capital Accounts

21. Capital notes and debentures ----
 22. Equity capital:
 (a) Capital stock:
 Preferred stock -----
 Common stock -----
 (b) Surplus -----
 (c) Undivided Profits -----
 (d) Reserve for contingencies and other capital reserves -----
 23. Total capital accounts -----
 24. Total liabilities, reserves, 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) Reciprocal demand balances with banks in the United States, except those of private banks and American branches of foreign banks, 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) Unposted debits should preferably be deducted from the appropriate deposit liability caption. If such items are included hereunder, the amount shall be stated parenthetically.

2. *Investment securities.* (a) State separately book value of (1) U.S. Treasury securities; (2) Securities of other U.S. Government agencies and corporations; (3) Obligations of States and political subdivisions; and (4) Other securities owned by the bank; include securities pledged, loaned or sold under repurchase agreements and similar arrangements.

(b) Book value with respect to investment quality securities reported in paragraph (a) shall be cost adjusted for amortization of premium and, at the option of the bank, for accretion of discount. There shall be set forth in a note to financial statements (1) the basis of accounting for book value, and (2) if bond discount is systematically accrued and amounts to 5 per cent or more of interest and dividends or investments, the total of accretion income and deferred income taxes applied thereto.

(c) Include in category (3) of paragraph (a) obligations, including warrants and tax anticipation notes, 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) Do not include borrowed securities or securities purchased under resale agreements or similar arrangements.

3. *Trading account securities.* State the aggregate value 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. Indicate parenthetically, or otherwise in a note to financial statements, whether the inventory is valued at (1) cost, (2) lower of cost or market, or (3) market. If cost basis of valuation is used, furnish aggregate market value of the trading account inventory at the current fiscal year balance sheet date.

4. *Federal funds sold and securities purchased under agreements to resell.* (a) State the aggregate value of Federal funds sold and securities purchased under resale agreement or similar arrangements. All securities purchased under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buy-backs, 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.

(b) Federal funds sold and purchases of securities under resale agreements should be reported gross and not netted against purchases of Federal funds and sales of securities under repurchased agreements.

5. *Other loans.* (a) State the aggregate gross value of all loans including (1) acceptances of other banks and commercial paper purchased in the open market; (2) acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount; (3) customers' liability to the reporting bank on drafts paid under letters of credit for which the bank has not been reimbursed; and (4) "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.

(b) Include (1) paper rediscounted with the Federal Reserve or other banks; and (2) 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.

6. *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 an acceptable 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.

7. *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.

8. *Investments in subsidiaries not consolidated.* State the aggregate investment, including advances, in subsidiaries not consolidated.

9. *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.

10. *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.

11. *Total assets.* State the sum of all asset items.

LIABILITIES

12. *Deposits.* (a) State separately (1) demand deposits in domestic offices of the bank, (2) savings deposits in domestic offices of the bank, (3) time deposits in domestic offices of the bank, and (4) deposits in foreign offices. Related unposted debits, if any, should preferably be deducted from domestic deposits.

(b) The domestic deposit liability categories shall be segregated in accordance with the Rules and Regulations of the Federal Deposit Insurance Corporation, Part 327.2—Classification of Deposits.

(c) 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.

(d) Reciprocal demand deposit balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(e) 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 pursuant to customer order.

(f) 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.

13. *Federal funds purchased and securities sold under agreements to repurchase.* (a) State the aggregate value of Federal funds purchased and securities sold under repurchase or similar arrangements. All securities sold under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buy-backs, 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 repurchase identical or similar securities.

(b) Federal funds purchased and sales of securities under repurchase agreements should be reported gross and not netted against sales of Federal funds and purchases of securities under resale agreements.

14. *Other liabilities for borrowed money.* State the aggregate amount borrowed by the reporting bank on its own promissory notes,

on notes and bills rediscounted (including commodity drafts rediscounted), or on any other instruments given for the purpose of borrowing money.

15. *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.

16. *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 or its consolidated subsidiaries which have not been assumed by the bank or its consolidated subsidiaries, report in a footnote the amount thereof together with an appropriate explanation.

17. *Other liabilities.* State separately, if material, (a) accrued payrolls; (b) accrued income tax liability (Federal and State combined); (c) accrued interest; (d) cash dividends declared but not paid; (e) income collected but not earned; and (f) any other liability not included in Items 12 through 16.

18. *Total liabilities.* State the sum of Items 12 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.

RESERVES

20. *Allowance for possible loan losses.* (a) State the balance of the loan losses allowance account at the end of the fiscal year. 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.

(b) Any provision for possible loan losses that the bank establishes as a precautionary measure that is in excess of the amount reported in paragraph (a) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

NOTE.—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 separately stated. 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.

CAPITAL ACCOUNTS

21. *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 character 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.

22. *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".

23. *Total capital accounts.* State the total of Items 21 and 22.

24. *Total liabilities, reserves and capital.* State the total of Items 18, 19, 20 and 23.

(STATEMENT OF INCOME) FORM F-9B

B. STATEMENT OF INCOME

1. Operating Income:
- (a) Interest and fees on loans.....
- (b) Income on Federal funds sold and securities purchased under agreements to resell.....
- (c) Interest and dividends on investments:
- (1) U.S. Treasury securities.....
- (2) Securities of other U.S. Government agencies and corporations.....
- (3) Obligations of States and political subdivisions.....
- (4) Other securities.....
- (d) Trust department income.....
- (e) Service charges on deposit accounts.....
- (f) Other service charges, collection and exchange charges, commissions, and fees.....
- (g) Other operating income.....
- (h) Total operating income.....
2. Operating Expenses:
- (a) Salaries and wages.....
- (b) Pensions and other employee benefits.....
- (c) Interest on deposits.....
- (d) Expenses of Federal funds purchased and securities sold under agreements to repurchase.....
- (e) Interest on other borrowed money.....
- (f) Interest on capital notes and debentures.....
- (g) Occupancy expense of bank premises, net:
- Gross occupancy expense.....
- Less: Rental income.....
- (h) Furniture and equipment expense (including depreciation of \$.....)
- (i) Provision for loan losses.....
- (j) Other operating expenses.....
- (k) Total operating expenses.....
3. Income before Income Taxes and Securities gains (losses).....
4. Applicable Income Taxes.....
5. Income before securities gains (losses).....
6. Net Security gains (losses), less related tax effect, \$.....
7. Net income.....
- or
7. Income before extraordinary items.....
8. Extraordinary items, less related tax effect, \$.....
9. Net Income.....
10. Earnings per common share¹:
- Income before securities gains (losses).....
- Net Income.....
- ¹ Per share amount of securities gains (losses) may be stated separately. If extraordinary items are reported, per share amount of income before extraordinary items and per share amount of extraordinary items shall be stated separately.

1. Operating income. State separately:
- (a) Interest and fees on loans.
- (1) Include interest, fees and other charges on all assets that are reported on the balance sheet as other loans.
- (2) Include interest on acceptances, commercial paper purchased in the open market, drafts for which the bank has given deposit credit to customers, etc. Also include interest on loan paper that has been rediscounted with Federal Reserve or other banks 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) 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) Income on Federal funds sold and securities purchased under agreements to resell. Include the total gross revenue from Federal funds sold and securities purchased under agreements to resell.
- (c) Interest and dividends on investments.
- (1) State separately interest and dividends from (A) U.S. Treasury securities, (B) securities and other U.S. Government agencies and corporations, (C) obligations of States and political subdivisions, and (D) other securities owned by the bank, including securi-

- ties pledged, loaned, or sold under repurchase agreements and similar arrangements.
- (2) Include accretion of discount on securities, if any; deduct amortization of premiums on securities. If the reporting bank accrues bond discount and such income amounts to 5 per cent or more of the total of interest and dividends on investments, state in a note to financial statements, the amount of accretion income and deferred income taxes applicable thereto.
- (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.
- (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 service charges, collection and exchange charges, commissions, and fees. State the aggregate of other service charges, collection and exchange charges, commissions, and fees. Exclude charges on loans and deposits and those related to the Trust Department. Do not include reimbursements for out-of-pocket expenditures made by the bank 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.

(g) Other operating income.

(1) Include all operating income not reported in Items 1(a) through 1(f).

(2) Include (A) net trading account income consisting of profits and losses, interest, and other income and expense related to securities carried in a dealer trading account or accounts that are held principally for sale to customers, but exclude salaries, commissions, and other indirect expenses; (B) income from lease financing; (C) gross rentals from "other real estate" and safe deposit boxes; (D) net remittable profits (or losses) of foreign branches and consolidated subsidiaries less any minority interests (unless the reporting bank preferably combines or consolidates each item of income and expense); (E) interest on time balances with other banks; and (F) all other recurring credits (such as miscellaneous recoveries) and immaterial nonrecurring credit items.

(3) Do not include rentals from bank premises. Such rental income shall be reported in the inset to Item 2(g). In the event there is a net occupancy income, the income shall be shown in parenthesis in Item 2(g).

(4) Itemize (A) net trading account income, (B) net remittable profits (or losses) of foreign branches and consolidated subsidiaries (if included in this sub-Item), and (C) all other amounts that represent 25 percent or more of the total of this sub-Item, unless "other operating income" is less than 5 percent of "total operating income."

(h) Total operating income. State the sum of Items 1(a) through 1(g).

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(b).
- (3) Include bonus and profit sharing paid directly or through a trustee. Such compensation that is deferred and not distributed to employees 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(j).
- (b) Pensions and other employee benefits.
- (1) Include all supplementary benefits, other than direct compensation included in

Item 2(a) accrued during the report period on behalf of all officers and employees except building department personnel (see Item 2(g)).

(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 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(j).

(c) *Interest on deposits.* Include interest on all deposits.

(d) *Expense of Federal funds purchased and securities sold under agreements to repurchase.* Include the total gross expenses of Federal funds purchased and securities sold under agreements to repurchase.

(e) *Interest on other borrowed money.*

(1) Include all interest on bills payable, rediscounts, unsecured notes payable, and other instruments issued for the purpose of borrowing money other than Federal funds purchased and securities sold under agreements to repurchase.

(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 1(g) or 2(j).

(g) *Occupancy expense of bank premises, net.*

(1) Include in "gross occupancy expense" inset the aggregate amount of (A) salaries, wages, and supplementary compensation of bank personnel who devote the major portion of their time to the operation of bank premises or its consolidated premises subsidiaries; (B) depreciation of bank premises and amortization of leasehold improvements; (C) rent expense of bank premises; (D) real estate taxes; (E) interest on mortgages on bank premises owned; and (F) other bank premises operating and maintenance expenses.

(2) Include in "rental income" inset the aggregate amount of rentals from bank premises leased by the bank or its consolidated premises subsidiaries.

(3) Report the net occupancy expense (or net income) of bank premises. If net income is reported, the amount shall be shown in parenthesis.

(h) *Furniture and equipment expense.*

(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.

(1) *Provision for loan losses.*

(1) Banks which provide for loan losses on a reserve basis shall include an estimated amount for credit losses. Such amount shall be determined by management in light of past loan loss experience and evaluation of potential loss in the current loan portfolio. The estimated loan loss factor allocable to operating expense shall not be less than the amount computed under one of the elective methods set forth in sub-Item (2).

(2) The bank may elect in 1969, and thereafter consistently use for financial reporting purposes, one of the following methods for allocating loan losses to operating expense:

(A) Average ratio of loss over the past five years applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net charge-offs (losses less recoveries) and total average loans for the five most recent years, including the current year.

(B) Average ratio of loss on a forward moving average beginning with the year 1969 applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net charge-offs and total average loans for the number of years beginning with 1969 and ending with the year of report. In 1973, banks which elect the forward moving average method will compute the minimum allocable credit loss expense on the same basis as banks which elect method (1).

Note. For purposes of Items 2(A) and (B), annual "average loans outstanding" (1) shall include Federal funds sold and securities purchased under agreements to resell, and (2) may be computed on any reasonable schedule of frequency. In the absence of other procedures, "Other loans", and "Federal funds sold and securities purchased under agreements to resell", as reported in the Statements of Condition called by the supervisory authorities, shall be averaged.

(C) Actual net charge-offs as experienced in the current year.

(3) An estimated amount for loan losses allocable to operating expense in excess of the minimum amount computed as instructed in sub-Item (2) should be provided when judged appropriate in the opinion of management.

(4) Furnish in a note to financial statements an explanation of the basis for allocating loan losses to operating expense including (A) the method followed, and (B) amount added at the discretion of management, if any.

(5) The amount may be expressed in even dollars or thousands of dollars.

Note.—The amount reported for loan losses in operating expense shall be adjusted, if necessary, to the amount transferred to the allowance for loan losses recorded on the books of the bank by an entry to the undivided profits account in the statement of changes in capital accounts. For example, if the estimated loan loss expense reported in the statement of income is less than the amount transferred to the allowance for loan losses, the amount of difference, less related tax effect, should be charged against the undivided profits account. If the estimated loan loss expense reported in the statement of income (1) is more than the amount transferred to the allowance for loan losses, and (2) represents the minimum amount the

bank is required to allocate under its elected method, the amount of difference, less related tax effect, should be credited to the undivided profits account.

(6) Banks which do not provide for loan losses on a reserve basis shall include the amount of actual net charge-offs (losses less recoveries) for the current year.

(j) *Other operating expenses.*

(1) Include all operating expenses not reported in Items 2(a) through 2(i).

(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, and all other recurring expenses and immaterial nonrecurring charges.

(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.

(k) *Total operating expenses.* State the sum of Items 2(a) through 2(j).

3. *Income before income taxes and security gains (losses).* State the difference of Item 1(h) minus Item 2(k).

4. *Applicable income taxes.* (a) State the aggregate of Federal and State taxes applicable to the amount reported in Item (3).

(b) Do not include taxes applicable to net security gains (losses) and extraordinary items. Such taxes (or tax reductions) shall be reported in Items 6 and 8.

5. *Income before securities gains (losses).* State the difference of Item 3 minus Item 4.

6. *Net security gains (losses).* State the net result of security gains and losses realized. Related income taxes (or tax reductions) shall be shown parenthetically.

7. *Net income.* State the sum or difference of Items 5 and 6.

Note. If extraordinary items are reported (See Item 8) the caption to this Item shall read, "Income before extraordinary items."

8. *Extraordinary items.* State the material results of non-recurring transactions that have occurred during the current reporting period. Only the results of major events outside of the ordinary operating activity of the bank are to be reported herein. Such events would include, but not be limited to, material gain or loss from sale of bank premises, expropriation of properties, and major devaluation of foreign currency. Related income taxes (or tax reductions) shall be shown parenthetically. (Less than material results of non-recurring transactions are to be included in Items 1(g) or 2(j), as appropriate.)

9. *Net income.* State the sum or difference of Items 7 and 8.

10. *Earnings per common share.* State the per share amounts applicable to common stock (including common stock equivalents) and per share amounts on a fully diluted basis, if applicable. The basis of computation, including the number of shares used, shall be furnished in a note to financial statements.

PROPOSED RULES

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. Net income transferred to undivided profits.....						
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.....						
6. Transfer to allowance for loan loss, exclusive of portion charged against income, less related income tax effect \$.....						
7. Cash dividends declared on preferred stock.....						
8. Cash dividends declared on common stock.....						
9. Stock issued in payment of stock dividend, shares at par value.....						
10. All other increases (decreases) ¹						
11. Net increase (decrease) for the year.....						
12. Balance at beginning of year ²						
13. 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. TREASURY SECURITIES, SECURITIES OF OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS, AND OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS

Type and maturity grouping	Book value ¹	Market value ²
U.S. Treasury securities:		
Within 1 year.....		
After 1 but within 5 years.....		
After 5 but within 10 years.....		
After 10 years.....		
Total U.S. Treasury securities.....		
Securities of other U.S. Government agencies and corporations:		
Within 1 year.....		
After 1 but within 5 years.....		
After 5 but within 10 years.....		
After 10 years.....		
Total securities of other U.S. Government agencies and corporations.....		
Obligations of states and political subdivisions: ²		
Within 1 year.....		
After 1 but within 5 years.....		
After 5 but within 10 years.....		
After 10 years.....		
Total obligation of states and political subdivisions.....		

¹ State briefly in a footnote the basis for determining the amounts in this column.

² 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.

³ If market value is determined on any basis other than market quotations at balance sheet date, explain.

SCHEDULE II—OTHER SECURITIES

Type	Book value ¹	Market value ²
Bonds, notes, and debentures ³		
Stocks of the Federal Reserve Bank.....		
Other stocks ³		
Total.....		

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 If market value is determined on any basis other than market quotations or balance sheet date, explain.

SCHEDULE III.—Other loans ¹

Type:	Book value
Real estate loans:	
Insured or guaranteed by the U.S. Government or its agencies.....	
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 other loans 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 for 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.

PROPOSED RULES

10371-10373

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
Borrowings from Federal Reserve Bank	
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
Balances at beginning of period		
Recoveries credited to Allowance		
Additions due to mergers and absorptions ²		
Transfers to Allowance:		
From income		
From undivided profits ³		
Totals		
Losses charged to Allowance		
Balances at end of period ⁴		

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 Indicate by parentheses the gross amount of any credit adjustment to undivided profits.

⁴ 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.

NOTE.—The sum of the balances should equal the amount of "Allowance for possible loan losses" reported in the balance sheet.

By order of the Board of Governors,
February 21, 1975.

[SEAL] **THEODORE E. ALLISON,**
 Secretary of the Board.

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