

§ 210.9-04

Redeemable Preferred Stocks

19. Preferred stocks subject to mandatory redemption requirements or whose redemption is outside the control of the issuer. See § 210.5-02.28.

Non-redeemable Preferred Stocks

20. Preferred stocks which are not redeemable or are redeemable solely at the option of the issuer. See § 210.5-02.29.

Common Stocks

21. Common stocks. See § 210.5-02.30.

Other Stockholders' Equity

22. Other stockholders' equity. See § 210.5-02.31.

23. Total liabilities and stockholders' equity.

(Secs. 7, 19a, and Schedule A (25) and (26) of the Securities Act of 1933, 15 U.S.C. 77g, 77s(a), 77nn (25) and (26); and secs. 12, 13, 14, 15(d), and 23(n) of the Securities Exchange Act of 1934, 15 U.S.C. 78l, 78m, 78n, 78o(d), 78w(a).

[48 FR 11107, Mar. 16, 1983, as amended at 48 FR 37612, Aug. 19, 1983; 50 FR 25215, June 18, 1985]

§ 210.9-04 Income statements.

The purpose of this rule is to indicate the various items which, if applicable, should appear on the face of the income statement or in the notes thereto.

1. *Interest and fees on loans.* Include commitment and origination fees, late charges and current amortization of premium and accretion of discount on loans which are related to or are an adjustment of the loan interest rate.

2. *Interest and dividends on investment securities.* Disclosure separately (1) taxable interest income, (2) nontaxable interest income, and (3) dividends.

3. *Trading account interest.*

4. *Other interest income.*

5. *Total interest income (total of lines 1 through 4).*

6. *Interest on deposits.*

7. *Interest on short-term borrowings.*

8. *Interest on long-term debt.*

9. *Total interest expense (total of lines 6 through 8).*

10. *Net interest income (line 5 minus line 9).*

11. *Provision for loan losses.*

12. *Net interest income after provision for loan losses.*

13. *Other income.* Disclose separately any of the following amounts, or any other item of other income, which exceed one percent of the aggregate of total interest income and other income. The remaining amounts may be shown as one amount, except for invest-

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ment securities gains or losses which shall be shown separately regardless of size.

(a) Commissions and fees and fiduciary activities.

(b) Commissions, broker's fees and mark-ups on securities underwriting and other securities activities.

(c) Insurance commissions, fees and premiums.

(d) Fees for other customer services.

(e) Profit or loss on transactions in securities in dealer trading account.

(f) Equity in earnings of unconsolidated subsidiaries and 50 percent or less owned persons.

(g) Gains or losses on disposition of equity in securities of subsidiaries or 50 percent or less owned persons.

(h) Investment securities gains or losses. The method followed in determining the cost of investments sold (e.g., "average cost," "first-in, first-out," or "identified certificate) and related income taxes shall be disclosed.

14. *Other expenses.* Disclose separately any of the following amounts, or any other item of other expense, which exceed one percent of the aggregate of total interest income and other income. The remaining amounts may be shown as one amount.

(a) Salaries and employee benefits.

(b) Net occupancy expense of premises.

(c) Goodwill amortization.

(d) Net cost of operation of other real estate (including provisions for real estate losses, rental income and gains and losses on sales of real estate).

(e) Minority interest in income of consolidated subsidiaries.

15. *Income or loss before income tax expense.*

16. *Income tax expense.* The information required by § 210.4-08(h) should be disclosed.

17. *Income or loss before extraordinary items and cumulative effects of changes in accounting principles.*

18. *Extraordinary items, less applicable tax.*

19. *Cumulative effects of changes in accounting principles.*

20. *Net income or loss.*

21. *Earnings per share data.*

[48 FR 11107, Mar. 16, 1983, as amended at 50 FR 25215, June 18, 1985]

§ 210.9-05 Foreign activities.

(a) *General requirement.* Separate disclosure concerning foreign activities shall be made for each period in which either (1) assets, or (2) revenue, or (3) income (loss) before income tax expense, or (4) net income (loss), each as associated with foreign activities, exceeded ten percent of the corresponding amount in the related financial statements.

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(b) *Disclosures.* (1) Disclose total identifiable assets (net of valuation allowances) associated with foreign activities.

(2) For each period for which an income statement is filed, state the amount of revenue, income (loss) before taxes, and net income (loss) associated with foreign activities. Disclose significant estimates and assumptions (including those related to the cost of capital) used in allocating revenue and expenses to foreign activities; describe the nature and effects of any changes in such estimates and assumptions which have a significant impact on interperiod comparability.

(3) The information in paragraph (b) (1) and (2) of this section shall be presented separately for each significant geographic area and in the aggregate for all other geographic areas not deemed significant.

(c) *Definitions.* (1) *Foreign activities* include loans and other revenues producing assets and transactions in which the debtor or customer, whether an affiliated or unaffiliated person, is domiciled outside the United States.

(2) The term *revenue* includes the total of the amount reported at §§ 210.9-04.5 and 210.9-04.13.

(3) A *significant geographic area* is one in which assets or revenue or income before income tax or net income exceed 10 percent of the comparable amount as reported in the financial statements.

§ 210.9-06 Condensed financial information of registrant.

The information prescribed by § 210.12-04 shall be presented in a note to the financial statements when the restricted net assets (§ 210.4-08(e)(3)) of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. The investment in and indebtedness of and to bank subsidiaries shall be stated separately in the condensed balance sheet from amounts for other subsidiaries; the amount of cash dividends paid to the registrant for each of the last three years by bank subsidiaries shall be stated separately in the condensed income statement from amounts for other subsidiaries. For purposes of the above test, restricted net assets of consolidated sub-

sidaries shall mean that amount of the registrant's proportionate share of net assets of consolidated subsidiaries (after intercompany eliminations) which as of the end of the most recent fiscal year may not be transferred to the parent company by subsidiaries in the form of loans, advances or cash dividends without the consent of a third party (i.e., lender, regulatory agency, foreign government, etc.). Where restrictions on the amount of funds which may be loaned or advanced differ from the amount restricted as to transfer in the form of cash dividends, the amount least restrictive to the subsidiary shall be used. Redeemable preferred stocks (§ 210.5-02.28) and minority interests shall be deducted in computing net assets for purposes of this test.

§ 210.9-07 [Reserved]

INTERIM FINANCIAL STATEMENTS

§ 210.10-01 Interim financial statements.

(a) *Condensed statements.* Interim financial statements shall follow the general form and content of presentation prescribed by the other sections of this Regulation with the following exceptions:

(1) Interim financial statements required by this rule need only be provided as to the registrant and its subsidiaries consolidated and may be unaudited. Separate statements of other entities which may otherwise be required by this regulation may be omitted.

(2) Interim balance sheets shall include only major captions (i.e., numbered captions) prescribed by the applicable sections of this Regulation with the exception of inventories. Data as to raw materials, work in process and finished goods inventories shall be included either on the face of the balance sheet or in the notes to the financial statements, if applicable. Where any major balance sheet caption is less than 10% of total assets, and the amount in the caption has not increased or decreased by more than 25% since the end of the preceding fiscal year, the caption may be combined with others.