

RB 10 was rescinded 1/13/95 - ROE Instructions.

Handbook: Thrift Activities
Subjects: EDS/SACS/ROE

Section: 040
RB 10

January 11 1989

Exclusion of Holding Company Information from Thrift Report of Examination

RESCINDED

Summary: This Bulletin is intended to alert FHLBs that information concerning thrift holding companies usually should be captured in a separate Holding Company Report of Examination (ROE). Information concerning the relationship between the holding company and thrift, particularly if the holding company is having an adverse impact on the thrift, should however be addressed in the appropriate MACRO section of the thrift's ROE.

For Further Information Contact:

The FHLBank District in which you are located, or the Regulatory Programs Division of the Office of Regulatory Activities, Washington, D.C.

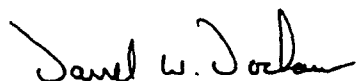
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Concern was recently expressed to the Office of Regulatory Activities by an officer of a diversified holding company because his salary was to be disclosed in a thrift's ROE on Report Page A-24, Other Affiliates. The header for this page refers the preparer to § 2(b) of the Banking Act of 1933 (12 U.S.C. 221a(b)) for the definition of an affiliate. While the definition includes thrift holding

companies, Report Page A-24 should not include any information concerning holding companies, their officers or salaries. It is intended to contain information only on affiliates which are subsidiaries of the thrift institution. This will be made clear in future revisions of the thrift ROE. As such, holding company officers' salaries should not be included in the thrift ROE on Page A-24 unless they are paid in whole or part by the thrift. This information will be included in the holding company's ROE as appropriate.

Information concerning a thrift holding company that should appear in the thrift's ROE as a com-

ment in the MACRO section includes such issues as the volume or impropriety of transactions between the thrift and the holding company or its other affiliates, excessive dividends paid by the thrift, or excessive management fees charged to the thrift. Also worthy of comment would be the presence of relationships which appear to be conflicts of interest, or the improper use by the holding company of thrift personnel or premises. This is not intended to be an all encompassing list, but to indicate some of the instances where the activities of thrift holding companies should be documented in a thrift's ROE.


— Darrel Dochow, Executive Director