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STATEMENT OF

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BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

HOUSE COMMITTEE ON ENERGY AND COMMERCE

ON

PROBLEMS IN REPORTING BY DEPOSITORY INSTITUTIONS

Mr. Chairman and Members of the Subcommittee:

I want to thank you for the opportunity to offer testimony today concerning problems in reporting by depository institutions and their relationship to accounting practices prescribed by federal regulatory agencies and the responsibilities of independent auditors.

Recently, a great deal of attention has been directed at the problems of the bank and S&L industries and actions to resolve them. This morning, I would like to discuss one aspect of the depository institutions' problems, and to comment on the related issues which concern us:

--Should federal regulators be allowed to prescribe accounting and reporting rules to artificially inflate the reported financial picture of depository institutions?

Relaxing the accounting and public reporting rules of depository institutions results in a misleading picture of the true financial condition of the institutions, which is especially disturbing considering the problems that the industry is facing today. There is a need for clear and accurate reporting to enable the Congress and the regulators, as well as investors and the general public, to make the best decisions in response to the magnitude of the problems which the financial institutions face:

--As of June 1985, under generally accepted accounting principles (GAAP), 461 S&Ls had negative net worth, and further, 833 S&Ls had net worth of from zero to 3 percent of assets.

--These institutions had assets of $433 billion, or 43 percent of the industry's total assets.

--By the middle of 1985, there were about 1,300 out of 3,180 federally-insured S&Ls whose financial condition must be considered weak when measured by conventional standards of financial strength.

--Agricultural bank failures, as a percent of total commercial bank failures, have grown from 20 percent in 1982 to over 50 percent in 1985.

--About 28 percent of all commercial banks have 25 percent or more of their loan portfolios in farm loans.

--The Federal Deposit Insurance Corporation (FDIC) believes that farm bank problems and failures (62 in 1985) will continue at a high level for at least another year.

--Banks which are big energy lenders, especially in the southwest, are being squeezed by the drop in oil prices and by the premiums they must now pay to attract large deposits.

--The Farm Credit System reported a third quarter 1985 loss of $522.5 million, and projected that it may have to absorb $3 billion or more of loan charge-offs through 1987.

--In addition, the Farm Credit System may have to cope with as much as $10 billion of "nonearning assets"--bad loans and land acquired through foreclosures on which the system may earn little, or nothing--over the next two to three years.

It is against this backdrop that we need to view the regulators' actions and the role of accounting and public reporting for these institutions. Let us first look at the role of financial reporting, regulatory accounting, and auditing.

THE ROLE OF ACCOUNTING AND AUDITING

The United States has a vigorous system of both public and private security and financial markets, which is one of the pillars of our economic structure and second to none in the world. These markets are based, to a very large degree, on the concept that full and fair disclosure provides the primary basis for investor protection.

Full and fair disclosure has three major components:

--a set of generally accepted accounting and disclosure principles which, if properly applied, should result in a full and fair view of an organization's financial position and the results of its operations,

--a responsibility by management to prepare financial statements that provide for full and fair disclosure, and

--annual independent audits which ensure that the financial statements and disclosures by management do, in fact, provide a full and fair picture of the organization.

A comprehensive set of accounting and disclosure standards is necessary to ensure that entities follow uniform principles and rules in preparing financial reports and disclosures. Standards need to be consistently applied so that similar transactions or events will be reported the same way over time and among similar organizations. To that end, the accounting profession has distilled its common body of knowledge into GAAP. These principles embody the consensus of the accounting profession, at a particular time, with regard to the appropriate recording of certain financial transactions and their external reporting as financial information.

USE OF REGULATORY ACCOUNTING PRINCIPLES

Regulatory accounting principles (RAP) evolved as extensions or modifications of GAAP to meet the specialized accounting and reporting needs of regulatory agencies, such as the Federal Savings and Loan Insurance Corporation (FSLIC) and FDIC.

What is of concern to us is the practice of modifying generally accepted accounting rules to improve, on paper, the financial condition of regulated institutions. This is typically done to allow troubled institutions time to work out problem loans and other poor quality assets. While we do not take issue with the need for institutions to work out acceptable recovery programs with creditors, we believe that accounting and public financial reporting should remain neutral and not become part of the mechanism intended to deal with troubled institutions or their problem debt. Once the line of sound accounting principles and full and fair disclosure is crossed, it becomes easier to further relax the rules. As recently as the first half of 1981, RAP, GAAP, and even tangible net worth (GAAP net worth less goodwill and intangible assets) were about equal, indicating that the disparity in accounting treatment had not set in. By mid-year of 1985, however, the disparity was plainly discernable when industry net worth on a GAAP basis (3.18 percent) is compared to RAP net worth (4.19 percent) and tangible net worth (.73 percent). See attachment. Some examples of the differences between RAP and GAAP accounting for thrifts will help to highlight our concern.

<u>Deferred losses</u>

One regulatory accounting practice that impacts the earnings of the S&L industry involves capital losses. Under RAP (but not GAAP), S&Ls may postpone recognition of losses on asset sales by amortizing them over the time that would have remained to maturity for the assets sold. This rule enables the S&Ls to avoid charging such losses against current period net earnings. Such treatment of capital losses may substantially improve the appearance of an S&L's financial condition, especially since losses are not matched against the funds received from the sale. In contrast, and on a more conservative basis, GAAP requires that losses from sales of such assets be recognized at the time when the transactions occur.

<u>Appraised equity capital</u>

RAP also allows S&Ls to record, on a one-time only basis, the appreciation of an institution's own real estate holdings as an asset, thus increasing an institution's net worth. While the intent of this practice is to paint the best possible picture of the industry's health, it is somewhat inconsistent with the conservative accounting requirement to reflect gains only when they are realized. GAAP does not allow the recording of unrealized increases in real estate values, or the corresponding increases in net worth.

Net worth certificates

RAP also allows the recording of net worth certificates on the books of S&Ls and mutual savings banks, and the recognition of the increased net worth that results. This is not permissible under GAAP because the certificates issued by the institutions are exchanged for the promissory notes of the federal regulators in the same amount and interest rate, resulting in a swap transaction, which is a nonreportable event under GAAP--this type of swap does not create equity.

These and other RAP practices by FSLIC have created an enormous difference between equity computed under RAP and equity computed under GAAP. Additional examples of RAP/GAAP are included in the report we issued to your committee last year (GAO/AFMD 85-56, September 30, 1985).

Some of these RAP practices, such as income capital certificates (ICCs) have begun to show up in GAAP. Recent reports and constant modifications by FSLIC and requests to the Financial Accounting Standards Boards (FASB) to get them blessed are an indication of the movement in this direction.

More recently, we have seen pressure for banks to also move in this general direction--initially for farm banks but now also for energy banks. This has been manifest in congressional initiatives to permit "loan loss deferral" and similar actions.

Recent easing of bank accounting rules

Last month, partly in response to these pressures, the federal bank regulators announced new, more lenient rules for banks that lend to farmers. The proposals included a relaxation of minimum capital requirements and a change in restructured loan reporting requirements that would recognize fewer losses. Since then, the regulators have also decided to extend this relief to banks heavily engaged in energy loans.

The capital forbearance program announced by the regulators allows the primary capital ratios of agricultural and oil and gas banks to fall to three percent of assets without the normal regulatory action. Certain restrictions do apply and the program requires a plan by bank management to restore capital ratios to at least 6 percent no later than January 1993. Bank regulators have also "reemphasized" Statement of Financial Accounting Standards No. 15 (SFAS 15), "Accounting by Debtors and Creditors for Troubled Debt Restructuring" issued by the FASB. In conjunction with this reemphasis is a modification of regulatory reporting requirements for restructured debt. If the borrower is performing in accordance with the new terms, restructured debt would be reported as "Restructured and In Compliance With Modified Terms." In other words, a nonperforming asset can now be "restructured" and reported as a performing asset.

Although we are not reviewing the policy decisions to restructure loans or accept lower equity levels, we do have a problem with the proposed accounting for restructured loans, from three standpoints.

--Its underlying theory.

--The public perception that it is gimmick when viewed against a backdrop of other RAP-type regulatory actions. A case in point is the March 11, 1986, Wall Street Journal which reads:

> "Federal banking regulators, in a move designed to provide some relief for troubled farm and energy lenders, agreed to allow banks to use a more liberal accounting treatment for renegotiated problem loans."

--The impact on auditors and their reports on the fair presentation of financial statements.

First, I would like to share some of my concerns over SFAS 15 and how it has been used in the past. SFAS 15 is not new, and in fact it has been used frequently by larger institutions, especially in relation to troubled international loans.

For a restructuring involving only a modification of the terms of a debt, SFAS 15 states that a lender should not change the recorded investment in the loan at the time of the restructuring unless the investment exceeds the total future cash receipts specified by the modified terms. Modifications of terms may involve a reduction in the stated interest rate on a loan, an extension of the maturity date or dates, or a forgiveness of principal or accrued interest. A forgiveness of principal (or accrued interest) often will not result in the immediate charge-off of this amount since modifications are treated as reductions in future interest income and losses are recognized at the time of restructuring only to the extent that total future cash receipts will be less than the recorded investment in the loan.

For example, a $10,000 loan is repayable in 1 year with interest at 10 percent. If the loan terms are modified so that $2,000 in principal is forgiven and the loan is repayable in 3 years with no change in interest rate, no charge-off would be required under SFAS 15, even though the lender has reduced the principal by 20 percent, since under the modified terms, the total future cash receipts on the loan total $10,400: $2,400 in interest ($800 annually for 3 years) plus $8,000 in principal. The loan balance of $10,000 on the bank's books would not be changed and the bank would accrue interest at 1.333 percent annually, earning $400 in interest income over the 3-year life of the restructured loan.

A restructuring, therefore can result in a financial institution being substantially worse off under the new loan arrangement than under the original loan agreement; but not being required to record a loss for accounting purposes. Also, through this process nonperforming loans now take on the appearance of being good loans.

Although some restructurings may be successful in allowing a debtor to work out the conditions that have caused the default, SFAS 15 does not relieve management or the auditors of their responsibility to fairly report the value of assets, including restructured loans--and that means accounting for uncollectible amounts. From an auditors' standpoint, the evaluation of loans includes a collectibility issue which does not seem to be getting equal weight. Let me address that point.

A BAD LOAN BY ANY OTHER NAME

We believe that banks and S&Ls have generally been far too slow to recognize the uncollectible portion of their assets. Failures of financial institutions have all too often leaped upon us from nowhere. In retrospect, the failed institutions have been remiss--to be kind--in not establishing a reasonable allowance which recognizes the inherent potential losses in their loan portfolios. This is where the role of the federal regulatory examiners and the independent auditors becomes critical.

Too often, an institution's management, examiners, and auditors act as if a troubled debt restructuring is akin to a religious experience--the lame begin to walk and the blind to see. In reality, however, troubled debtors continue to limp and stumble along. "Restructuring a bad loan does not a good loan make."

We could site examples of both banks and S&L's which have failed where the loan portfolio has included massive amounts of uncollectible or poor quality loans against which adequate reserves have not been provided, many of which are known to the committee. Let me just discuss one specific case which is really the final saga of an issue your committee dealt with last year.

In 1985, at the time of the FSLIC takeover of Beverly Hills Savings and Loan Association we were looking at the 1983 and 1984 audits by various independent public accounting firms. At that time, discussions about possible losses centered around amounts up to $40 million and later, in your hearings, up to as much as $150 million. Coopers & Lybrand recently issued its report on its examination of Beverly Hills' financial statements for the year ended December 31, 1984, reflecting losses of about $415 million, three times the amount earlier expected. While Beverly Hills may be an extreme example, it represents one of the "new breed" of S&Ls which are located predominately in California and Texas, where, because of changes in regulations at the state level over the past several years, they have embarked on extremely aggressive real estate investment and lending practices. Unfortunately, as in the case of Beverly Hills, it takes some period of time before these losses become apparent, and it requires more intensive audit procedures to uncover these problems.

In regard to the issue of proper valuation of uncollectible loans, our own experience in our audits of FSLIC, FDIC, and the Export-Import Bank (EXIMBANK) are instructive.

EXIMBANK AUDIT

In EXIMBANK's case, since 1983, we have reported that its financial statements present a misleading picture of its true financial condition. In our opinion, EXIMBANK's statements do not reflect the losses that are likely to occur due to the probable uncollectibility of a significant portion of its loans that are owed or guaranteed by foreign governments. Rather than recognize that a loan has gone bad, the EXIMBANK proceeds through rescheduling after rescheduling.

Fair presentation of loans receivable requires a recognition in the accounts of the diminished value of loans through a charge against current year's income and a corresponding increase in an allowance for loan losses. EXIMBANK has not recognized that its loans are impaired--even when the foreign governments repudiate the debt. The result, in our opinion, is a loan balance which is not fully collectible and, accordingly, is overstated. As of September 30, 1984, we estimated the loss in the EXIMBANK's $17.5 billion loan portfolio to be $1 to $1.5 billion. How can we expect the private sector auditors to take a hard line on uncollectible loans if we, as EXIMBANK's auditors, do not set this kind of example?

FSLIC AUDIT

In the case of FSLIC, our 1984 audit also revealed problems with asset evaluation. In GAO's opinion, FSLIC's 1984 financial statements were subject to uncertain net realizable values for claims against assets acquired from three large institutions--Empire Savings and Loan, Mesquite, Texas; Knox Federal Savings and Loan, Knoxville, Tennessee; and San Marino Savings and Loan, San Marino, California--that were closed in 1984. At December 31, 1984, FSLIC held $1.3 billion in claims against the assets of the three institutions, and had established a $470 million allowance for loss based on a preliminary estimate that did not include all possible costs. The recency of the San

Marino and Knox Federal failures in late 1984, along with inadequate loan records and pending and possible litigation affecting the three institutions, precluded determining a better estimate of the ultimate collectibility of the claims. Given these uncertainties, we were not able to satisfy ourselves that FSLIC's allowance for loss estimate was reasonable.

To understand the problems encountered in evaluating the net realizable value of these assets, one should bear in mind the conditions that existed at these institutions prior to their failure. A common problem at poorly managed institutions is inadequate or nonexistent recordkeeping, questionable accounting, and over-valued collateral. These conditions make it nearly impossible to quickly determine the true value of an institution's assets.

Our current FSLIC audit

As part of our audit of FSLIC's 1985 financial statements, which is currently in progress, we have continued to question the value of assets acquired through default prevention and liquidation activities. In response to our management letter to Chairman Gray at the conclusion of our 1984 audit, FSLIC officials have made many of the improvements in their estimation techniques that we had suggested.

Considering better estimation techniques, as well as more current information or asset quality, we found that FSLIC officials had, in 1984, underestimated the probable loss in liquidating the failed institutions' assets. This was the case for all three institutions we expressed concern about in our

1984 opinion. The losses were understated by 21 to 91 percent. For the three institutions taken collectively, FSLIC estimated a loss percentage of 36 cents on the dollar for their 1984 financial statements. As of December 31, 1985, the loss is estimated to be 68 cents on the dollar.

While we believe the probable loss on these three institutions is now fairly presented, there were a number of other institutions which were closed late in 1985. This presents FSLIC and GAO, as its auditors, with a similar uncertainty which we are working to address. This year, however, we may find this issue dwarfed by the concern over the many institutions which have been placed in the management consignment program (MCP) or which are operating with negative GAAP net worth. Let me turn to the MCP cases first.

Management consignment program

The management consignment program was designed to accomplish several objectives. In the case of an insolvent thrift--the program's first application--it removes the directors and management groups responsible for the decisions that led to the failure and averts any further desperate attempts to attain solvency. It attempts to restore public confidence in the institution (which is often the object of attention and speculation in the news media), and enables the institution to stabilize its deposit base. It brings in new management, begins to correct the record keeping (which is often in disarray), and attempts to provide a fair appraisal of the value of the institution's assets. Finally, the institution is given a new board of directors (selected by the Bank Board) to oversee the management and resolution of problems.

When placing an S&L in the MCP, FSLIC has often provided capital assistance, generally in the form of ICCs, to eliminate the negative net worth. The ICC transaction involves FSLIC purchasing a certificate from the troubled S&L which is repayable, with interest, when the S&L has resumed profitable operations and attained a specified net worth level. In return, FSLIC issues a promissory note to the sick thrift on which it makes interest payments in cash. Both the certificate and note are recorded on FSLIC's books at cost. FSLIC then establishes an allowance for possible future loss on the certificate (an asset valuation allowance) to reflect that the value of the asset is impaired.

The MCP cases, of which Beverly Hills is one example, are probably the most troubled group, and others in states with liberal lending practices must be considered further likely candidates for the program.

We are closely examining the potential losses from MCP cases. In 20 of 25 MCP cases during 1985, FSLIC issued $1.5 billion dollars of assistance in the form of ICCs. The other five cases are still being evaluated. Some would argue that the ultimate cost to FSLIC only begins with this amount. In fact, the total expense to the insurance fund may be much larger. The 25 MCP cases during 1985, had total assets of $17.7 billion and combined negative net worth of $1.6 billion.

On our current audit we are closely analyzing this asset valuation allowance. Our initial feeling is that it does not reflect the true impairment in the value of ICCs purchased from MCP cases.

Certainly there are numerous arguments to be made either for or against FSLIC's use of the MCP concept to handle the disposition of these problem thrifts over an extended period. To the extent that the program is effective it may be less costly to FSLIC than liquidation would be. In contrast, the potential exists for problems to worsen while the institutions continue to operate, thus resulting in a larger loss to FSLIC. What is not in debate is that the S&Ls in this program are extremely weak and the likelihood of full repayment is remote.

Determining the amount of loss to be recognized for these MCP cases is not as simple as some would have you believe. A critical factor is deciding at what point to recognize a loss. Historically, FSLIC has recognized a loss only when an institution is provided financial assistance or is closed. To date, FSLIC has recognized no losses related to MCP cases, except for the small valuation allowance on ICCs. Yet, 19 of the 25 S&Ls were in fact closed by their chartering authorities prior to being reopened as federal mutuals by the Bank Board. So while the usual event which triggers recognition of loss--the failure of an S&L--has occurred in most cases, the Bank Board has performed a resurrection which obviates loss recognition.

GAO believes that losses should be recognized when they are both likely and subject to reasonable estimation. Such an estimate for MCP cases, as well as other S&Ls where financial assistance in the near future, is probable and should be recorded on the financial statements <u>both</u> by FSLIC and the institution. Without such a recognition of known contingencies, the financial statements would be misleading and the true financial health of FSLIC and the individual institutions would be obscured.

The total exposure to the FSLIC insurance fund presented by the MCP cases and other troubled thrifts is enormous. As previously stated, GAO noted in a recent report that 461 thrifts would be insolvent if their records were maintained on a GAAP basis. Another 833 thrifts would have less than 3 percent net worth on a GAAP basis. A total of 239 thrifts were both insolvent on a GAAP basis and still losing money as of December 31, 1985.

FDIC'S 1984 FINANCIAL STATEMENTS SIGNIFICANTLY OVERSTATED THE VALUE OF ASSETS ACQUIRED FROM CONTINENTAL BANK

Let me now turn to our audits of FDIC. I will first discuss the assistance provided to Continental Bank and then FDIC's accounting for this assistance.

On May 17, 1984, the FDIC, Federal Reserve, and Comptroller of the Currency announced a temporary assistance plan for Continental Bank that also included loan participations (partial ownership in a loan or group of loans) by a number of major

U.S. banks. After FDIC attempted unsuccessfully to find a merger partner, federal regulators concluded that the only practical resolution to the problem was to have Continental Bank continue as an independent institution. To achieve this, a permanent assistance program was announced on July 26, 1984. The major components of that program included the

--installation of a new management team,

--infusion of $1 billion in new capital,

--transfer of $3.5 billion in problem loans to FDIC, and

--continuation of the lines of credit from the Federal Reserve and commercial banks.

In accounting for the permanent assistance program in 1984, FDIC did not establish an allowance for loss on the troubled continental loan program. Regarding the troubled loans, FDIC stated that ultimate collection was subject to significant uncertainties because of the financially troubled nature of the borrowers and the effects of general economic conditions on their industries.

Preferred accounting treatment for the troubled loans acquired as of December 31, 1984

Generally accepted accounting principles provide that two conditions must be met for a loss contingency to be charged to income as of the date of the financial statements: (1) it is probable that the asset value has been impaired, and (2) the amount of the loss can be reasonably estimated. We believe those two conditions existed.

Value of the acquired troubled loans was impaired

GAO believed that FDIC would experience substantial losses from the loan portfolio acquired from Continental Bank. FDIC did not provide us access to the acquired loan portfolio. It only allowed us a limited review of the listing of borrowers. However, all of the loans were classified by bank examiners indicating that some, if not all, of the loan amounts will not be recovered. Some of the acquired loans had previously been written off by Continental Bank as partially or totally worthless. The majority of the loans transferred to FDIC are in troubled segments of the economy, such as oil and gas and commercial industry.

The probable loss could have been reasonably estimated

GAO believed that FDIC could have determined a reasonable range of probable losses associated with the troubled loan portfolio. During the federal regulator's review of Continental Bank, the loan portfolio was scrutinized by professional bank examiners and loans were categorized with increasing percentages as to the estimated loss on that loan. This information was available to FDIC. In May 1985, before FDIC published its financial statements, an estimated loss range was determined by Continental Bank. The estimated loss ranged from $550 to $775 million and was based on estimated cash collections, assumed interest rates, economic conditions, collection expenses, and collateral value. If FDIC had reported the lower amount of the range of estimated loss in its 1984 financial statements, its

1984 stated income would have been reduced by 30 percent, from $1.7 to $1.2 billion. As a result, we qualified our opinion on FDIC's 1984 financial statements.

FDIC'S published financial statements excluded GAO's audit opinion

FDIC's 1984 annual report of its operations, which included its financial statements, did not include our qualified opinion on its financial statements. We believe that government entities, like private corporations, should include the independent auditor's opinion in their annual reports because of its value to users of their statements. In the case of FDIC, users and interested parties include commercial banks, the Congress, and the citizenry. Having an annual financial audit and reporting the results to the public is an important discharge of management's fiduciary responsibility. Including the auditor's opinion on the financial statements in FDIC's annual report provides readers and users with an independent assessment of whether the financial information is complete and reliable.

GAO's 1985 audit of FDIC

As we began our 1985 audit of FDIC's financial statements, the value of loans acquired, or to be acquired, from Continental Bank was still a major issue. To date, however, most of our audit concerns over Continental have been resolved by working closely with FDIC's new management team. Mr. Seidman, the new chairman, has announced that FDIC will restate its 1984 financial statements to reflect the impact of the poor quality loans and other assets acquired from Continental on that year's financial condition. The 1985 financial statements will, of course, reflect any further impairment in the acquired assets. We are currently reviewing the techniques used by FDIC to estimate the probable loss on the Continental assistance program. FDIC has established the cumulative estimated loss on the acquired assets to be $1.3 billion as of December 31, 1985.

Another important issue affecting our 1985 audit is the further decline in major segments of the economy, such as energy and agriculture, and the effect of that decline on FDIC's known assistance to troubled banks or liquidation activities. First, we need to be assured that FDIC is properly valuing the assets acquired from failed institutions. Second, we would also like to see FDIC estimate the cost of assistance activity which they feel will be incurred in the near future.

We recognize that predicting bank failures in future years would be speculative at best. However, the near term is generally much more predictable. Currently, a number of banks are in such a desperate condition that their return to viability is very unlikely. These are the banks which FDIC and the other bank regulators are monitoring most closely. A number of these institutions will have to be closed or otherwise assisted in 1986. GAO believes that a reasonable estimate of this near term assistance cost should be recorded on the financial statements as it meets the criteria for recording a loss contingency.

OBSERVATIONS

Mr. Chairman, in reviewing this entire area, I would like to provide a few concluding remarks about what we have observed:

--The recent, controversial regulatory accounting techniques began as a means of providing time for troubled financial institutions to regain financial stability without any immediate cost to the deposit insurance funds.

--Changing the accounting methods, however, does not cure the problems of troubled institutions.

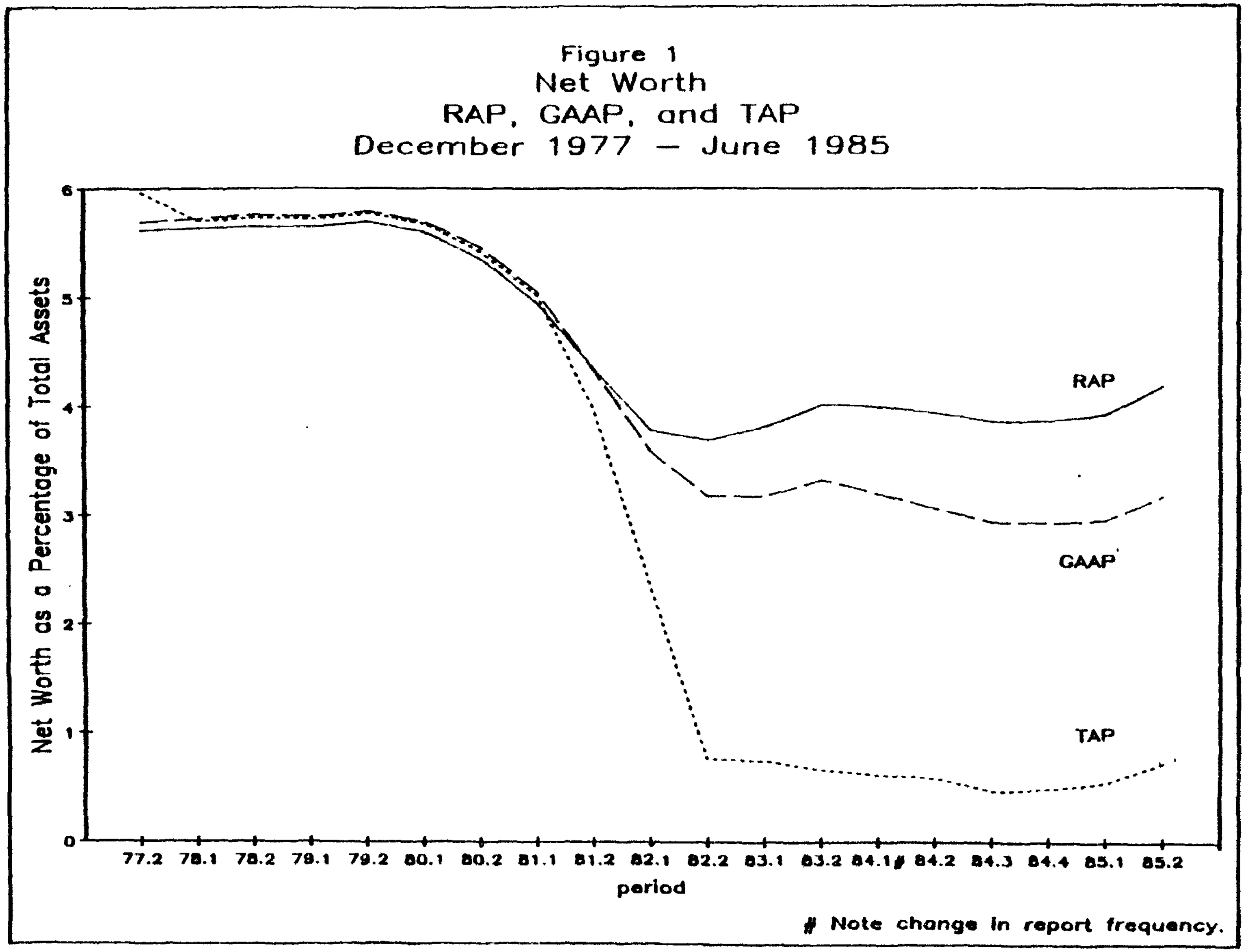
--Accounting methods are also not a substitute for the responsibilities of an institution's management, or its regulators or auditors, to ensure that assets are properly valued and uncollectible loans reserved.

--In any case, financial statements and the notes thereto must provide users (investors, regulators, the Congress, and the public with a complete view of the "true financial condition" of the entity.

--Failure to recognize the true financial condition only makes a difficult situation worse for investors, depositors, regulators and other policymakers, including Congress, to respond effectively.

We believe that it is imperative that financial institutions, their auditors and their regulators avoid artificial accounting gambits designed to inflate reported equity and take a hard look at the collectibility of problem loans in their portfolios.

Net Worth: All FSLIC-Insured Institutions (1977-1985)



Source: (GAO chart compiled from Federal Home Loan Bank Board Semiannual and Quarterly Financial Statements, 1977-1985)