

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than August 13, 1999.

A. Federal Reserve Bank of Cleveland (Paul Kaboth, Banking Supervisor) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

1. *Somerset Bancorp, Inc.*, Somerset, Kentucky; to become a bank holding company by acquiring 100 percent of

the voting shares of Somerset National Bank, Somerset, Kentucky.

B. Federal Reserve Bank of Atlanta (Lois Berthaume, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303-2713:

1. *Wewahitchka State Bank Employee Stock Ownership Plan*, Wewahitchka, Florida; to become a bank holding company by retaining 43 percent of the voting shares of Wewahitchka State Bank, Wewahitchka, Florida.

Board of Governors of the Federal Reserve System, July 15, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

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FEDERAL RESERVE SYSTEM

Modification of Procedures for the September 1999 Changes in Deposit Reporting Frequency

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board is amending its procedures for shifting depository institutions among deposit reporting categories for September 1999. The adjustments to the usual category shift procedures are intended to help reduce the number and extent of modifications needed in the data processing systems of depository institutions close to the time of the century date change. The adjustments to the usual procedures are temporary; in September 2000, the normal category shift procedures will be employed.

EFFECTIVE DATE: August 1, 1999.

FOR FURTHER INFORMATION CONTACT:

Gretchen Weinbach, Economist, Division of Monetary Affairs (202/452-2841). For the hearing impaired only,

Telecommunications Device for the Deaf (TDD), Diane Jenkins (202/452-3544).

SUPPLEMENTARY INFORMATION: The Board has established five categories of deposit reporting for administering Regulation D, Reserve Requirements of Depository Institutions (12 CFR part 204), and for constructing and analyzing the monetary and reserve aggregates. Every institution is placed into one of these five categories for deposit reporting purposes.¹

In general, the larger the institution, the more detailed or more frequent is its reporting. Two "detailed reporting" categories apply to institutions that are not exempt from reserve requirements.² Institutions subject to detailed reporting requirements file the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900) and, if applicable, the Report of Certain Eurocurrency Transactions (FR 2950 or FR 2951). Institutions file the reports either weekly or quarterly, depending on the level of the institution's deposits. Three reduced reporting categories apply to institutions that are exempt from reserve requirements. Institutions subject to reduced reporting file either the Quarterly Report of Selected Deposits, Vault Cash and Reservable Liabilities (FR 2910q), the Annual Report of Total Deposits and Reservable Liabilities (FR 2910a), or no report at all, depending on their deposit levels. Federal Reserve staff reviews the deposit levels and reservable liabilities of depository institutions each year and assigns institutions to new reporting categories effective in September of each year.

Table 1 shows the four categories of institutions that file deposit reports with the Federal Reserve (the fifth category, non-filing institutions, is not shown). The table shows the cutoff levels that would normally be in effect in September 1999.

TABLE 1.—DEPOSIT REPORT CATEGORIES
[With cutoff levels that would normally apply for September 1999]

Institutions exempt from reserve requirements (Reservable liabilities ≥ \$4.9 million)		Institutions not exempt from reserve requirements (Reservable liabilities > \$4.9 million)	
Annual Reporters	Quarterly Reporters	Quarterly Reporters	Weekly Reporters
<ul style="list-style-type: none"> Have deposits < \$52.6 million but ≥ \$4.9 million File a 2-item report (FR 2910a) 	<ul style="list-style-type: none"> Have deposits ≥ \$52.6 million File a 6-item report (FR 2910q) 	<ul style="list-style-type: none"> Have deposits < \$81.9 million File a 14-item report (FR 2900) 	<ul style="list-style-type: none"> Have deposits ≥ \$81.9 million. File a 14-item report (FR 2900).

¹ Depository institutions that are required to maintain reserves are defined in § 204.1(c) of Regulation D. Classes of institutions subject to deposit reporting include commercial banks, industrial banks and similar institutions, mutual or stock banks, building or savings and loan associations, homestead associations, credit unions,

Edge and Agreement corporations and their branches, and U.S. branches and agencies of foreign banks.

² Institutions are exempt from reserve requirements if their total reservable liabilities are equal to or less than the exemption amount, which

is indexed annually by 80 percent of the percentage increase in total reservable liabilities of all depository institutions measured on an annual basis as of June 30. No adjustment is made for a decrease in total reservable liabilities. The exemption amount effective for 1999 is \$4.9 million.