

# SEC Reporting & Compliance Alert

If you have any questions regarding the matters discussed in this memorandum, please contact the attorneys listed on the last page or call your regular Skadden contact.

This memorandum is provided by Skadden, Arps, Slate, Meagher & Flom LLP and its affiliates for educational and informational purposes only and is not intended and should not be construed as legal advice. This memorandum is considered advertising under applicable state laws.

Four Times Square  
New York, NY 10036  
212.735.3000

## SEC Proposes Rules to Update Statistical Disclosures for Bank and Savings and Loan Companies

On September 17, 2019, the Securities and Exchange Commission (SEC) announced proposed rules regarding the statistical disclosures that bank and savings and loan companies are required to disclose by SEC rules. The proposed rules would largely codify the SEC's Industry Guide 3 (Statistical Disclosure by Bank Holding Companies) into a new subpart of Regulation S-K. The proposed changes would also eliminate disclosure requirements that overlap with U.S. Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS) or SEC rules. The proposed rules, if adopted, would apply to foreign and domestic bank holding companies, banks, savings and loan holdings companies, and savings and loan associations. Reporting periods for disclosures by these companies would generally be based on reporting periods within their GAAP or IFRS financial statements.

Below is a summary of the major differences between the proposed rules and Guide 3, as well as the key requirements not codified from Guide 3.

**Changes From Guide 3.** Among other changes from Guide 3, the proposed rules would require:

- new categories of interest-earning assets and interest-bearing liabilities that companies must disclose, including disclosure of interest-bearing liabilities such as securities sold under agreements to repurchase;
- disclosure of the weighted average yield of debt securities only if these securities are not carried at fair value through earnings;
- that the categories of debt securities to be disclosed conform to the categories presented in accordance with GAAP or IFRS;
- disclosure of credit ratios on a more disaggregated basis than in Guide 3, based on the loan categories required under GAAP or IFRS financial statements; and
- disclosure of the amount of time deposits in uninsured accounts.

**Eliminated Requirements From Guide 3.** Some of the current disclosure requirements in Guide 3 are not included in the proposed rules, including short-term borrowing disclosures and disclosure of certain financial ratios, such as return on equity and

# SEC Reporting & Compliance Alert

---

dividend payout ratio. Also not included in the proposed rules are an analysis of loss experience disclosure and loan portfolio disclosures, such as loan category, loan risk elements and other interest-bearing assets disclosure.

\* \* \*

The proposal is subject to a 60-day public comment period following its publication in the Federal Register. Any final amendments to the SEC rules based on these proposed changes

would require further action by the SEC and, therefore, will likely not be in effect earlier than the first quarter of 2020. As a result, these changes are not expected to impact future 10-Ks or 20-Fs filed for calendar year 2019.

More information is available in the SEC's [proposing release](#) and accompanying [press release](#).

---

## Contacts

### **Brian V. Breheny**

Partner / Washington, D.C.  
202.371.7180  
brian.breheny@skadden.com

### **Andrew J. Brady**

Of Counsel / Washington, D.C.  
202.371.7513  
andrew.brady@skadden.com

### **Hagen J. Ganem**

Counsel / Washington, D.C.  
202.371.7503  
hagen.ganem@skadden.com

### **Josh LaGrange**

Counsel / Palo Alto  
650.470.4575  
josh.lagrang@skadden.com

### **Ryan J. Adams**

Associate / Washington, D.C.  
202.371.7526  
ryan.adams@skadden.com

### **Blake M. Grady**

Associate / Washington, D.C.  
202.371.7591  
blake.grady@skadden.com

### **Caroline S. Kim**

Associate / Washington, D.C.  
202.371.7555  
caroline.kim@skadden.com

### **Justin A. Kisner**

Associate / Washington, D.C.  
202.371.7367  
justin.kisner@skadden.com