§ 242. Assets; how entered and carried on books; disallowance by superintendent. 1. No savings bank shall by any system of accounting or any device of bookkeeping, directly or indirectly enter any of its assets upon its books in the name of any individual, partnership or unincorporated association or of any other corporation, or under any title or designation that is not truly descriptive thereof, except as authorized by the provisions of this article.

2. The stocks, bonds, promissory notes or other interest-bearing obligations purchased by a savings bank shall be entered on its books at the actual cost thereof, and shall not thereafter be carried upon the books at a valuation exceeding their cost as adjusted by amortization for the purpose of bringing them to par at maturity; and where securities purchased at a premium are callable prior to maturity, the rate of amortization thereof shall be increased when necessary to such extent as shall reduce the amount at which such securities are carried upon the books to the call price at the date or dates upon which a call may be made. No adjustment for amortization shall be required to be made on the books except when the books are closed for the purpose of computing net earnings. The superintendent may by regulation vary the requirements of this subdivision to permit the amortization of premiums at the same rate as that required by federal tax statutes or regulations.

3. No savings bank, without the written approval of the superintendent, shall enter on its books its real estate and the building or buildings thereon, or its fixtures, vaults, furniture and equipment, at a valuation exceeding its actual cost to such savings bank, or carry such real estate, building or buildings, fixtures, vaults, furniture or equipment at a valuation exceeding the actual cost less appropriate allowance for depreciation. No adjustment for depreciation shall be required to be made on the books except when the books are closed for the purpose of computing net earnings.

4. Real estate acquired by a savings bank, other than that acquired for use as a place of business, shall be entered on the books of the savings bank in conformity with the method of accounting for troubled

debt restructurings approved by the financial accounting standards board or such other method of accounting as may be authorized or required by rules and regulations of the superintendent of financial services.

The provisions of this subdivision shall not, except as the superintendent may otherwise require, apply to any parcel of real estate as to which the savings bank has exercised its option to transfer or convey such real estate to the veterans administration or the federal housing commissioner pursuant to insurance or guaranty.

5. The superintendent may disallow the book value of any assets in whole or in part. In such event the savings bank shall reduce the value at which such assets are carried on its books to the value allowed by the superintendent, or, if the written approval of the superintendent is first obtained, may allocate a reserve for the valuation of such assets.