
Joint Release

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision

For immediate release

December 14, 2006

Agencies Announce Interim Decision on Impact of FAS 158 on Regulatory Capital

The federal bank and thrift regulatory agencies announced Thursday an interim decision that the Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (FAS 158), will not affect banking organizations' regulatory capital.

Until the Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and Office of Thrift Supervision determine otherwise through a rulemaking, banks, bank holding companies, and savings associations should exclude from regulatory capital any amounts recorded in accumulated other comprehensive income (AOCI) resulting from the adoption and application of FAS 158.

FAS 158 will require, as early as December 31, 2006, a banking organization that sponsors a single-employer defined benefit postretirement plan, such as a pension plan or health care plan, to recognize the overfunded or underfunded status of each such plan as an asset or liability on its balance sheet with corresponding adjustments recognized in AOCI, a component of equity capital. After a banking organization initially applies FAS 158, changes in the benefit plan asset or liability reported on the organization's balance sheet will be recognized in the year in which the changes occur and will result in an increase or decrease in AOCI.

The agencies plan to provide regulatory reporting instructions to banking organizations to assist them in implementing the interim exclusion of the effects of FAS 158 on AOCI from the measurement of regulatory capital.

###

Media Contacts:

Federal Reserve	Deborah Lagomarsino	(202) 452-2955
FDIC	David Barr	(202) 898-6992
OCC	Kevin Mukri	(202) 874-5770
OTS	Katie Fitzgerald	(202) 906-6677

FDIC-PR-116-2006