



Bank Reports

FIL-4-99  
January 21, 1999

TO: CHIEF EXECUTIVE OFFICER  
SUBJECT: *Revisions to the Reports of Condition and Income  
(Call Report) for 1999*

The Federal Financial Institutions Examination Council (FFIEC) has approved a limited number of revisions to the Reports of Condition and Income (Call Report) for 1999. Most of the revisions are instructional. The FFIEC is providing this advance notification to assist you in planning for these changes. These changes will be submitted to the U.S. Office of Management and Budget, which must approve them before they can become final.

On October 1, 1998, the federal banking agencies issued proposed Call Report revisions for public comment. The final revisions for 1999, which the FFIEC approved after considering the comments received, are described in the attached document. These revisions include:

- Eliminating the items in the securities schedule for "high-risk mortgage securities";
- Adding new items pertaining to accumulated gains (losses) on "cash flow hedges" to the equity capital section of the balance sheet and to the changes in equity capital schedule. These items will be applicable to banks after they adopt Financial Accounting Standards Board Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*;
- Expanding the scope of the existing item for "purchased credit card relationships" in the memoranda schedule to include "nonmortgage servicing assets";
- Conforming the instructions for "internally developed computer software" and "organization costs" with accounting pronouncements issued during 1998;
- Adding instructional guidance on the reporting of securities activities, including descriptions of unsuitable investment practices previously discussed in the FFIEC's 1992 *Supervisory Policy Statement of Securities Activities*;
- Revising the instructions for reporting "net risk-weighted assets" for banks subject to the market risk capital guidelines; and
- Clarifying certain aspects of the instructions for charged-off loans, goodwill, and the Tier 2 capital limit on the loan loss allowance in low level recourse transactions.

These Call Report revisions will take effect as of the March 31, 1999, report date. In that Call Report, banks may report a reasonable estimate for any new or revised item for which the requested information is not readily available.

Please forward this letter to the person responsible for preparing Call Reports at your bank. For more information or assistance, national banks and FDIC-supervised banks may contact the FDIC's Call Reports Analysis Section in Washington, DC, toll-free at 1-800-688-3342 or 202-898-6607. Assistance is provided Monday through Friday between 8:00 a.m. and 5:00 p.m. Eastern time. State member banks may contact their district Federal Reserve Bank.

Keith J. Todd  
Executive Secretary

Attachment

Distribution: Insured Commercial Banks and FDIC-Supervised Savings Banks

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).

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