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Financial Institution Letter

FIL-13-2002
February 20, 2002

Bank Reports

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Revisions to the Reports of Condition and Income (Call Report) for 2002*

The Federal Financial Institutions Examination Council (FFIEC) has approved a number of revisions to the Reports of Condition and Income (Call Report) for 2002. 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 become final.

On October 18, 2001, the federal banking agencies issued proposed Call Report revisions for public comment. The final revisions for 2002, which the FFIEC approved after considering the comments received, are described in the attached document. These changes will take effect as of the March 31, 2002, 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. The Call Report revisions include:

- Separating the existing balance sheet (Schedule RC) items for federal funds sold and securities resale agreements and for federal funds purchased and securities repurchase agreements into two asset and two liability items, and revising the balance sheet reporting treatment of overnight Federal Home Loan Bank advances and certain foreign office transactions that were previously treated as federal funds transactions;
- Adding new items for:
 - The fair value of credit derivatives to Schedule RC-L, Derivatives and Off-Balance Sheet Items;
 - Year-to-date merchant credit card sales volume for acquiring banks and for agent banks with risk to Schedule RC-L; and
 - Loans and leases held for sale that are past due 30-89 days, past due 90 days or more, and in nonaccrual status to the past due and nonaccrual schedule (Schedule RC-N);
- Breaking down the existing items for past due and nonaccrual closed-end 1-4 family residential mortgages in Schedule RC-N and for the charge-offs and recoveries of such mortgages in Schedule RI-B, part I, into separate items for first lien and junior lien mortgages;
- Revising the manner in which banks report the estimated amount of their uninsured deposits in the deposit insurance assessments schedule (Schedule RC-O) and, for banks

with foreign offices, modifying the scope of the existing items for the number and amount of deposit accounts in domestic offices to include accounts in insured branches in Puerto Rico and U.S. territories and possessions;

- Inserting a subtotal in the Tier 1 capital computation in Schedule RC-R, Regulatory Capital, to facilitate the calculation of certain disallowed assets and adding a new item to this schedule for banks with financial subsidiaries to report the adjustment to their Tier 1 capital for their investment in these subsidiaries;
- Splitting the existing income statement (Schedule RI) item for intangible asset amortization expense into separate items for impairment losses on goodwill and for amortization expense and impairment losses for other intangible assets in response to a new accounting standard; and
- Simplifying the disclosure of write-downs arising from transfers of loans to a held-for-sale account in the changes in allowance for loan and lease losses schedule (Schedule RI-B, part II).

Banks are also reminded that the final stage of the phase-in of the Call Report revisions whose implementation started on March 31, 2001, will be completed in the reports for the first quarter of 2002 (see FIL-5-2001, dated January 17, 2001). More specifically, beginning March 31, 2002, all banks must report their loan income and quarterly averages for loans by loan category. During 2001, banks with domestic offices only and less than \$25 million in total assets were permitted to report only the total amount of their loan income and average total loans. In addition, institutions with more than \$250 million in fiduciary assets as of December 31, 2001, or whose gross fiduciary and related services income exceeded 10 percent of revenue during 2001 must begin to report information on their trust assets and accounts and on their trust income each quarter in Schedule RC-T, Fiduciary and Related Services, rather than solely at year-end. Further information on these loan and fiduciary reporting requirements also is included in the attached document.

Please forward this letter to the person responsible for preparing Call Reports at your bank. For further information or assistance, state member banks should contact their Federal Reserve District Bank. National and FDIC-supervised banks should telephone the FDIC's Reports Analysis and Quality Control Section in Washington, D.C., toll free at (800) 688-FDIC (3342) or at (202) 898-6607, Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time.

Keith J. Todd
Executive Secretary

Attachments:

- [Revisions to the Reports of Condition and Income \(Call Report\) for 2002](#)
- [Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices](#)
- [FFIEC 031](#), PDF (589 KB File - [PDF Help](#) or [Hard Copy](#))
- [Consolidated Reports of Condition and Income for A Bank With Domestic Offices Only](#)
- [FFIEC 041](#), PDF (550 KB File - [PDF Help](#) or [Hard Copy](#))

Distribution: Insured Commercial Banks and FDIC-Supervised Savings Banks